Ellevio AB (publ)

(incorporated with limited liability under the laws of Sweden with registered number 556037-7326)

(Legal Entity Identifier (LEI): 635400VVAMAJWNK9IT79)

EUR 10,000,000,000

Multicurrency programme for the issuance of Bonds

unconditionally and irrevocably guaranteed by

Ellevio Holding 4 AB

(Legal Entity Identifier (LEI): 635400E6XE6CUZ3KVK02)

(incorporated with limited liability under the laws of Sweden with registered number 559005-2451)

Ellevio AB (publ) (**"Ellevio"** or the "**Issuer**") has established a multicurrency programme for the issuance of bonds (the "**Bonds**") from time to time denominated in any currency agreed between the Issuer and the Relevant Dealer (as defined below).

Ellevio Holding 4 AB (the "**Guarantor**") has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed (as defined below), each Class (as defined below) of Bonds, the Receipts (as defined below) and the Coupons (as defined below). Its obligations in that respect (the "**Guarantee**") are contained in the STID (as defined below). This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Bonds that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Bonds issued under the EUR10,000,000,000 multicurrency programme (the "**Bond Programme**") during the period of 12 months after the date hereof, to be admitted to trading on the Euronext Dublin's regulated market (the "**Regulated Market**") and to be listed on the official list (the "**Official List**") of Euronext Dublin. References in this Prospectus to Bonds being "**listed**" (and all related references) shall mean that such Bonds are intended to be admitted to trading on the Regulated Market and are intended to be listed on the Official List. The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended ("**MiFID II**"). The Bond Programme provides that Bonds may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the Relevant Dealer. The Issuer may also issue unlisted Bonds.

This Prospectus will be valid for a year from 15 May 2020. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Bonds or the time when trading on a regulated market begins, whichever occurs later. The Bonds may be issued on a continuing basis to one or more of the Dealers specified under Chapter 3 ("*The Parties*") and any additional Dealer appointed under the Bond Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "**Relevant Dealer**", in the case of an issue of Bonds being (or intended to be) subscribed by more than one Dealer, shall be to all Dealers agreeing to subscribe to such Bonds.

Interests in a Temporary Global Bond (as defined below) will be exchangeable for interests in Permanent Global Bonds or definitive securities in bearer form on or after the date 40 days after the later of the completion of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership as more fully described in Chapter 9 ("*Terms and Conditions of the Bonds*") under "*Form, Denomination and Title*".

See Chapter 2 ("*Risk Factors*") for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Arranger

NatWest Markets

Dealers

BNP PARIBAS	**NatWest Markets**	**SEB**

Prospectus dated 15 May 2020

ELECTRONIC NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following disclaimer applies to this Prospectus attached to this electronic transmission and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of this Prospectus. In accessing this Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE BONDS OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE BONDS AND THE GUARNATEES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTIONS. THE BONDS AND THE GUARANTEES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. IN ADDITION, BEARER BONDS ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND MAY NOT AT ANY TIME BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A U.S. PERSON (AS DEFINED IN THE U.S INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND U.S. TREASURY REGULATIONS PROMULGATED THEREUNDER), EXCEPT IN CERTAIN TRANSACTIONS PERMITTED BY U.S. TREASURY REGULATIONS. IF THE BONDS ARE SOLD IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, THE BONDS MAY NOT BE OFFERED OR SOLD TO ANY U.S. PERSON OR ADDRESS IN THE UNITED STATES EXCEPT TO ACCREDITED INVESTORS (AS DEFINED IN THE SECURITIES ACT AND THE RULES AND REGULATIONS THEREUNDER). THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus electronically or otherwise to any other person. In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). This Prospectus is being sent at your request and, by accessing this Prospectus, you shall be deemed to have confirmed and represented to us that: (i) you have understood and agree to the terms set out herein; (ii) you consent to delivery of this Prospectus and any amendment or supplement thereto by electronic transmission; (iii) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this email has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia; and (iv) if you are a person in the United Kingdom, you are a person who: (A) has professional experience in matters relating to investments; or (B) is a high net worth entity falling within

Articles 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005 or a certified high net worth individual within Article 48 of the Financial Services and Markets Act (Financial Promotion) Order 2005.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and NatWest Markets Plc, BNP Paribas or Skandinaviska Enskilda Banken AB (publ) or any Affiliate of any of the above is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by NatWest Markets Plc, BNP Paribas or Skandinaviska Enskilda Banken AB (publ) or such Affiliate on behalf of the Issuer in such jurisdiction.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or any of NatWest Markets Plc, BNP Paribas or Skandinaviska Enskilda Banken AB (publ) (nor any person who controls any of them respectively or any director, officer, employee or agent of any of them respectively or Affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from NatWest Markets Plc, BNP Paribas and Skandinaviska Enskilda Banken AB (publ).

If you receive this Prospectus by email, you should not reply by email to this announcement, and you may not purchase any securities by doing so.

If you receive this Prospectus by email, your use of this email is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Under the Bond Programme, the Issuer may, subject to all applicable legal and regulatory requirements, from time to time issue Bonds in bearer and/or registered form (respectively, "**Bearer Bonds**" and "**Registered Bonds**"). Copies of each of the Final Terms or Drawdown Prospectus (as defined below) will be available in electronic form on the Issuer's website at *https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/* and from the website of Euronext Dublin at *www.ise.ie*, provided that, in the case of Bonds which are not listed on any stock exchange, copies of the relevant Final Terms or Drawdown Prospectus will only be available for inspection by the relevant Bondholders.

The maximum aggregate nominal amount of all Bonds from time to time outstanding under the Bond Programme will not exceed EUR10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

Details of the aggregate principal amount, interest (if any) payable, the Issue Price (as defined in the Glossary of Defined Terms) and any other conditions not contained herein, which are applicable to each Series (all as defined below) will be set forth in a final terms (the "**Final Terms**") or a drawdown prospectus (the "**Drawdown Prospectus**") which, in the case of Bonds to be listed on the Official List of Euronext Dublin, will be delivered to the Central Bank and filed with Euronext Dublin on or before the relevant date of issue of the Bonds of such Tranche.

Bonds issued by the Issuer under the Bond Programme will be issued in series (each a "**Series**"). Each Series of Bonds may be Fixed Rate, Floating Rate or Index-Linked Bonds and may be denominated in krona, sterling, euro, U.S. dollars, Norwegian kroner or Canadian dollars (or in other currencies subject to compliance with applicable laws). Bonds may be issued in one or more tranches (each a "**Tranche**"), the specific terms of each Tranche being identical in all respects, save for the issue dates, interest commencement dates and/or issue prices, to the terms of the other Bonds of such Tranches.

Amounts payable under the Bonds may be calculated by reference to (i) LIBOR, which is provided by ICE Benchmark Administration Limited ("**IBA**"), (ii) EURIBOR, which is provided by the European Money

Markets Institute ("**EMMI**"), (iii) STIBOR, which is provided by Swedish Financial Benchmark Facility, (iv) NIBOR, which is provided by Norske Finansielle Referanser AS ("**NoRe**") or such other reference rate as may be specified in a Drawdown Prospectus. As at the date of this Prospectus, IBA and EMMI appear on the register of administrators and benchmarks established and maintained by the European Securities and Market Authority ("**ESMA**") pursuant to article 36 of the Regulation (EU) 2016/1011 (the "**BMR**").

The Bonds are expected on issue to have the following credit ratings:

Class	**Standard & Poor's**
Class A Bonds	BBB
Class B Bonds	BB+

As defined by Standard & Poor's, a BBB rating indicates that the Bond exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the Issuer and/or Guarantor's capacity to meet its financial commitments on the obligation.

As defined by Standard & Poor's, a BB+ rating indicates that the Bond has significant speculative characteristics but that it is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the Issuer and/or the Guarantor's inadequate capacity to meet its financial commitments on the obligation. The addition of the plus (+) sign indicates a ranking at the higher end of the 'BB' rating category.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The credit ratings included or referred to in this Prospectus will be treated for the purposes of the CRA Regulation as having been issued by Moody's Investors Service Limited ("**Moody's**"), Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") and Fitch Ratings Limited ("**Fitch**"). Each of Fitch, Moody's and Standard & Poor's is a credit rating agency established and operating in the European Community and is registered under the CRA Regulation.

Whether or not a rating in relation to any Tranche of Bonds will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms or Drawdown Prospectus. Ratings ascribed to all of the Bonds reflect only the views of the Rating Agencies.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or all of the Rating Agencies. A suspension, reduction or withdrawal of the rating assigned to any of the Bonds may adversely affect the market price of such Bonds.

ESMA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the CRA Regulation. This list must be updated within 5 working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation.

Each Series of Bonds in bearer form will be represented on issue by a temporary global bond in bearer form (each a "**Temporary Global Bond**") or a permanent global bond in bearer form (each a "**Permanent Global Bond**"). If the Global Bonds are stated in the applicable Final Terms to be issued in new global bond ("**NGB**") form, the Global Bonds will be delivered on or prior to the original issue date of the relevant Tranche of Bonds to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Bonds in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Bondholder's entire holding of Registered Bonds of one Series. Registered Bonds issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**") the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche of Bonds to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Bonds which are not issued in NGB form ("**Classic Global Bonds**" or "**CGBs**") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche of Bonds with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

In relation to any issue of Bonds which are issued in bearer form and will be represented on issue by a Temporary Global Bond exchangeable for Bearer Definitive Bonds in circumstances other than in the limited circumstances specified in the Permanent Global Bond, such Bonds may only be issued in denominations equal to, or greater than, €100,000 (or equivalent) and multiples thereof.

In the case of any Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency at the date of issue of the relevant Bonds).

The Issuer may agree with any Dealer and the Bond Trustee that Bonds may be issued in a form not contemplated by the Conditions (as defined below), in which event (in the case of Bonds admitted to the Official List only) a Drawdown Prospectus will be made available which will describe the effect of the agreement reached in relation to such Bonds.

On 10 December 2013, five U.S. financial regulators approved a final rule to implement Section 13 of the Bank Holding Company Act of 1956, commonly known as the Volcker Rule. The Volcker Rule generally prohibits sponsorship of and investment in the "ownership interests" of "covered funds" by "banking entities", a term that includes most internationally active banking organisations and their affiliates, though a banking entity may sponsor and invest in a covered fund pursuant to a number of exceptions.

The Issuer believes that it is not, and after giving effect to any offering and sale of the Bonds and the application of the proceeds thereof will not be, a "covered fund" as defined in the regulations promulgated under Section 13 of the Bank Holding Company Act of 1956, as amended (such statutory provision together with such implementing regulations, the "**Volcker Rule**"). In reaching this conclusion, although other exclusions from the Volcker Rule may be available, the Issuer believes that it does not fall within the definition of "investment company" in Section 3(a) of the Investment Company Act of 1940 (the "**Investment Company Act**"), and so would not be a "covered fund". The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Bonds, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule. See "*Risk Factors—Risks Relating To Regulatory and Legislative Matters—The general effects of the Volcker Rule remain uncertain*".

IMPORTANT NOTICE

This prospectus (the "**Prospectus**") comprises a base prospectus for the purposes of the Prospectus Regulation. The Issuer accepts responsibility for the information contained in this Prospectus and, in respect of Chapter 3 ("*The Parties*"), Chapter 4 ("*Overview of the Programme*"), Chapters 6 ("*Description of Ellevio*"), 7 ("*Selected Aspects of Swedish Regulation to which Ellevio is Subject*"), 8 ("*Selected Financial Overview of Ellevio*"), Chapter 9 ("*Terms and Conditions of the Bonds*"), Chapter 13 ("*Description of the Guarantor*"), Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents*") and Chapter 20 ("*General Information*"), the Guarantor accepts responsibility for the information contained in this Prospectus insofar as it relates to the Guarantor or the Guarantee. To the best of the knowledge of the Issuer and the Guarantor the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information relating to the Hedge Counterparties and Liquidity Facility Providers contained in Chapter 14 ("*Description of the Hedge Counterparties*") and Chapter 15 ("*Description of the Liquidity Facility Providers*") was provided by the Hedge Counterparties and Liquidity Facility Providers, respectively. The information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Hedge Counterparties and Liquidity Facility Providers, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Where information has been indicated to have been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The attached document is only addressed to and directed at persons in member states of the European Economic Area who are "**Qualified Investors**" (within the meaning of Article 2(e) of the Prospectus Regulation). In addition, in the United Kingdom, the attached document is being distributed only to and is directed only at Qualified Investors: (a) who are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); or (b) who are high net worth entities falling within Article 49 of the Order, and other persons to whom it may otherwise lawfully be communicated under the Order (all such persons together referred to as "**relevant persons**"). Any investment or investment activity to which the document relates is available only to: (i) in the United Kingdom, relevant persons; and (ii) in any member state of the European Economic Area other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons. In the case of any Securities being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Securities acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any Securities to the public other than their offer or resale in a relevant member state to Qualified Investors as so defined or in circumstances in which the prior consent of the Dealers has been obtained to each such proposed offer or resale.

Copies of each set of Final Terms or Drawdown Prospectus (in the case of Bonds to be admitted to the Official List) will be available on the Issuer's website at *https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/* and from the website of Euronext Dublin at www.ise.ie. The contents of these websites, other than copies of those documents incorporated by reference into this Prospectus, are for information purposes only and do not form part of this Prospectus. See also Chapter 20 ("*General Information*") for more details.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see section "*Documents Incorporated by Reference*" below).

No person has been authorised to give any information or to make representations other than the information or the representations contained in this Prospectus in connection with the Issuer, the Security Group or the offering or sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Dealers, the Arranger, the Bond Trustee or the Security Trustee. Neither the delivery of this Prospectus nor any offering or sale of Bonds made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. Unless otherwise indicated herein, all information in this Prospectus is given on the date of this Prospectus. This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, any Dealer or the Arranger to subscribe for, or purchase, any of the Bonds.

Save for the Issuer, no other party has separately verified the information contained herein (other than, in respect of the Guarantor, the information in Chapter 13 (*Description of the Guarantor*)). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any party (other than the Issuer) as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Bonds or their distribution (other than, in respect of the Guarantor, the information in Chapter 13 (*Description of the Guarantor*)). The statements made in this paragraph are without prejudice to the responsibilities of the Issuer. Each person receiving this Prospectus acknowledges that such person has not relied on any Dealer, the Arranger, the Bond Trustee or the Security Trustee or any other party in connection with its investigation of the accuracy of such information or its investment decision.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Bond Programme is correct or that there has been no adverse change in the financial position of the Issuer at any time subsequent to the date indicated in the document containing the same. None of the Dealers, the Arranger, the Bond Trustee, the Security Trustee or any other party expressly undertakes to review the financial condition or affairs of the Issuer during the life of the Bond Programme or to advise any investor in the Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to purchase any Bonds.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any Dealer, the Arranger, the Bond Trustee, the Security Trustee or any other party that any recipient of this Prospectus should purchase any of the Bonds.

Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the creditworthiness of the Issuer, its own determination of the suitability of any such investment with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Bonds should consult independent professional advisers. Any prospective Bondholder should take its own legal, financial, accounting, tax and other relevant advice as to the structure and viability of its investment.

THE BONDS AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. IN ADDITION, BEARER BONDS ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND MAY NOT AT ANY TIME BE OFFERED, SOLD OR DELIVERED

WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A U.S. PERSON (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND U.S. TREASURY REGULATIONS PROMULGATED THEREUNDER), EXCEPT IN CERTAIN TRANSACTIONS PERMITTED BY U.S. TREASURY REGULATIONS.

THE BONDS ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF BONDS AND DISTRIBUTION OF THIS PROSPECTUS SEE CHAPTER 18 ("*SUBSCRIPTION AND SALE*").

THE BONDS AND THE GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF BONDS OR THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

WHILE THE ISSUER BELIEVES THAT IT IS NOT, IT MAY BE A "COVERED FUND" FOR PURPOSES OF REGULATIONS ADOPTED UNDER SECTION 13 OF THE BANK HOLDING COMPANY ACT OF 1956, AS AMENDED, COMMONLY KNOWN AS THE "VOLCKER RULE". IF THE BONDS ARE SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, THE BONDS MAY NOT BE OFFERED OR SOLD TO ANY U.S. PERSON OR ADDRESS IN THE UNITED STATES EXCEPT TO "ACCREDITED INVESTORS" (AS DEFINED IN THE SECURITIES ACT AND THE RULES AND REGULATIONS THEREUNDER).

The Bonds have also not been, and will not be, qualified for sale under the securities law of any province or territory of Canada and the Bonds may not be offered, sold, or delivered directly or indirectly, in Canada or to or for the benefit of any resident of Canada unless in accordance with all applicable Canadian provincial and/or territorial securities laws, or an available exemption therefrom.

This Prospectus has been filed with and approved by the Central Bank as required by the Prospectus Regulation. The Prospectus, as approved by the Central Bank, will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations. The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Bonds. Any investment in the Bonds does not have the status of a bank deposit and is not within the scope of the Deposit Guarantee Scheme operated by the Central Bank.

The distribution of this Prospectus and the offering, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger, to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of the Bonds and on distribution of this Prospectus, see Chapter 18 ("*Subscription and Sale*"). This Prospectus does not constitute, and may not be used for the purposes of, an offer to or solicitation by any person to subscribe or purchase any Bonds in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. All references herein to "**€**", "**euro**", "**EUR**" or "**Euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, from time to time, all references to "**pounds**", "**sterling**", "**Sterling** ", "**GBP**" or "**£**" are to the lawful currency of the United Kingdom, all references to "**krona**", "**Krona**", "**Swedish Krona**" or "**SEK**" are to the lawful currency of Sweden. all references to "**$**", "**U.S.$**", "**U.S. dollars**", "**USD**" and "**dollars**" are to the lawful currency of the

United States of America, all references to “**Norwegian kroner**” or “**NOK**” are to the lawful currency of Norway and references to “**Canadian dollars**”, “**C$**” or “**CAD**” are to the lawful currency of Canada.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS - The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

MiFID II product governance / target market - The Final Terms in respect of any Bonds will include a legend which will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Bonds and which channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID product governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Bonds is a manufacturer in respect of such Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

In connection with the issue and distribution of any Tranche of Bonds, a Dealer (if any) disclosed as the stabilising manager in the applicable Drawdown Prospectus or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Bonds of the Series of which such Tranche forms part at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager or any agent of his will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Bonds and 60 days after the date of the allotment of the relevant Tranche of Bonds. Any stabilisation action or over-allotment shall be conducted by the relevant stabilising manager or any person acting for him in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

(a) the Terms and Conditions of the Bonds contained at pages 119 to 158 (inclusive) of the base prospectus dated 2 September 2016 (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/a31447771-ellevio_prospectus_2016-Final.pdf*);

(b) the Terms and Conditions of the Bonds contained at pages 111 to 150 (inclusive) of the base prospectus dated 18 December 2017 (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/ellevio-emtn-prospectus-dec-2017.pdf*);

(c) the audited unconsolidated financial accounts for the 12 months ended 31 December 2018 in respect of Ellevio AB (publ) prepared in accordance with Swedish GAAP (RFR2) together with the audit report thereon (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/ellevio_ar18_eng_kombi.pdf*), each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank;

(d) the audited unconsolidated financial accounts for the 12 months ended 31 December 2019 in respect of Ellevio AB (publ) prepared in accordance with Swedish GAAP (RFR2) together with the audit report thereon (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/ellevio_eng_ar19.pdf*), each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank;

(e) the audited unconsolidated financial accounts for the 12 months ended 31 December 2018 in respect of Ellevio Holding 4 AB prepared in accordance with Swedish GAAP together with the audit report thereon (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/annual-report-2018-ellevio-holding-4-ab.pdf*), each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank;

(f) the audited unconsolidated financial accounts for the 12 months ended 31 December 2019 in respect of Ellevio Holding 4 AB prepared in accordance with Swedish GAAP together with the audit report thereon (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/annual-report-2019-ellevio-holding-4-ab.pdf*), each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any information or documents which are themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Where only certain parts of a document are incorporated by reference in this Prospectus, the non-incorporated parts are either not relevant to the investor or are covered elsewhere in this Prospectus.

Copies of the documents incorporated by reference in this Prospectus may be obtained (without charge) from the Issuer's website at *https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-*

documents/. The hyperlinks included in this Prospectus, other than those set out above, or included in any documents incorporated by reference in this Prospectus, and the websites and their content are not incorporated into, and do not form part of, this Prospectus.

SUPPLEMENTAL PROSPECTUS

The Issuer has undertaken, in connection with the admission of the Bonds to the Official List and to trading on Euronext Dublin, that, if any significant new factor, mistake or material inaccuracy relating to the information included in this Prospectus arises or is noted which may affect the assessment of any Bonds whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Bonds, the Issuer shall prepare a supplement to this Prospectus or publish a replacement prospectus for use in connection with any subsequent issue by the Issuer of Bonds and will supply to each Dealer and the Bond Trustee such number of copies of such supplement hereto or replacement prospectus as such Dealer and Bond Trustee may reasonably request. The Issuer will also supply to the Central Bank such number of copies of such supplement hereto or replacement prospectus as may be required by the Central Bank and will make copies available, free of charge, at the Issuer's website *https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/*. If the terms of the Bond Programme are modified or amended in a manner which would make this Prospectus, as so modified or amended, inaccurate or misleading, a new prospectus will be prepared.

If at any time the Issuer shall be required to prepare a supplement to the Prospectus pursuant to Article 23 of the Prospectus Regulation, the Issuer shall prepare and make available an appropriate supplement to this Prospectus or a further prospectus which, in respect of any subsequent issue of Bonds to be listed on the Official List and admitted to trading on the Regulated Market, shall constitute a supplemental prospectus as required by Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUS

In the following paragraphs, the expression "**necessary information**" means, in relation to any Tranche of Bonds, the information material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position, and prospects of the Issuer and of the rights attaching to the Bonds and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Bonds which may be issued under the Bond Programme, the Issuer has endeavoured to include in this Prospectus all of the necessary information except for information relating to the Bonds which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Bonds.

Any information relating to the Bonds which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Bonds will be contained in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any such information constitutes a significant new factor relating to the information contained in this Prospectus in which case such information, together with all of the necessary information in relation to the Bonds, may be contained in a Drawdown Prospectus. In addition, the Issuer may agree with any Dealer and the Bond Trustee that Bonds may be issued in a form not contemplated by the Conditions (as defined below), in which event (in the case of Bonds admitted to the Official List only) a Drawdown Prospectus will be made available which will describe the effect of the agreement reached in relation to such Bonds.

The terms and conditions applicable to any particular Tranche of Bonds which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Bonds which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. Each Drawdown Prospectus will be constituted by a single document containing the necessary information.

For a Tranche of Bonds which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Bonds which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

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CHAPTER 1
OVERVIEW

Ellevio is one of Sweden's largest electricity Distribution System Operators ("**DSO**") in terms of number of customers. The company owns, operates and develops regional and local electricity grids and distributes electricity with 99.98 percent availability to 962,000 customers in Sweden. The electricity network is 77,500 km long, corresponding to almost two trips around the Earth. Ellevio's customers are spread across the West coast, mid-Sweden, and Stockholm County. The main proportion of Ellevio's networks are located in rural areas, but most of Ellevio's customers are in Stockholm.[1]

Electrification, digitalisation, urbanisation and new types of production are all placing new requirements on Ellevio's electricity network. Ellevio invested more SEK 10 billion between 2016 and 2019 to modernise and future-proof the electricity grids, a tripling compared with the previous four-year period.[2]

In 2019, Ellevio delivered approximately 26.5 TWh of electricity.[3] Ellevio has delivered between 26 and 30 TWh of electricity annually since 2011.[4] In 2019, Ellevio generated net sales of SEK 6,709 million[5] and an EBITDA of 3,848 million.[6]

Ellevio consists of six networks – two regional networks that operate under line concessions (Sw. *linjekoncession*) (the "**Line Concessions**") and four local networks that operate under area concessions (Sw. *områdeskoncession*) (the "**Area Concessions**") (the Line Concessions and the Area Concessions, together the "**Concessions**"), all of which are licenced and regulated by the Swedish Energy Markets Inspectorate ("**Ei**"). As part of the licensing conditions in Sweden, Ellevio is a monopoly serving all customers in the regions in which it operates.

Ellevio's Shareholders

In June 2015, Ellevio was acquired from the Fortum Group by a consortium of long-term, experienced, strategic investors: OMERS Infrastructure (50 per cent.), Folksam (17.5 per cent.), AP1 (12.5 per cent.) and AP3 (20 per cent.) (together the "**Shareholders**").

Ellevio's Key Credit Strengths

Ellevio believes it has a number of key operational and credit strengths. These are outlined below.

A key player in the energy transition

- Changing production patterns – more renewable, weather-dependent and locally produced electricity – together with the electrification of society in general and the transport and industry sectors in particular, put the electricity network in middle of the energy transformation
- Strong trends in the society supporting the demand for reliable and flexible electricity distribution where the smart grid development will secure reliability in a renewable energy system
- Ellevio is well positioned for growth both via business development and via acquisitions.

1 Source: Ellevio Annual Report 2019.
2 Source: Ellevio Annual Report 2019.
3 Source: Ellevio Year-end Report 2019.
4 Source: Ellevio.
5 Source: Ellevio Annual Report 2019.
6 Source: Ellevio Annual Report 2019.

Strong financial & operational performance

- Operating as a fully regulated business, Ellevio has delivered consistent financial results, with an average net sales of SEK 6,625.6 million and average comparable EBITDA of SEK 3,918.2 million 2015 to 2019.[7]
- Stable financials with headroom under covenants and diversified financing platform in place
- Balanced investment programme focusing on reliability and digitalization

Experienced management team and owners

- An experienced management team with significant experience from the electricity distribution industry.
- Experienced and committed owners with a long-term horizon on the investment.

The regulatory framework in which Ellevio operates

Sweden's electricity market was reformed in 1996. Since that date, trade and production of electricity has been exposed to competition, while network operations (such as those performed by Ellevio) have been operated by a large number of regulated regional monopolies.

The Swedish Electricity Act (*Sw. ellagen (1997:857)*) (the "**EA**") provides regulation in relation to electricity distribution and is complemented by ordinances issued by the Swedish Government (for example, the Electricity Ordinance, which regulates concession applications and lays out the methodology of revenue calculations for DSOs). DSOs are regulated by the Ei which supervises implementation of the EA. The Ei monitors and analyses the development of the electricity markets and submits proposals for changes to regulations or other measures that may improve how the markets function. DSOs have discretion to set distribution tariffs within the regulatory framework. The concept of regulatory periods was introduced in 2012. The revenue framework for the current third regulatory period (2020-2023) ("**RP3**") is set by reference to four components, which are aligned to those used in the economic regulation of DSOs in other European jurisdictions:

- Capital Compensation, comprising capital cost and a rate of return on RAV;
- Non-controllable costs;
- Controllable costs; and
- Quality Incentive and any regulatory surplus/deficit from the previous regulatory period.

For more information on the regulatory framework, please see Chapter 7 ("*Selected Aspects of Swedish Regulation to which Ellevio is Subject*").

The Bond Programme

Ellevio and the Guarantor have established the Bond Programme to raise debt in the bond markets and put in place a long-term financing platform. The platform will fund, among other things, the on-going capital expenditure programmes of Ellevio. The capital structure is expected to incorporate revolving bank facilities, medium term bank debt, bonds, private placements and associated hedging for risk management.

[7] Source: Ellevio Annual Report 2019. The figures above are the average between 2015 and 2019.

CHAPTER 2
RISK FACTORS

The following sets out certain aspects of the Bonds, the Guarantee, the Common Documents, the Bond Programme Documents, the Security and the activities of Ellevio which the Issuer and the Guarantor believe may affect their ability to fulfil their obligations under the Bonds. All of these factors are contingencies which may or may not occur. The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Bonds as at the date of this Prospectus, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Bonds for other reasons and the Issuer does not represent that the statements below regarding the Bonds are exhaustive. Prospective investors should carefully consider the following risk factors and the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making an investment decision. The occurrence of any of the events described below could have a material adverse impact on the business, financial condition or results of operations of Ellevio or the Security Group and could lead to, among other things:

(a) an Event of Default; and/or

(b) a Trigger Event under the Common Documents and/or an Event of Default under the Bonds.

Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Bonds are also described below.

In this Prospectus, any operational performance figures that are financial measures and are not disclosed in the financial statements incorporated by reference herein will need to be disclosed as Alternative Performance Measures ("**APMs**") as defined in the ESMA guidelines on APMs. Unless specifically disclosed as such, in the view of the Issuer and the Guarantor (as relevant), no operational performance figures provided herein are financial measures and as such are not APMs.

BUSINESS AND REGULATORY RISKS IN RELATION TO ELLEVIO

Risks relating to the regulation of Ellevio

Regulatory enforcement

While Ellevio has in place various policies to ensure its compliance with requirements under the current regulatory regime, its Concessions and other aspects of law and regulation, there can be no assurances that Ellevio will always be in compliance with all provisions. Should Ellevio be found by the Ei to be in breach of such requirements, the Ei may, amongst other things, impose penalties on Ellevio or ultimately terminate its Concessions in the event of gross misconduct. Such penalties may, and a termination of one or more of Ellevio's Area Concessions will, have an adverse effect on Ellevio's operations and financial position. Regulatory enforcement against Ellevio may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

*Possible changes to the Electricity Act (*Sw. *Ellag 1997: 857) and its interpretation and application*

The future interpretation of, and possible unpredictable changes in compliance requirements relating to, the EA could have an adverse effect on Ellevio's operations and financial position, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

Change in regulatory approach of the Ei

Following an assignment from the Government, in 2019 the Energy Market Inspectorate ("**Ei**") set out a new regime for revenue regulation for the regulatory period (2020-2023) ("**RP3**"). Compared to the previous regulatory period (2016-2019) ("**RP2**"), some of the methods and definitions used for determining the revenue framework have been modified and parameters updated. The changes include, among other things, changes to the method and parameters for determining the regulatory return, changed depreciation times for certain components in the asset base and certain quality incentives relating to outages.

In August 2018, the Swedish Government took a decision regarding a new directive concerning electricity network regulation for the period 2020-2023. The directive is intended to lead to reduced network charges in the short term for electricity network companies' customers, but in the long term the reduction in revenues may also lead to insufficient investments being made to maintain security of supply, enable growth and achieve environmental and climate-related targets. In Ellevio's view, the network investments needed are extensive and, as the planning horizon for network investments stretches 50–60 years into the future, a long-term, predictable and stable governing framework is of critical importance.

There can be no assurance that there will be future changes to the Ei's regulatory approach, which may have an adverse effect on Ellevio's operations and financial position. This may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

Determination of regulatory return

Under Ellevio's Concessions, the regulatory rate of return is determined by regulatory guidelines. According to such guidelines, a component of the return is determined by using the calculation model known as the weighted average cost of capital ("**WACC**") based on an assumed capital structure. WACC is calculated with respect to lenders' and investors' return in proportion to their share of the total capital. The required return that the investors are expected to have amounts to some risk-free rate and a risk premium, both of which are determined on the basis of industry and activity.

Calculating WACC involves considering components such as the cost of debt and the optimal debt proportion in relation to market value. Events affecting any of the components used in calculating WACC may potentially lead to a WACC that is undesirable for Ellevio, which may affect the financial situation of Ellevio. For example, in October 2015, The Energy Market Inspectorate ("**Ei**") released a decision to reduce the regulatory rate of return for DSOs from 6.5 per cent. to 4.53 per cent. for the second regulatory period (2016 to 2019) ("**RP2**"). Following this decision, 81 separate DSOs (representing more than 75 per cent. of the total market) commenced a legal process and applied to the Administrative Court for judicial review (Sw. *överklagande*). The appellants sought an order that the regulatory rate of return for RP2 be 6.3 per cent. The regulatory rate of return of 6.3 per cent. sought by the appellants was calculated based on the same parameters and values as were used during the first regulatory period (2012 to 2015) ("**RP1**"). On 14 December 2016, the Administrative Court ruled that the WACC for RP2 should be 5.85 per cent. and cited expert opinions and investigations (the "**2016 Administrative Court Ruling**").[8] This decision was appealed by Ei to the Administrative Court of Appeal. The Administrative Court of Appeal did not grant Ei leave to appeal, and accordingly the 2016 Administrative Court Ruling has gained legal power and the decision may not be further appealed.

The Ei has published the permitted revenue framework for Swedish DSOs for the regulatory period (2020-2023) ("**RP3**") in which the discount rate, WACC, was set at 2.16 per cent. real before tax. Most of the Swedish DSOs,

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[8] See Förvaltningsrätten i Linköping, 2016-12-14, Case No 4711-15 m.fl. (http://www.forvaltningsrattenilinkoping.domstol.se/Domstolar/forvaltningsrattenilinkoping/Int%c3%a4ktsramar%202016/4711-15%20m%20fl.pdf)

including Ellevio, have appealed the decision to the Administrative Court. See "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

A decrease in Ellevio's expected WACC could have an adverse effect on Ellevio's ability to generate return on its assets and therefore have an adverse impact on financial performance. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

Change in regulatory unit prices

Whilst the unit prices used in the calculation of Ellevio's regulatory asset value ("**RAV**") are fixed for four years from 2020 to 2023, they may be materially revised for subsequent regulatory periods. If unit prices fall, Ellevio's financial performance may be negatively impacted. This is due to the fact that the value of Ellevio's RAV may be materially impacted by those changes. Such impact may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

Risks relating to the business of Ellevio

Outages could adversely affect financial position

Ellevio has the primary objective of providing a reliable and secure electricity distribution network. Historically, there have been interruptions to network services in Sweden, such as outages resulting from severe storms. Ellevio is pursuing a long-term investment programme of underground cabling, maintenance programs relating to tree clearing, inspections (including helicopter inspections and corrective and preventive maintenance with the aim of mitigating the impact of adverse weather conditions on the network infrastructure and thus decreasing the number of faults in the network and the resulting outages). See "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

Nevertheless, adverse weather conditions or the failure of a key asset, such as a critical network component or Ellevio's IT system that monitors the performance of its distribution network and reports faults, could cause a significant interruption to services (in terms of outage duration or the number of consumers affected), which may have an adverse one-off effect on Ellevio's operating costs or financial position, as well as having an effect on the regulatory outage penalties of such interruptions to Ellevio if the regulatory quality incentive targets are not met by Ellevio. Such adverse effects may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

Disruption due to outbreak of coronavirus (COVID-19)

The outbreak, or threatened outbreak, of any severe communicable disease such as COVID-19 (commonly referred to as coronavirus) and regulators' or market fears about the same, may adversely affect Ellevio's operations, directly, or through Ellevio's supply chain.

At the date of this document Ellevio is not aware of the full extent of the outbreak, or the impact, if any, on its operations but has taken, and continues to take, preparations and precautions to address the potential impact of the disease on its workforce and customers, and will continuously monitor the situation to ensure those preparations and precautions are regularly updated as necessary having regard to national scientific and health advice.

However, if any of Ellevio's employees or employees of Ellevio's suppliers are suspected of contracting an epidemic disease, this could require Ellevio or its suppliers to quarantine some or all of these employees, relocate employees or have employees work from home or disinfect the facilities used for its operations, which could in turn result in delays and/or additional costs and regulator or market fears may require that enhanced steps are taken in this regard. If significant employee absence due to illness occurred for a period of weeks, critical activities would be prioritised, and employees deployed in order to limit the impact on service and compliance, which could result in delays to and/or reprogramming of non-critical activities and future additional costs. A prolonged pandemic could result in national and international supply chain shortages for key materials.

The outbreak could therefore cause a significant interruption to the supply of services and could limit Ellevio's ability to respond to another, non-related major interruption to the supply of services (in terms of duration or number of customers affected), materially affecting the way that Ellevio operates its business, result in additional operating costs (including liability to customers) or loss of revenue, each of which could have a material adverse impact on the business, financial condition or operational performance of Ellevio and could have a prejudicial impact on Ellevio's reputation.

Reliance on IT systems

The business of Ellevio is dependent on various IT systems due to the large amount of data handled on a daily basis and the need for supervision of the overall distribution network. Ellevio utilises IT systems which, for example, operate, remotely measure and control the electricity network, measure electricity consumption, provide accurate invoicing to customers, manage energy balance and manage network design and construction. See "*Chapter 6 – Description of Ellevio*".

Furthermore, possible cyber attacks or IT system failures could temporarily threaten the continuity of business operations. Such business interruptions, or the cost to Ellevio to repair any software malfunctions, may adversely impact the financial performance of Ellevio. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

Ageing and malfunction of the network and assets

Due to the history of operation of Ellevio, certain parts and/or components in operation are old and, in case of breakdown, these may be difficult to repair or replace. Any machinery breakdown may cost more than anticipated, which may negatively impact Ellevio. The replacement of ageing and or malfunctioning components ahead of the estimated technical and regulatory lifetime of the component, will have a negative effect on Ellevio's regulated asset base and may result in Ellevio not receiving full regulatory compensation for the component. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 6 – Description of Ellevio*" and "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

Operational efficiency risks

Ellevio's profitability is linked to its ability to meet its operating and/or investment costs targets, as well as to its operational effectiveness compared to regulatory targets. Ellevio's performance depends in part on the efficiency of its operational and investment cost management. To optimise its resources and maximise efficiency and flexibility, Ellevio is focused on its core activities of asset management, investment programme planning, regulation management, revenue risk and vendor interface, while other activities such as network construction works and maintenance, fault repair, customer work orders and service and automatic meter data collection have been outsourced with the aim of maximising service whilst reducing costs to Ellevio. Whilst Ellevio is pursuing an efficient long-term network investment programme, changes in material prices or availability of contractor resources may introduce unexpected costs into Ellevio's investment programme, which in turn may impact the ability of Ellevio to implement efficiency improvements. This may result in Ellevio being unable to meet its liabilities, which may impact on the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 6 – Description of Ellevio*" and "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

Health and safety risks

The nature of the business of Ellevio involves interaction by its employees, or the employees of third party service providers, with dangerous machinery and equipment. While Ellevio actively maintains health and safety policies to minimise such risks and ensure compliance with applicable law or regulation (which it reassesses on a regular basis), employees may be injured at work. The Sustainability Policy, covering, among other things, health and safety, is regularly reviewed by the Board of Directors of Ellevio. Despite this, contractors engaged by Ellevio or sub-contractors engaged by Ellevio's contractors may not, despite Ellevio's efforts, comply with or have regard to, the Sustainability Policy, or any policy which has comparable health and safety standards. Ellevio's customers or third parties may also be involved in an accident relating to the electrical network carried out by or on behalf of Ellevio. The cost to Ellevio for any such injuries to such employees, customers, contractors, sub-contractors or third parties may negatively impact Ellevio. See "*Chapter 6 – Description of Ellevio*" and "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. The insurance programme maintained by Ellevio may only cover certain of these risks (see further "*Risks relating to insuring the business*" below).

Risks Relating to Regulatory and Legislative Matters

Environmental regulation risks

Various environmental protection laws and regulations govern the business of Ellevio. These laws and regulations establish, among other things, standards for control of greenhouse gas emissions and materials and energy efficiency, which affect Ellevio's operations. In addition, Ellevio is required to obtain various environmental permits from regulatory bodies for its operations. Ellevio endeavours to comply with all regulatory standards. However, whilst there has been no compliance failure that has had a material adverse consequence historically, there can be no assurance that Ellevio will be in total compliance at all times with applicable laws and regulations. Should Ellevio fail to comply with these laws and regulations, it could incur costs in bringing the business into compliance or face fines imposed by the courts or otherwise face regulatory sanctions. See "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is subject*".

Environmental laws and regulations are complex and change frequently. These laws, and their enforcement, have tended to become more stringent over time. Although Ellevio believes it has taken into account the future capital and operating expenditure necessary to achieve and maintain compliance with current and known future changes in laws and regulations, it is possible that such capital and operating expenditure may increase, for example, as a result of unexpected or unforeseen liabilities, new or stricter standards being imposed, or the current interpretation of existing legislation being amended. There can be no assurance that these costs will be recoverable in part or in full through the regulatory process. Therefore, there can be no assurance that the costs of complying with, or discharging its liabilities under, current and future environmental and health and safety laws will not adversely affect Ellevio's costs or financial position. Such adverse effect may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

The general effects of the Volcker Rule remain uncertain

The Volcker Rule generally prohibits "banking entities" (which term is broadly defined to include any U.S. bank or savings association whose deposits are insured by the Federal Deposit Insurance Corporation, any company that controls any such bank or savings association, any foreign bank treated as a bank holding company pursuant to Section 8 of the International Banking Act of 1978, as amended, and any affiliate or subsidiary of any of the foregoing entities) from:

(i) engaging in proprietary trading as defined in the Volcker Rule;

(ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and

(iii) entering into certain relationships with such funds.

The Volcker Rule became effective on 21 July 2012, and final regulations implementing the Volcker Rule were adopted on 10 December 2013 and became effective on 1 April 2014. In October 2019, US regulators finalized amendments to the Volcker Rule's implementing regulations that modified certain exceptions to the Volcker Rule's proprietary trading ban and liberalized certain compliance requirements, among other things.

Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act, other than those contained in Sections 3(c)(1) and 3(c)(7) of the Investment Company Act. The Issuer believes that it is not, and after giving effect to any offering and sale of the Bonds and the application of the proceeds thereof will not be, a "covered fund" for purposes of the Volcker Rule. In reaching this conclusion, althought other exclusion from the Volcker Rule may be available, the Issuer believes that it does not fall within the definition of "investment company" in Section 3(a) of the Investment Company Act, and so would not be a "covered fund".

If the Issuer is determined to be a covered fund, the Volcker Rule and its related regulatory provisions will impact the ability of banking entities to hold an "ownership interest" in them. This may adversely impact the market price and liquidity of the Bonds. Further, if a banking entity is considered the "sponsor" of the Issuer under the Volcker Rule, that banking entity may face a prohibition on covered transactions with the Issuer. This could adversely impact the ability of the banking entity to enter into new transactions with the Issuer and may require amendments to certain existing transactions and arrangements.

The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Bonds, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

Enforceability of judgments following the UK's withdrawal from the EU

On 23 June 2016, the UK held a referendum on the UK's membership of the European Union, the outcome of which was a decision for the UK to leave the EU. Under the terms of the ratified EU-UK article 50 withdrawal agreement (the "**Article 50 Withdrawal Agreement**"), a transition period has commenced which will last until 31 December 2020. During this period, negotiations in relation to a free trade agreement will be ongoing and most EU rules and regulations will continue to apply to, and in, the UK. Under the Article 50 Withdrawal Agreement, the transition period may, before 1 July 2020, be extended once for a maximum period of two years. However, the UK legislation ratifying the Article 50 Withdrawal Agreement (the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020 (as so amended, the "**EUWA**")) prohibits a Minister of the Crown from agreeing any extension to the transition period. While this does not entirely remove the prospect that the transition period will be extended (as the UK Parliament could pass legislation that would override the effect of the prohibition in the EUWA), the likelihood of a further extension is reduced.

During the transition period, the UK and the EU may not reach an agreement on the future relationship between them, or may reach a significantly narrower agreement than that envisaged by the political declaration of the European Commission and the UK Government. If no new reciprocal agreement on civil justice is agreed at the end of the transition period, there will be a period of uncertainty concerning the enforcement of English court judgments in Sweden as the current regulation governing the recognition and enforcement of judgments that apply between the UK and EU Member States, namely the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) (the "**Recast Regulation**") would cease to apply to the UK and UK judgments. Further the UK would no longer be a party to the Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (the "**Lugano Convention**") under which judgments from the courts of contracting states (currently the EU, Switzerland, Iceland and Norway (together the "**Contracting States**")) are recognised and enforced in other Contracting States. As a result, a judgment entered against the Issuer in an English court would not be recognised or enforceable in Sweden as a matter of law without a re-trial on its merits. However, such judgment is likely to be of persuasive authority as a matter of evidence before the courts of law, arbitral tribunals or executive or other public authorities in Sweden.

The Article 50 Withdrawal Agreement provides that judgments issued by English courts in proceedings instituted before the end of the transition period will continue to be recognised and enforced in the EU pursuant to the Recast Regulation. Further, in its white paper entitled "*Legislating for the Withdrawal Agreement between the United Kingdom and the European Union*" from July 2018 (the "**White Paper**"), the UK Government stated that it will seek to participate in the Lugano Convention on leaving the EU, which would mean English judgments would continue to be recognised and enforceable in Sweden (as well as in other Contracting States). In the White Paper, the UK Government also stated that it will seek a new bilateral agreement with the EU Member States concerning cooperation in the area of civil justice, including arrangements for the continued mutual recognition and enforcement of judgments.

FINANCING RISKS

Market and financing risks

Ellevio will need to raise further debt from time to time in order, among other things:

(a) to finance or refinance future capital expenditure;

(b) to enable it to refinance any debt of the Security Group including the Bonds on or before its Final Maturity Date; and

(c) for general corporate purposes.

Therefore, Ellevio is exposed to market risks resulting from mismatches between its capital requirements and its access to capital in the future. Ellevio's cost of funding may be influenced by, among other things, its own operating performance and general economic conditions. If financial markets deteriorate, there could be an adverse effect on Ellevio's ability to refinance its existing debt as and when required.

Moreover, Ellevio is exposed to market risks resulting from timing mismatches between its capital requirements and the revenue generated by its business. Ellevio's future capital requirements and level of costs will depend on numerous factors, including, among other things, capital expenditure caused by compliance with new safety requirements, continued demand for electricity, the amount of cash generated from its operations and general industry and economic conditions. The inability to cover long-term funding costs through revenue streams could have an adverse effect on Ellevio's business, financial condition, results of operations or prospects. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 5 – Overview of the Financing Structure*".

Security Group Hedging Risks

The Security Group has a Hedging Policy in place to mitigate the risks arising from mismatches in cash flows received and payable from time to time. For more details on the Hedging Policy see Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents – Common Terms Agreement – Hedging Policy*") below.

In order to address interest rate risks, inflation rate risks and/or currency risks, the Security Group will operate a hedging programme in accordance with the Hedging Policy and may enter into Treasury Transactions (for non-speculative purposes only, and such counterparty will not accede to the STID), which are not subject to the Hedging Policy, in the ordinary course of business. However, there can be no assurance that the Hedging Agreements will adequately address the hedging risks that the Security Group will face from time to time. In addition, the Security Group could find itself over-/under-hedged which could lead to financial stress. Ellevio is subject to the creditworthiness of, and, in certain circumstances, early termination of the Hedging Agreements by, Hedge Counterparties or the counterparties to any Treasury Transaction (see Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents – Common Terms Agreement – Hedging Policy*") below). Such circumstances may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

Certain Secured Creditors will rank ahead of the Bondholders in respect of the Security

In the event that a Standstill occurs or the Security is enforced, the proceeds of such enforcement may be insufficient, after payment of amounts ranking in priority to the Bonds, to pay, in full, all amounts of principal, interest and premium (if any) due in respect of the Bonds.

Although the Security has been granted for the benefit of, *inter alios*, the Bondholders, such security interests have also been granted for the benefit of other Secured Creditors that will rank ahead of the Bondholders. Certain of the obligations owed by Ellevio, including Ellevio's obligations, to, *inter alios*, the Security Trustee (in its individual capacity), any appointee of the Security Trustee or the Bond Trustee, the Paying Agent(s), the Liquidity Facility Provider(s) under the Liquidity Facility, the Super Senior Hedge Counterparties under the Super Senior Hedging Agreements, the Account Bank in respect of certain amounts owed to them, the Transfer Agent, the Registrar, any Calculation Agent and the Cash Manager will rank ahead of amounts owed by Ellevio to the Bondholders. These amounts may be uncapped. To the extent that significant amounts are owing to any such persons and there is insufficient cash to pay all such amounts then due, the amounts available to the Bondholders may be reduced which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 5 – Overview of the Financing Structure*".

Subordination of the Class B Bonds issued by Ellevio

Payments under the Class A Bonds issued by Ellevio rank in priority to payments of principal and interest due on the Class B Bonds.

If, on any Interest Payment Date or any date upon which such Class B Bond is to be redeemed (in whole or in part) prior to the taking of Enforcement Action, there are insufficient funds available to Ellevio to pay accrued interest or principal on the Class B Bonds, Ellevio's liability to pay such accrued interest or principal will be treated as not having fallen due and will be deferred until the earliest of:

(i) the next following Interest Payment Date on which Ellevio has, in accordance with the Pre-Enforcement Priority of Payments, sufficient funds available to pay such deferred amounts (including any interest accrued thereon);

(ii) the date on which the Class A Debt has been paid in full; and

(iii) an acceleration of and enforcement of rights by the Secured Creditors (other than a Permitted Hedge Termination). Interest will accrue on such deferred interest or principal at the rate otherwise payable on unpaid principal of such Class B Bonds.

Notwithstanding the subordination of, and credit enhancement provided by, the Class B Bonds to the Class A Bonds, Ellevio may, subject to certain conditions, optionally redeem some or all of the Bonds subordinated and providing credit enhancement to other Classes of Bonds.

It should be noted that all of the Payment Dates for the various different types of Class A Debt and Class B Debt will not necessarily coincide and that, until a Standstill Period has commenced, there is no obligation to ensure that a payment made to a holder of a Class B Bond (or any other Class B Creditor pursuant to any other Class B Debt) will not lead to a deficiency of funds to make payments in respect of Class A Debt that fails due on a later date. See "*Chapter 4 – Overview of the Programme*" and "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

Monitoring of compliance with warranties and covenants and the occurrence of Trigger Events, Events of Default or Potential Events of Default

The STID provides that the Security Trustee will be entitled to assume without enquiry, unless it has express notice to the contrary, that no Trigger Event, Event of Default or Potential Event of Default has occurred which is continuing. The Security Trustee will not itself monitor whether any such event has occurred.

Accordingly, it will fall to the Obligors themselves to make these determinations. In this context, a number of these representations, warranties, covenants, undertakings and Events of Default and Potential Events of Default will be qualified by reference to a relevant fact, matter or circumstance having a Material Adverse Effect. Whilst the criteria set out in the definition of "Material Adverse Effect" are on their face objective, it will fall to the Obligors themselves to determine whether or not the relevant fact, matter or circumstance falls within any of the criteria and, as such, the determination will be subjective for so long as such determination is made by the Obligors.

However, the Common Terms Agreement requires the Obligors to inform the Security Trustee of the occurrence of any Trigger Event, Event of Default and Potential Event of Default promptly upon becoming aware of the same. In addition, the Obligors are required to confirm in each Investor Report and each Compliance Certificate, each of which will be delivered to, among other recipients, the Security Trustee, whether or not any Trigger Event, Event of Default or Potential Event of Default has occurred (and, if one has, what action is being, or proposed to be, taken to remedy it).

Failure by the Obligors to promptly identify a Trigger Event or Event of Default could have a Material Adverse Effect on the ability of the Obligors to meet their obligations to the Secured Creditors. This may impact on the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

Financial Indebtedness

Under the Common Documents, the Obligors are permitted to incur further Financial Indebtedness subject to certain tests being met (as set out in the CTA). Such Financial Indebtedness may be on any economic terms and, in particular, may mature prior to the maturity date of the Bonds. The Obligors are permitted to repay Financial Indebtedness from time to time, which may result in certain creditors (including those in respect of a particular Series of Bonds) being paid earlier in time than the Bondholders of another Series of Bonds, including by way of defeasance. Any such repayments are subject to the terms of the Common Documents. *Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

Modifications, waivers and consents in respect of the Common Documents and the Bond Programme Documents

The Obligors may request the Security Trustee to agree to any modification to, or to give its consent to any event, matter or thing relating to, or grant any waiver in respect of, the Common Documents without any requirement to seek the approval of the Secured Creditors, in respect of a Discretion Matter.

The Security Trustee is entitled to exercise its sole discretion to approve a Discretion Matter if, in the opinion of the Security Trustee, approval of the STID Proposal: (a) is in the opinion of the Security Trustee, required to correct a manifest error or is of a formal, minor or technical nature; or (b) is, in the opinion of the Security Trustee, not materially prejudicial to the interests of the Qualifying Secured Creditors (where "**materially prejudicial**" means that such modification, consent or waiver could have a Material Adverse Effect on the ability of the Obligors to pay any amounts of principal or interest in respect of the Qualifying Secured Debt owed to the relevant Qualifying Secured Creditors on the relevant due date for payment therefor). The Security Trustee is not obliged to exercise its discretion and if it chooses not to do so the voting category selection procedures set out in the STID and described in Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents – Security Trust and Intercreditor Deed*") below will apply.

Accordingly, in respect of modifications, waivers or consents in respect of provisions of the Common Documents (other than those in respect of Basic Terms Modifications (as defined in Condition 13 "*Meetings of Bondholders, Modification, Waiver and Substitution*") a single vote by reference to the entire Outstanding Principal Amount of the Qualifying Secured Debt of each Authorised Credit Facility in respect of their Outstanding Principal Amount of the Qualifying Secured Creditors will be counted for or, as the case may be, against the applicable STID Proposal or Direction Notice. Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with votes cast for and against by the other Qualifying Secured Creditors. There is therefore a risk that the votes of the Bondholders of the relevant Class may not constitute a majority in respect of modifications, waivers or consents. It is possible that the interests of the Qualifying Secured Creditors in respect of certain other Qualifying Secured Debt will not be aligned with the interests of a Class of Bondholders, and it is possible that, in relation to votes on certain matters, owing to the relative size of Secured Debt that is capable of being voted by Authorised Credit Providers other than the Bondholders, the Security Trustee is given an instruction that is not in the interests of the Bondholders.

Ellevio may also request the Bond Trustee to agree to any modification to, or to give its consent to any event, matter or thing, or grant any waiver in respect of, the Bond Programme Documents (subject as provided in the STID in relation to any Common Documents) without the consent or sanction of the Bondholders or (subject as provided below) any other party to such Bond Programme Documents.

The Bond Trustee may, without the consent or sanction of Bondholders, concur with Ellevio or any other relevant parties in making: (a) any modification to the Conditions or the Bond Programme Documents (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which the Security Trustee holds security if, in the opinion of the Bond Trustee, such modification is made to correct a manifest error, or is of a formal, minor or technical nature; or (b) any modification (other than in respect of a Basic Terms Modification), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is, in the opinion of the Bond Trustee, not materially prejudicial to the interests of the Bondholders.

The Bond Trustee may, without prejudice to its rights in respect of any subsequent breach or Event of Default, from time to time and at any time but only if, and insofar as, in its opinion the interests of the Bondholders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by Ellevio of any of the covenants or provisions contained in the Conditions or any Bond Programme Document to which it is a party or determine that any event which would otherwise constitute an Event of Default shall not be treated as such for the purposes of the Trust Deed.

Pursuant to the STID, the Bond Trustee is authorised to execute and deliver on behalf of the Bondholders all documentation required to implement such modification and such execution and delivery by the Bond Trustee will bind each of the Bondholders as if such documentation had been duly executed by them.

There can be no assurance that any modification, consent or waiver in respect of the Common Documents or the Bond Programme Documents will be favourable to all Bondholders. Such changes may be detrimental to the interests of some or all Bondholders, despite the ratings of such Bonds being affirmed.

The conditions of the Bonds contain provisions for Bondholders to vote on matters affecting their interests generally (other than matters which concern the enforcement of the Security or modifications to the STID, such matters which may only be addressed in accordance with the procedures set out in the STID, as described above).

These provisions permit defined majorities to bind all Bondholders including Bondholders who do not vote on the relevant matter and Bondholders who voted in a manner contrary to the majority. Where the necessary quorum is not met in respect of certain Votes and an Adjourned Voting Date is set, the requisite quorum for an Extraordinary Resolution will be reduced but will still bind all Bondholders if passed, even where the outcome is not published.

Voting by the Bondholders in respect of an STID Proposal

Unless approval by Electronic Consent is available, Bondholders exercise their right to vote by "blocking" their Bonds in the clearing system and delivering irrevocable instructions to the Registrar or the Issuing and Paying Agent that the votes in respect of their Bonds are to be cast in a particular way. In respect of modifications, consents and waivers to the Common Documents, the Bond Trustee (as the Secured Creditor Representative of the Bondholders) is required to notify the Security Trustee of each vote received by the Registrar or the Issuing and Paying Agent no later than the Business Day on which any vote is received. The STID provides that as soon as the Security Trustee has received sufficient votes from the Secured Creditors (including the Bond Trustee as Secured Creditor Representative of the Bondholders) in favour of a consent, modification or waiver of a Common Document, the Decision Period will be closed and no further votes will be taken into account be the Security Trustee.

Accordingly, unless a Bondholder exercises its right to vote at the beginning of a Decision Period, it is possible that a consent, modification or waiver of a Common Document may be approved by the Secured Creditors before such Bondholder has participated in any vote and that, as a result, any consent, modification or waiver of a Common Document duly approved by the Secured Creditors shall be binding on all of the Bondholders. *Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

The Class A Liquidity Facility

Ellevio has agreed to procure that the aggregate of (i) all amounts available for drawing under the Class A Liquidity Facility in respect of Class A Debt; and (ii) all aggregate amounts standing to the credit of the Class A Debt Service Reserve Account (including the value of Cash Equivalent Investments funded from amounts standing to the credit of the Class A Debt Service Reserve Account) are at least equal to the Class A Liquidity Required Amount. Investors should note that in certain circumstances, the Class A Liquidity Required Amount will be zero (see definition of Class A Liquidity Required Amount in "*Glossary of Defined Terms*").

The Liquidity Facility and any amounts credited to the Class A Debt Service Reserve Account are intended to cover certain shortfalls in the ability of Ellevio to service payments of (a) scheduled interest or certain other payments in respect of Class A Debt (including payments due to be made by Ellevio in relation to the Class A Bonds on any Interest Payment Date (excluding the repayment of principal under the Class A Bonds)); or (b) certain other payments ranking in priority to or *pari passu* with the Class A Bonds. However, on any such Interest Payment Date, there are no assurances that any such shortfalls will be met in whole or in part by amounts standing to the credit of the Class A Debt Service Reserve Accounts or by the Class A Liquidity Facility. *Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

The Class B Liquidity Facility

Ellevio has agreed to procure that the aggregate of (i) all amounts available for drawing under the Class B Liquidity Facility in respect of Class B Debt; and (ii) all aggregate amounts standing to the credit of the Class B Debt Service Reserve Account (including the value of Cash Equivalent Investments funded from amounts standing to the credit of the Class B Debt Service Reserve Account) are at least equal to the Class B Liquidity Required Amount. Investors should note that in certain circumstances, the Class B Liquidity Required Amount will be zero (see definition of Class B Liquidity Required Amount in "*Glossary of Defined Terms*").

The Liquidity Facility and any amounts credited to the Class B Debt Service Reserve Account are intended to cover certain shortfalls in the ability of Ellevio to service payments of (a) scheduled interest or certain other payments in respect of Class B Debt (including payments due to be made by Ellevio in relation to the Class B Bonds on any Interest Payment Date (excluding the repayment of principal under the Class B Bonds)); or (b) certain other payments ranking in priority to or *pari passu* with the Class B Bonds. However, on any such Interest Payment Date, there are no assurances that any such shortfalls will be met in whole or in part by amounts standing to the credit of the Class B Debt Service Reserve Accounts or by the Class B Liquidity Facility. See "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

Capital Structure

The Security Group has a substantial amount of outstanding indebtedness with significant debt service requirements. In addition, the Security Group retains the ability to incur additional indebtedness in the future to finance its capital investment programmes. See "*Chapter 5 – Overview of the Financing Structure*".

This significant leverage could have important consequences including increasing the Security Group's vulnerability to a downturn in its business, economic or industry conditions and requiring the Security Group to dedicate a substantial portion of its cash flow from operations to payments on its debt obligations, thus reducing the availability of its cash flow to fund growth and for other general corporate purposes.

Such significant leverage could impact the ability of Ellevio to meet its payment obligations under the Bonds.

OTHER RISKS

The value of the Security may not be sufficient to cover Ellevio's payment obligations under the Bonds

The Security primarily consists of the Parent Share Pledge the Initial Parent Intragroup Loan Pledge, pledges over business mortgage certificates issued by Ellevio and real property mortgage certificates issued over certain real properties owned by Ellevio. The Security does not comprise all assets of Ellevio. There can be no assurance that the value of the Security will be sufficient to cover Ellevio's payment obligations under the Bonds. If the proceeds from an Enforcement Action are not sufficient to repay all amounts of principal and interest due in respect of the Secured Debt (which includes the Bonds), the Secured Creditors (which includes the Bondholders) will only have an unsecured claim against Ellevio's remaining assets (if any). To the extent that the value of the Security is not enough to repay all Secured Debt, any outstanding debt will be the unsecured obligations of Ellevio. The remaining assets of Ellevio may not be sufficient to repay all unsecured claims. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 4 – Overview of the Programme*" and "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

Limited market for sale of shares and certain other assets subject to Security upon an enforcement of the Parent Share Pledge and Security

Due to the specific and regulated nature of Ellevio, upon the enforcement of the Parent Share Pledge and a decision by the Secured Creditors to sell such shares, there can be no assurance that there will be a market for such shares or, if there is one, that there will not be substantial delays in the liquidation of such shares or that it will provide the Secured Creditors with sufficient recoveries to meet the payment obligations of the Secured Creditors or that any such liquidity will continue for the life of the Bonds. Consequently, any purchaser of the Bonds must be prepared to hold such Bonds for an indefinite period of time or until final redemption on maturity of the Bonds.

Further, the Ei has the authority to, in its discretion, continuously assess the suitability of Ellevio as holder of the Concessions necessary to operate the distribution network (which also considers the suitability of the owner(s) of Ellevio). The Ei has the authority to revoke Ellevio's Concessions, should Ellevio be deemed unsuitable for the purpose of operating the grid. There can be no assurance that the Ei, following a sale of the shares in Ellevio, will not reassess the suitability of Ellevio as the holder of such Concessions and that the Ei will not take the suitability of a potential purchaser of Ellevio's shares into consideration in doing so. This may further limit the market for the shares in Ellevio. See "*Chapter 6 – Description of Ellevio*" and "*Chapter 7 – Selected Aspects of Swedish Regulation to which Ellevio is Subject*".

In addition, upon an enforcement of the Security which consists of real property on which grid assets are connected or located, any purchaser(s) of the real property would require a concession to be granted by the Ei in order to operate the grid assets connected to, or located on, the real property. There can be no assurance that a purchaser of such real property would be granted the concessions necessary which may limit the market for such real properties.

These factors limit the market for the sale of the Security which may impact the value of the Security. As such, realisation of such Security may not provide the Secured Creditors with sufficient recoveries to meet the payment obligations of the Secured Creditors. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

It may be difficult to realise the full value of the Security securing the Bonds

The Security may be subject to certain limitations permitted under the Common Documents. Such limitations could adversely affect the value of the Security securing the Bonds as well as the ability of the Security Trustee to enforce that security.

The security interest granted pursuant to the Initial Parent Intragroup Loan Pledge has been granted with delayed perfection, and such security interest may only be perfected upon the occurrence of a Share Pledge Enforcement Event (as defined in the STID). As such, the Initial Parent Intragroup Loan Pledge will not be effective against third parties until a Share Pledge Enforcement Event has occurred. See "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

In addition, the Security may be subject to practical problems generally associated with the realisation of security interests in the Security. For example, the Security Trustee needs to obtain a judgment claim (Sw. *exekutionstitel*) from a court in order to enforce the security interest granted in the real properties owned by Ellevio. There can be no assurance that the Security Trustee will be able to obtain such a judgment claim or that such judgment claim will be granted in a timely manner.

The amount of funds that may be realised by the Secured Creditors or the Security Trustee may be limited or reduced if, among other things: (a) certain Swedish perfection formalities are not satisfied; (b) claims are subject to a deduction of realisation costs; (c) certain legal formalities are not taken at the time or before the Enforcement Action is taken; or (d) a court or a bankruptcy administrator takes any step within the insolvency laws of Sweden that may delay or prevent the Security Trustee or the Secured Creditors from realising the assets of Ellevio. Difficulties in realising the full value of the Security may impact the ability of Ellevio to meet its payment obligations under the Bonds. Further, any enforcement action (including any acceleration of the Bonds) may cause Ellevio to file for insolvency or be otherwise value destructive, which may also impact the ability of Ellevio to meet its payment obligations under the Bonds.

The pledge of business mortgage certificates granted by Ellevio cannot be actively enforced and covers a variable pool of assets

The security interest granted in the business of Ellevio pursuant to the pledge of business mortgage certificates (the "**Business Mortgage Certificates**") cannot be actively enforced, but instead consists of a grant by Ellevio of a right to payment pursuant to the Swedish Rights of Priority Act (Sw. *förmånsrättslagen (1979:979)*) in the event of foreclosure and bankruptcy proceedings of Ellevio. The security interest created by the pledge of such

Business Mortgage Certificates is granted in the business of Ellevio and covers all personal property (with the exception of, among other things, funds standing to the credit of bank accounts) belonging to Ellevio. Once an asset subject to the Business Mortgage Certificates is sold, however, the business mortgage over such asset will cease to be valid. Therefore, as a result of the disposal of assets of Ellevio during an enforcement scenario, the value of the Business Mortgage Certificates may be lower than at the time that such Business Mortgage Certificates were granted. This may decrease the value of the Security. Where the value of Security has been reduced, during an Enforcement, this may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

Certain claims and the Security are subject to a recovery risk

While as a general rule security granted at the time when a debt is incurred is not subject to a recovery risk, pursuant to applicable law, a transaction can, subject to certain prerequisites, be revoked if the transaction were concluded within a certain period of time (the length of which varies depending on the type of transaction and the parties thereto) before the application for bankruptcy, reorganisation or execution was filed with the competent court. Mandatory insolvency laws may, therefore, under specific circumstances require that the Security be recovered to the assets or bankruptcy estate of Obligors, or otherwise held to be unenforceable. Given that the security interest created under the Initial Parent Intragroup Loan Pledge may only be perfected upon a Share Pledge Enforcement Event, the hardening period will start upon perfection of the security. In addition, the satisfaction of certain claims of the Secured Creditors are subject to a risk of being recovered or revoked in the bankruptcy proceedings of Ellevio. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds. See "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

Insolvency laws may adversely affect the enforcement of the Guarantee and the Security

The initiation of insolvency proceedings, including bankruptcy (Sw. *konkurs*) and reconstruction (Sw. *företagsrekonstruktion*) proceedings, may, in the case of bankruptcy, result in the assets of the insolvent company being taken over by a court-appointed administrator in which case the right to dispose of the said assets could also be transferred to such an administrator or, in the case of reconstruction, result in a general prohibition on enforcement of security and payment, collection and execution of debts incurred prior to the initiation of the reconstruction proceedings, which applies to all creditors. The initiation of such proceedings may, therefore, have a materially adverse effect on the ability of the Security Trustee (in respect of the Security) to initiate or to control any enforcement proceedings relating to such assets. If such insolvency proceedings are commenced, the ability to realise the Security might be prohibited, delayed and/or the value of the Security impaired. The realisation process may also take more time than expected and the holders of the Bonds may not receive the invested principal and the accrued interest when due under the terms and conditions of the Bonds. This may result in Ellevio being unable to meet its liabilities, which may impact the ability of Ellevio to meet its payment obligations under the Bonds.

TAX RISKS

Swedish Withholding tax in respect of the Bonds

Sweden does not currently impose withholding tax on the Bonds (other than on payments to private individuals and estates, which for tax purposes are deemed to be resident in Sweden). However, if the law in Sweden were to change and any withholding or deduction for, or on account of, tax is required to be made from payments due under the Bonds, none of Ellevio or the Guarantor, any Paying Agent nor any other person will be obliged to pay any additional amounts to Bondholders or, if Definitive Bonds are issued, Couponholders, or otherwise to compensate Bondholders or Couponholders for the reduction in the amounts they will receive as a result of such withholding or deduction. See "*Tax Considerations*" below for a discussion of the risk of withholding taxes applying in respect of payments under the Bonds.

BOND CONSIDERATIONS

Reliance by Ellevio on third parties

The ability of Ellevio to pay amounts due under the Bonds depends upon a number of third parties such as the Liquidity Facility Provider(s), Hedge Counterparties and the Account Bank. In the event that one or more of those parties is downgraded by one or more of the Rating Agencies or if one or more of such third parties defaults on its obligations to make payments to Ellevio, this may have an adverse effect on the rating of the Bonds and/or the ability of Ellevio to satisfy its payment obligations in full. See "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

If a Hedging Agreement is terminated, Ellevio may be exposed to fluctuations in interest rates and/or currencies that were previously hedged. Upon any such termination, Ellevio may be obliged to make a termination payment to the relevant Hedge Counterparty. The requirement to make such a termination payment may impact the ability of Ellevio to meet its payment obligations under the Bonds. Further, there can be no assurance that Ellevio will have sufficient funds available to make a termination payment under the relevant Hedging Agreement, nor can there be any assurance that Ellevio will be able to enter into a replacement hedging agreement, or if one is entered into, that the credit rating of the replacement Hedge Counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Bonds.

Conflict of interest

The Trust Deed requires the Bond Trustee to have regard to the interests of all the Bondholders (so long as any of the Bonds remain outstanding) equally as regards all powers, trusts, authorities, duties and discretions of the Bond Trustee as if they formed a single class (except where expressly required otherwise).

For so long as any of the Bonds are outstanding, the Bond Trustee shall not be bound to take any steps, proceedings or other actions unless:

(a) it has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith; and

(b) it has been directed or requested to do so by Bondholders together holding or representing 25 per cent. or more of the Principal Amount Outstanding.

The Bond Trustee may give its consent to any amendment to, or grant any waiver under or in respect of, any term of any Bond Programme Document to which it is a party or over which it has security or give its written consent to any event, matter or thing (without the consent of the Bondholders or any other person) if to do so would, among other things, not, in its opinion, be materially prejudicial to the interests of the Bondholders, or in certain circumstances, where a specified test or conditions have been met. See "*Chapter 16 – Summary of the Finance Documents and the Bond Programme Documents*".

Limited liquidity of the Bonds; absence of secondary market for the Bonds

There can be no assurance that a secondary market for the Bonds will develop or, if a secondary market does develop for any of the Bonds issued after the date of this Prospectus, that it will provide any holder of Bonds with liquidity or that any such liquidity will continue for the life of the Bonds. Consequently, any purchaser of the Bonds must be prepared to hold such Bonds for an indefinite period of time or until final redemption or maturity of the Bonds.

The liquidity and market value of the Bonds at any time are affected by, among other things, the market view of the credit risk of such Bonds and will generally fluctuate with interest rates, general economic conditions, the condition of certain financial markets, international political events and the performance and financial condition of Ellevio.

Rating Agency assessments, downgrades and changes to Rating Agency criteria may result in ratings volatility in respect of the Bonds

The ratings to be assigned by the Rating Agencies to the Bonds reflect only the views of the particular Rating Agency and, in assigning the ratings, each Rating Agency takes into consideration the credit quality of Ellevio and structural features and other aspects of the transaction of which the Bonds form part. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in, or unavailability of, information in relation to Ellevio's underlying business and performance or if, in the Rating Agencies' judgement, other circumstances so warrant. If any rating assigned to the Bonds is lowered or withdrawn, the market value of the Bonds may be reduced. Future events, including events affecting Ellevio and/or circumstances relating to the industry in which it operates, could have an adverse impact on the ratings of the Bonds.

A confirmation from a Rating Agency that any action proposed to be taken by Ellevio will not have an adverse effect on the then current rating of the Bonds does not, for example, confirm that such action: (a) is permitted by the terms of the Common Documents or the Bond Programme Documents; or (b) is in the best interests of, or not prejudicial to, the Bondholders. While each of the Secured Creditors (including the Bondholders), the Security Trustee and the Bond Trustee (as applicable) are entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the Bonds would not be adversely affected by such action, the above does not impose or extend any actual or contingent liability on that Rating Agency to the Secured Creditors (including the Bondholders and the Bond Trustee) or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Bondholders and the Bond Trustee) or any other person whether by way of contract or otherwise.

Any such confirmation from a Rating Agency may or may not be given at the sole discretion of that Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information required to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a confirmation in the time available or at all. A confirmation from a Rating Agency, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the Bonds form a part since the Establishment Date. A confirmation from a Rating Agency represents only a restatement of the then current rating of the Bonds and cannot be construed as advice for the benefit of any parties to the transaction of which the Bonds form a part.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

Credit ratings may not reflect all risks relating to the Bonds

One or more independent credit rating agencies may assign an unsolicited credit rating to the Bonds. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and below and other factors that may affect the value of the Bonds. Such a rating may be lower than the rating assigned to the Bonds by the Rating Agencies and may impact the market value of the Bonds.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to the transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Change to covenants subject to Ratings Confirmation

Changes can be made to certain covenants provided that Ellevio obtains a Ratings Confirmation in respect of the particular change. The Rating Agencies may not provide their confirmation in the time available or at all, and they will not be responsible for the consequences thereof. A Ratings Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time. A Ratings Confirmation cannot be construed as advice for the benefit of any party to the transaction. No assurance can be given that, although a Ratings Confirmation in respect of any particular change has been provided, such change will not have an adverse impact upon Ellevio.

Green bonds may not be a suitable investment for all investors seeking exposure to green assets

Prospective investors who intend to invest in the Green Bonds issued under the Programme must determine for themselves the relevance of the information in the relevant Final Terms (for example, regarding the use of proceeds) for the purpose of any investment in the Green Bonds together with any other investigation such investors deem necessary. In particular, no assurance is or can be given to investors that the Eligibility Criteria or the Eligible Green Portfolio (each as defined in Chapter 12 "*Use of Proceeds*") will meet or continue to meet on an ongoing basis any or all investor expectations regarding investment in "green bond", "green" or "sustainable" or equivalently-labelled projects.

In connection with the issue of Green Bonds under the Programme, the Issuer may request consultants and/or institutions with recognised relevant expertise to issue an opinion (i) confirming that the Eligible Green Portfolio (as defined in Chapter 12 "*Use of Proceeds*" below) has been defined in accordance with the broad categorisation of eligibility for green projects set out by the 2017 Green Bond Principles; and/or (ii) regarding the suitability of the Green Bonds as an investment in connection with certain environmental and sustainability projects (any such opinion, an "**External Review**"). Any External Review is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. An External Review may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Green Bonds or the Eligible Green Portfolio. An External Review would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. Prospective investors must determine for themselves the relevance of any External Review and/or the information contained therein and/or the provider of any External Review for the purpose of any investment in the Green Bonds. In particular, no assurance or representation is or can be given to investors that the External Review will reflect any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. The Bondholders have no recourse against the provider of any External Review. In addition, although the Issuer may agree at the time of issue of any Green Bonds to certain reporting and use of proceeds obligations it would not be an event of default under the Bonds if the Issuer fails to comply with such obligations. A withdrawal of an External Review may affect the value of such Green Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

Furthermore, it should be noted that no member of the Security Group, no Dealer, or the Arranger nor any other person makes any representation as to the suitability of the Green Bonds to fulfil environmental and/or sustainability criteria required by prospective investors. No member of the Security Group is responsible for any third party assessment of the Eligibility Criteria. Nor is any Dealer or the Arranger responsible for (i) any assessment of the Eligibility Criteria, (ii) any verification of whether the Eligible Green Projects and/or Assets meet the Eligibility Criteria, or (iii) the monitoring of the use of proceeds. Investors should refer to the Issuer's website, the Ellevio Green Bond Framework and the External Review for further information. The External Review provider has been appointed by the Issuer.

Certain risks related to Index-Linked Bonds

Ellevio may issue Bonds with principal or interest determined by reference to the Swedish Consumer Price Index. Potential investors of all Bonds, but particularly of Index-Linked Bonds, should be aware that:

- the market price of such Bonds may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time than expected;
- they may lose all or a substantial portion of their principal;
- the Swedish Consumer Price Index may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices;
- if the Swedish Consumer Price Index is applied to Bonds in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Swedish Consumer Price Index on principal or interest payable is likely to be magnified; and
- the timing of changes in the Swedish Consumer Price Index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Swedish Consumer Price Index, the greater the effect on yield.

The historical performance of the Swedish Consumer Price Index should not be viewed as an indication of the future performance of such Index during the term of any Index-Linked Bonds.

In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or the entire principal amount invested by it.

Certain risks related to Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Certain risks related to Fixed Rate Bonds

Investment in Fixed Rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Bonds.

Certain risks related to Floating Rate Bonds referencing benchmarks that are subject to regulation and reform

LIBOR, EURIBOR, STIBOR and other rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Bonds linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**BMR**") was published in the official journal on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that applied from 30 June 2016). The BMR could have a material impact on any Bonds linked to LIBOR, EURIBOR, STIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the BMR, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of, the published rate or level, of the benchmark. In addition, the BMR stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the BMR and other applicable regulations, and the risks associated therewith.

An example of such benchmark reform was the announcement by the UK Financial Conduct Authority on 12 July 2018 that the LIBOR benchmark may cease to be a regulated benchmark under the BMR (the "**FCA Announcement**"). The FCA Announcement indicates that steps are being taken to transition from the LIBOR benchmark to alternative interest rate benchmarks following the FCA's announcement on 27 July 2017 that it will no longer compel banks to submit rates for the calculation of the LIBOR benchmark. This announcement and subsequent speeches by Andrew Bailey and other FCA officials have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021.

Other interbank offered rates ("**IBORs**") suffer from similar weaknesses to LIBOR and although work continues on reforming their respective methodologies to make them more grounded in actual transactions, they may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Bonds referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Bonds linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequences could have a material adverse effect on the value of, and return on, any such Bonds linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market are being developed, outstanding Bonds linked to or referencing an IBOR may transition away from such IBOR in accordance with the particular fallback arrangements set out in their terms and conditions. The operation of these fallback arrangements could result in a different return for Bondholders (which may include payment of a lower Rate of Interest) than they might receive under other similar securities which contain different or no fallback arrangements (including those which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given IBOR to an alternative rate).

Implementation of and/or changes to the Basel III framework may affect the capital requirements and/or the liquidity associated with a holding of the Bonds for certain investors

The Basel Committee on Banking Supervision (the "**Basel Committee**") approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as "**Basel III**"). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). It is intended that member countries will implement the new capital standards and the new Liquidity Coverage Ratio as soon as possible (with provision for phased implementation, meaning that the measure will not apply in full until January 2019) and the Net Stable Funding Ratio from January 2018. Implementation of Basel III requires national legislation and, therefore, the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation.

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Bonds and/or on incentives to hold the Bonds for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Bonds.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Bonds and as to the consequences for and effect on them of any changes to the Basel framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Denominations and trading

The Bonds will either be Bearer Bonds or Registered Bonds as specified in the applicable Final Terms or Drawdown Prospectus (as the case may be) and serially numbered in the Specified Denomination(s) provided that in the case of any Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a member state of the European Economic Area in circumstances that require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be SEK1,000,000, £100,000, €100,000, U.S.$200,000 or not less than the equivalent of €100,000 in any other currency as at the date of issue of the relevant Bonds.

Bonds may be issued with a minimum Specified Denomination and higher integral multiples of a number that is smaller than the Specified Denomination. It is possible that the Bonds may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. In such a case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination: (a) may not be able to trade such holding; and (b) may not receive a definitive bond in respect of such holding (should Definitive Bonds (as defined in the Forms of Bonds) be printed) unless such Bondholder purchases a principal amount of Bonds such that its holding amounts to at least the minimum Specified Denomination.

The Bonds could be subject to exchange rate risks and exchange control risks

Ellevio will pay principal and interest on the Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Ellevio has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. Moreover, if payments on certain Bonds are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been highly volatile and volatility between such currencies or with other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease the Investor's

Currency-equivalent yield on the Bonds, the Investor's Currency-equivalent value of the principal payable on the Bonds and the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

CHAPTER 3
THE PARTIES

Ellevio or **Issuer**	Ellevio AB (publ), a company incorporated under the laws of Sweden with limited liability with registered number 556037-7326.
Parent, **Guarantor** or **Ellevio Holding**	Ellevio Holding 4 AB, a company incorporated with limited liability in Sweden with registered number 559005-2451.
Bondholders	Holders of the Bonds issued by the Issuer from time to time, as further described in the definition of "Bondholder" in the Glossary of Defined Terms.
Obligors	Ellevio and the Parent and any other person who accedes to, *inter alia*, the STID and the CTA or in accordance with the terms of the Finance Documents.
Security Group	Ellevio and the Parent.
Security Group Agent	Ellevio.
Arranger	NatWest Markets Plc
Dealers	BNP Paribas, Skandinaviska Enskilda Banken AB (publ) and NatWest Markets Plc.
Bond Trustee	Citibank, N.A., London Branch or any other or additional trustee appointed pursuant to the Trust Deed, for and on behalf of the Bondholders, the Receiptholders and the Couponholders.
Security Trustee	Citibank, N.A., London Branch or any successor appointed as security trustee pursuant to the STID.
Hedge Counterparties	Certain financial institutions which from time to time enter into Hedging Agreements with Ellevio as counterparties and which comply with certain criteria set out in the Hedging Policy, in the Common Terms Agreement and described in Chapter 16 "*Summary of the Finance Documents and the Bond Programme Documents*". The name and a brief description of each current Hedge Counterparty is set out in Chapter 14, "*Description of the Hedge Counterparties*". Ellevio may enter into further Hedging Agreements from time to time which comply with the Hedging Policy.
Secured Creditors	The Bondholders, the Initial ACF Lenders, Class B Senior Term Facility Lenders, the WC Lenders, the Capex Lenders, the Hedge Counterparties, the Institutional Loan Providers, the Account Bank, the Security Trustee, the Facility Agent(s), the Bond Trustee, the Issuing and Paying Agent, any other Paying Agents, the Agent Bank, the Registrar, the Transfer Agents and the Calculation Agent and any other entity which provides funding to the Obligors and accedes to the STID and CTA from time to time.
Class A Creditors	Any provider of Class A Debt.

Class A Debt	Any Financial Indebtedness that is, for the purposes of the STID, to be treated as Class A Debt.
Class B Creditors	Any provider of Class B Debt.
Class B Debt	Any Financial Indebtedness that is, for the purposes of the STID, to be treated as Class B Debt.
Class B Senior Term Facility Lenders	The lenders under the Senior Term Facilities from time to time.
Capex Facility Providers	Any party which provides the Issuer with a Capex Facility and accedes to the Common Terms Agreement.
WC Lenders	The lenders under the WC Facility from time to time.
Facility Agent	Skandinaviska Enskilda Banken AB (publ).
Institutional Loan Providers	Those institutions which provide the Institutional Loans to Ellevio from time to time.
Class A LF Provider(s)	The Class A LF Providers and any bank or financial institution which has become a party to the Class A Liquidity Facility Agreement in accordance with the terms of the Class A Liquidity Facility Agreement which, in each case, has not ceased to be a party in accordance with the terms of the Class A Liquidity Facility Agreement. The name and a brief description of each current Class A LF Provider is set out in Chapter 15, "*Description of the Liquidity Facility Providers*".
Class B LF Provider(s)	The Class B LF Providers and any bank or financial institution which has become a party to the Class B Liquidity Facility Agreement in accordance with the terms of the Class B Liquidity Facility Agreement which, in each case, has not ceased to be a party in accordance with the terms of the Class B Liquidity Facility Agreement. As at the date of this Prospectus, there are no current Class B LF Providers.
Paying Agents	The several institutions (including, where the context permits, the Issuing and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Bonds by the Issuer pursuant to the relevant Agency Agreement and/or, if applicable, any successor paying agents at their respective specified offices in relation to all or any Tranche of the Bonds as well as additional paying agents appointed under supplemental agency agreements as may be required in any jurisdiction in which Bonds may be issued or sold from time to time.
Primary Account Bank	Skandinaviska Enskilda Banken AB (publ) or any successor account bank appointed pursuant to the Account Bank Agreement.
Cash Manager	Ellevio, or during and after any Standstill Period and/or acceleration of the Secured Debt, the Standstill Cash Manager.
Standstill Cash Manager	Skandinaviska Enskilda Banken AB (publ).

Registrar	In relation to any Tranche of Registered Bonds, Citigroup Global Markets Deutschland AG or, if applicable, any successor registrar appointed pursuant to the Bond Programme Documents in relation to all or any Tranche of Bonds.
Transfer Agent(s)	In relation to all or any Tranche of the Registered Bonds, Citibank, N.A., London Branch, or if applicable, the several institutions at their respective specified offices initially appointed as transfer agents in relation to such Bonds by the Issuer pursuant to the relative Agency Agreement and/or, if applicable, any successor transfer agents at their respective specified offices in relation to all or any Tranche of the Bonds.
Rating Agencies	means each of Fitch, Moody's and S&P and any successor to any of the aforementioned and any further rating agency appointed by the Issuer.

CHAPTER 4
OVERVIEW OF THE PROGRAMME

The following does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the Conditions of the Bonds, the applicable Final Terms or Drawdown Prospectus. Words and expressions not defined in this section shall have the same meanings as defined in Chapter 9 ("*Terms and Conditions of the Bonds*").

Description	Bond Programme for the issuance of Bonds by the Issuer.
Bond Programme Size	Up to EUR 10,000,000,000 (or its equivalent in other currencies calculated as described herein) aggregate nominal amount of Bonds outstanding at any time as increased from time to time by the Issuer.
Issuance in Classes	Bonds issued by the Issuer under the Bond Programme have been and will be issued in Series, with each Series belonging to one of two Classes. The Bonds issued by the Issuer are and will be designated as one of Class A Bonds or Class B Bonds. Each Class comprises one or more Sub-Classes of Bonds with each Sub-Class pertaining to, among other things, the currency, interest rate and Final Maturity Date of the relevant Sub-Class and each Sub-Class can be issued in one or more Tranches, the specific terms of each Tranche of a Sub-Class being identical in all respects, save for the issue dates, interest commencement dates and/or issue prices, to the terms of the other Tranches of such Sub-Class. The specific terms of each Tranche of Bonds will be set out in the applicable Final Terms or Drawdown Prospectus.
Issue Dates	The date of issue of a Tranche of Bonds as specified in the relevant Final Terms or Drawdown Prospectus (each an "**Issue Date**").
Distribution	Bonds have been and may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Certain Restrictions	Each issue of Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply has been and will only be issued in circumstances in which such laws, guidelines, regulations, restrictions or reporting requirements are complied with from time to time, including the restrictions applicable at the date of this Prospectus. See Chapter 18 ("*Subscription and Sale*").
Currencies	Euro, Swedish Krona, sterling, U.S. dollars, Norwegian kroner, Canadian dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the Relevant Dealer.
Maturities	Such maturities as may be agreed between the Issuer and the Relevant Dealer, subject to such minimum or maximum

maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the Relevant Currency (as defined in the Conditions).

Bonds with a maturity of less than one year:

Where the Issuer wishes to issue Bonds with a maturity of less than one year, it shall ensure that the Bonds are issued in full compliance with the conditions set out in Notice BSD C 01/02 dated 12 November 2002 (as amended from time to time) issued by the Central Bank pursuant to section 8(2) of the Central Bank Act, 1971 (as amended) of Ireland, including that the Bonds comply with, *inter alia*, the following criteria:

(a) at the time of issue, the Bonds must be backed by assets to at least 100 per cent. of the value of the Bonds issued;

(b) at the time of issue, the Bonds must be rated at least investment grade by one or more recognised rating agencies, based on the definitions set out in the Central Bank Implementation Notice for credit institutions (BSD S 2/00 of 30 June 2000) of the EU directive on the capital adequacy of investment firms and credit institutions;

(c) the Bonds must be issued and transferable in minimum denominations of €300,000 or the foreign currency equivalent;

(d) the Bonds carry the title "Commercial Paper" (unless constituted under the laws of a country other than Ireland and, under those laws, the commercial paper carries a different title in which case it must carry such title) and must identify the issuer by name;

(e) it must be stated explicitly on the face of the Bonds and, where applicable, in the contract between the Issuer and the initial investor in the Bonds that they are issued in accordance with an exemption granted by the Central Bank under Section 8(2) of the Central Bank Act, 1971 of Ireland (as amended);

(f) it must be stated explicitly on the face of the Bonds and, where applicable, in the contract between the Issuer and the initial investor in the Bonds that the investment does not have the status of a bank deposit and is not within the scope of the Deposit Guarantee Scheme operated by the Central Bank and that the Issuer is not regulated by the Central Bank arising from the issue of the Bonds; and

(g) any issue of Bonds which is guaranteed must carry a statement to the effect that it is guaranteed and identify the guarantor by name.

Issue Price	Bonds have been and will be issued on a fully paid basis and may be issued at an issue price which is at par or at a discount to, or premium over, par.
Interest	Bonds are, and will be unless otherwise specified in the relevant Final Terms or Drawdown Prospectus, interest-bearing and interest is or will be calculated (unless otherwise specified in the relevant Final Terms or Drawdown Prospectus) on the Principal Amount Outstanding (as defined in the Conditions) of such Bond. Interest accrues or will accrue at a fixed or floating rate (plus, in the case of Index-Linked Bonds, amounts in respect of indexation) and is or will be payable in arrear, as specified in the relevant Final Terms or Drawdown Prospectus. Interest is or will be calculated on the basis of such Day Count Fraction (as defined in the Conditions) as may be agreed between the Issuer and the Relevant Dealer as specified in the relevant Final Terms or Drawdown Prospectus.
Form of Bonds	Each Series of Bonds will be issued in bearer or registered form as described in Chapter 9 ("*Terms and Conditions of the Bonds*"). Registered Bonds will not be exchangeable for Bearer Bonds.
Fixed Rate Bonds	Fixed Rate Bonds bear or will bear interest at a fixed rate of interest payable on such date or dates as may be agreed between the Issuer and the Relevant Dealer and on redemption, as specified in the relevant Final Terms or Drawdown Prospectus.
Floating Rate Bonds	Floating Rate Bonds will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the Relevant Currency governed by an agreement incorporating the 2000 ISDA Definitions or the 2006 ISDA Definitions (each as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Bonds of the relevant Series) as set out in the relevant Final Terms or Drawdown Prospectus; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service (being EURIBOR, LIBOR, STIBOR, NIBOR or such other reference rate as may be specified in a Drawdown Prospectus). The margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer for each Series of Floating Rate Bonds.

Index-Linked Bonds

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index-Linked Bonds (including Limited Index-Linked Bonds as defined in Condition 7(a)) (*Definitions*)) are or may be calculated in accordance with Condition 7 (*Indexation*) by reference to the Swedish Consumer Price Index.

Interest Payment Dates

Interest payment dates will be set out in the relevant Final Terms or Drawdown Prospectus.

Redemption

As more particularly set out in Condition 8(a) (*Redemption by Instalments and Final Redemption*), unless previously redeemed, purchased and cancelled as provided in Condition 8 (*Redemption, Purchase and Options*):

(a) each Bond that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified thereon; and

(b) each Bond shall be finally redeemed on the Final Maturity Date specified thereon at its Final Redemption Amount (which, unless otherwise provided thereon, is its nominal amount) or, in the case of a Bond falling within paragraph (a) above, its final Instalment Amount.

Redemption for Index Event, Taxation or Other Reasons

As more particularly set out in Condition 8(c) (*Redemption for Index Events*), upon the occurrence of any Index Event, the Issuer may, upon giving not more than 15 nor fewer than five Business Days' prior written notice to the Bond Trustee, the Security Trustee, the other Secured Creditors and the holders of the Index-Linked Bonds in accordance with Condition 18 (*Notices*), redeem all (but not some only) of the Index-Linked Bonds on any Interest Payment Date at the Principal Amount Outstanding (adjusted for indexation) plus accrued but unpaid interest.

As more particularly set out in Condition 8(d) (*Redemption for Taxation Reasons*), if: (i) the Issuer certifies to the Bond Trustee (upon which certification the Bond Trustee shall rely absolutely and without enquiry or liability) that:

(a) it has or will become obliged to deduct or withhold from any payment of interest or principal in respect of the Bonds;

(b) it or a Hedge Counterparty has or will become obliged to deduct or withhold from any payment in respect of a Hedging Agreement

(although in neither case will the Issuer or a Hedge Counterparty have any obligation to pay additional amounts in respect of such withholding or deduction) as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Bonds; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer may, upon giving not less than five Business Days nor more than 15 Business Days' notice to the Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable) at their Early Redemption Amount, redeem the Bonds in whole, but not in part, on any Interest Payment Date (if this Bond is either a Floating Rate Bond or an Index-Linked Bond) or at any time (if this Bond is neither a Floating Rate Bond nor an Index-Linked Bond).

As more particularly set out in Condition 8(e) (*Redemption at the Option of the Issuer*) the Issuer may, having given not less than 30 days' nor more than 60 days' notice to the relevant Bondholders in accordance with Condition 19 (*Notices*), redeem all or only some of the following:

(a) Floating Rate Bonds;

(b) Euro Bonds;

(c) Swedish Krona Bonds;

(d) US Bonds;

(e) Norwegian Kroner Bonds;

(f) Canadian Dollar Bonds; and

(g) Index-Linked Bonds,

then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the relevant:

(h) Floating Rate Bonds Maturity Date at the Principal Amount Outstanding plus any premium for early redemption in certain years (as specified in the relevant Final Terms or Pricing Supplement) plus any accrued but unpaid interest on the Principal Amount Outstanding; or

(i) Euro Bond Maturity Date at the Optional Euro Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Euro Bonds; or

(j) Swedish Krona Bond Maturity Date at the Optional Swedish Krona Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Swedish Krona Bonds; or

(k) U.S. Dollar Bond Maturity Date at the Optional U.S. Dollar Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant U.S. Dollar Bonds;

(l) Norwegian Kroner Bond Maturity Date at the Optional Norwegian Kroner Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Norwegian Kroner Bonds;

(m) Canadian Dollar Bond Maturity Date at the Optional Canadian Dollar Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Canadian Dollar Bonds; or

(n) Index-Linked Bond Maturity Date at the Principal Amount Outstanding (plus any premium for early redemption (as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption (in each case, as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*).

Denomination of Bonds

Bonds have been and will be issued in such denominations as have been or may be agreed between the Issuer and the Relevant Dealer save that: (i) in the case of any Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Bonds); and (ii) in any other case, the minimum specified denomination of each Bond will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Relevant Currency. The "Specified Denomination" will be specified in the Final Terms or Drawdown Prospectus (see section "*Certain Restrictions*" above).

Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds, the Receipts and Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature subject as provided in Condition 10 (*Taxation*).

Status of the Bonds

The Bonds in issue constitute and any future Bonds and the corresponding Receipts and Coupons issued under the Bond Programme will constitute secured obligations of the Issuer. Any Class of Bonds and the corresponding Receipts and Coupons may comprise a number of issues in addition to the initial Tranche of such Class, each of which will be issued on identical terms save for the first Interest Payment Date, the Issue Date and the Issue Price and will be consolidated and form a Series with the prior issues of the relevant Class.

Each Class of Bonds issued under the Bond Programme will rank *pari passu* without preference or priority in point of security amongst themselves.

The Bonds and the corresponding Receipts and Coupons represent the right of the holders of such Bonds and the corresponding Receipts and Coupons to receive interest principal payments from the Issuer in accordance with the terms and conditions of the Bonds (the "**Conditions**") and the trust deed (as amended, supplemented or restated from time to time) (the "**Trust Deed**") entered into by the Issuer, the Guarantor and the Bond Trustee in connection with the Bond Programme.

The Class A Bonds and the corresponding Receipts and Coupons and any further Class A Bonds and the corresponding Receipts and Coupons issued under the Bond Programme will rank *pari passu* with respect to payments of interest and principal. All claims in respect of the Class A Bonds and the corresponding Receipts and Coupons and any further Class A Bonds and the corresponding Receipts and Coupons issued under the Bond Programme will rank in priority to payments or interest and principal due on all Class B Bonds and the corresponding Receipts and Coupons.

In the case of interest and principal on Class B Bonds and the corresponding Receipts and Coupons only, if, on any Interest Payment Date or any date upon which such Class B Bond and the corresponding Receipts and Coupons is to be redeemed (in whole or in part) prior to the taking of Enforcement Action, there are insufficient funds available to the Issuer to pay accrued interest or principal on the Class B Bonds and the corresponding Receipts and Coupons (after taking into account, in respect of interest, any amounts available to be drawn under the Class B Liquidity Facility or from the Class B Debt Service Reserve Account of the Issuer), the Issuer's liability to pay such accrued interest or principal will be treated as not having fallen due and will be deferred until the earliest of:

(i) the next following Interest Payment Date on which the Issuer has, in accordance with the Pre-Enforcement Priority of Payments, sufficient funds available to pay such deferred amounts (including any interest accrued thereon);

(ii) the date on which the Class A Debt has been paid in full; and

(iii) an acceleration of and enforcement of rights by the Secured Creditors (other than a Permitted Hedge Termination).

Security Group Covenants

The representations, warranties, covenants (positive, negative and financial) and events of default which apply and will apply to, among other things, the Bonds are set out in the common terms agreement dated the Signing Date and as amended, supplemented or restated from time to time (the "**CTA**") (see Chapter 16 "*Summary of the Finance Documents and the Bond Programme Documents – Common Terms Agreement*").

Guarantee and Security

The outstanding Bonds in issue are, and further Bonds issued under the Bond Programme will be, unconditionally and irrevocably guaranteed by the Guarantor as provided in the STID (the "**Guarantee**"). The Guarantee constitutes a direct, unconditional and secured obligation of the Guarantor. Further, the obligations of the Issuer will be secured pursuant to security agreements in favour of the Security Trustee (the "**Security Documents**"). The Security is held by the Security Trustee on trust for the Secured Creditors (as defined below) under the terms of the Security Documents and subject to the terms of the STID (as defined below) (see Chapter 16 *"Summary of the Finance Documents and the Bond Programme Documents – Security Documents").*

The Parent has provided a pledge over the shares it holds in its wholly owned subsidiary, Ellevio (the "**Parent Share Pledge**"). The Parent Share Pledge secures the Parent's obligations under its Guarantee of the obligations of Ellevio and of its obligation under the Security Agreement to fund an amount equivalent to the Secured Debt upon demand by the Security Trustee following an Event of Default. This funding obligation will facilitate a Permitted Share Pledge Enforcement during a Standstill (see Chapter 16 (*"Summary of the Finance Documents and the Bond Programme Documents – Security Documents – The Parent – security over shares in the Issuer"*)).

Intercreditor Arrangements

The Issuer and each Secured Creditor (other than the Bondholders) are each a party to the Security Trust and Intercreditor Deed dated the Signing Date (the "**STID**"), which regulates, among other things: (i) the claims of the Secured Creditors; (ii) the exercise and enforcement of rights by the Secured Creditors; (iii) the rights of the Secured Creditors to instruct the Security Trustee; (iv) the rights of the Secured Creditors during the occurrence of an Event of Default; (v) the Entrenched Rights, Extraordinary Voting Matters and Reserved Matters of each Secured Creditor; and (vi) the giving of consents and waivers and the making of amendments by the Secured Creditors (see Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents*")).

Class A Liquidity Facility	The Class A LF Providers (as defined above) made available, on the Closing Date, to the Issuer, a revolving 364-day credit facility for the purpose of meeting certain shortfalls in revenues for the Issuer to meet its obligations to pay interest on the Class A Debt, which includes the Class A Bonds. The liquidity transactions entered into by Ellevio have limited insolvency-related termination events/draw stops, with a view to such transactions becoming terminable by the relevant Liquidity Facility Providers only if an Acceleration Notice is delivered in respect of the Bonds.
Class B Liquidity Facility	The Class B LF Providers (as defined above) made available, on the Closing Date, to the Issuer, a revolving 364-day credit facility for the purpose of meeting certain shortfalls in revenues for the Issuer to meet its obligations to pay interest on the Class B Debt, which includes the Class B Bonds. The liquidity transactions entered into by Ellevio have limited insolvency-related termination events/draw stops, with a view to such transactions becoming terminable by the relevant Liquidity Facility Providers only if an Acceleration Notice is delivered in respect of the Bonds.
Authorised Credit Facilities	Subject to certain conditions being met, the Issuer is permitted to incur certain indebtedness under authorised credit facilities (each an "**Authorised Credit Facility**") with an Authorised Credit Provider. These Authorised Credit Facilities may comprise loan, hedging, finance leases, liquidity facilities and other facilities (including letter of credit facilities) subject to the terms of the CTA and the STID. Each Authorised Credit Provider will be party to the CTA and the STID and may have voting rights thereunder. The Hedge Counterparties constitute Authorised Credit Providers (see Chapter 16 "*Summary of the Finance Documents and the Bond Programme Documents*").
Approval, Listing and Admission to Trading	This document has been approved by the Central Bank as the Prospectus. Application has been made to Euronext Dublin for the Bonds issued under the Bond Programme during the period of 12 months from the date of this Prospectus to be admitted to trading on the Regulated Market and to be listed on the Official List of Euronext Dublin. Unlisted Bonds may also be issued. The applicable Final Terms or Drawdown Prospectus will state whether or not the relevant Bonds are to be listed and, if so, on which stock exchange(s).
Ratings	The ratings assigned to the Bonds by the Rating Agencies reflect only the views of the Rating Agencies. The initial ratings of a Series of Bonds will be specified in the relevant Final Terms or Drawdown Prospectus.

A rating is not a recommendation to buy, sell or hold securities and will depend, among other things, on certain underlying characteristics of the business and financial condition of the Issuer from time to time.

ESMA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the CRA Regulation. This list must be updated within 5 working days of ESMA's notification to the relevant credit rating agency of adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation.

Governing Law

The Bonds, and each Bond Programme Document that the Issuer is a party to on the Bond Programme Signing Date and all non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. In addition, the Guarantor and the Issuer entered into the Swedish Security Agreements, which are governed by Swedish law.

Clearing Systems

Clearstream, Luxembourg, Euroclear and, in relation to any Sub-Class such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer including, for example, CDS Clearing and Depositary Services Inc. In respect of Canadian Dollar Bonds, each reference in this Prospectus to a clearing system should be read to refer to CDS.

Selling Restrictions

There will be restrictions on the offer, sale and transfer of the Bonds in the United States, the United Kingdom and such other restrictions as may be required by law in the relevant jurisdictions in connection with the offering and sale of a particular Series of Bonds.

The Bearer Bonds will be issued in compliance with U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**") unless (i) the relevant Final Terms states that the Bearer Bonds are issued in compliance with U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**") or (ii) the Bearer Bonds are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") does not apply, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Investor Information

Ellevio is required to produce an investors' report (the "**Investor Report**") semi-annually to be delivered to the Secured Creditors with each set of financial statements and will be available at www.ellevio.se/financialinformation. Such Investor Report will include, among other things:

(a) a general overview of any relevant information, including general performance of Ellevio;

(b) regulatory and business update;

(c) the amount of any Capital Expenditure of Ellevio for the applicable period;

(d) details of the current financing position, e.g. new issues, redemptions, etc.;

(e) summary details of material acquisitions or disposals;

(f) general overview of the current hedging position; and

(g) confirmation that ratios have been met.

Each such Investor Report will be made available by the Issuer on the website of Ellevio.

Private Placement

The Issuer may from time to time offer private placement notes on a standalone basis. If issued, such private placement notes will rank *pari passu* with and be treated for all purposes in the same manner as the Class A Bonds or the Class B Bonds, as the case may be, save that they may have the benefit of additional representations and undertakings (in accordance with the STID, subject to such representations and undertakings being also extended for the benefit of all other Secured Creditors).

CHAPTER 5
OVERVIEW OF THE FINANCING STRUCTURE

Financing Structure

The following does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus, and in relation to the Conditions of any particular Tranche of Bonds, the applicable Final Terms.

The Issuer has authorised the establishment of the Bond Programme in order to raise finance in the capital markets through the issuance of the Bonds. Under the Bond Programme, the Issuer will, from time to time, issue Bonds the proceeds of which will be used as further described below and in Chapter 12 ("*Use of Proceeds*").

The Issuer will have the benefit of the Class A Liquidity Facility and the Class B Liquidity Facility to support debt service in respect of the Class A Bonds and the Class B Bonds, respectively.

From and including the Closing Date, the Security Trustee (for itself and on behalf of the Secured Creditors), the Bond Trustee (for itself and on behalf of the Bondholders), any appointee of the Security Trustee or the Bond Trustee, the Bondholders, the Class A LF Providers, the Class B LF Providers the Account Bank, the Paying Agents, any Calculation Agent, the Cash Manager, the Registrar, and the Transfer Agent (together the "**Secured Creditors**") have had the benefit of security granted by the Issuer pursuant to the Security Agreement. For a more detailed description of the security arrangements in respect of the obligations of the Issuer see Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents – Security Documents*").

Ellevio Group Financing, Ownership and Debt Structure

Ellevio Holding owns Ellevio, a licensed electricity distribution company operating in Sweden. Ellevio was acquired by Ellevio Sverige AB in June 2015 (the "**Acquisition**"). Ellevio Sverige AB was owned by Ellevio Holding (then known as Sigurd HoldCo4 AB) and was merged into Ellevio after the Acquisition.

Ellevio borrowed money under the initial authorised credit facilities agreement entered into with certain lenders on the Signing Date, which was amended and restated on 18 January 2019 (the "**IACFA**"). Under the IACFA, a revolving credit facility (the "**Revolving Credit Facility**") and an ancillary facility (an "**Ancillary Facility**") was made available to Ellevio.

Ellevio used or may use the proceeds of the Revolving Credit Facility:

(a) to enable Ellevio to refinance existing indebtedness owed under the IACFA before it was amended on 18 January 2019 (the "**Existing Indebtedness**") (including any related hedging);

(b) the financing or refinancing of Capital Expenditure of the Security Group (including expenditure relating to any Certified Storm Event) to the extent such Capital Expenditure will accrue to the RAV of the Security Group or will generate regulated income under the applicable regulatory regime at the time of the relevant Utilisation;

(c) the financing of Permitted Acquisitions as described in paragraphs (d) and (f) of the definition thereof (and excluding any Permitted Acquisition constituting a Hostile Takeover);

(d) costs and expenses incurred (on an arm's length basis) in connection with any Permitted Acquisition pursuant to paragraph (c) above; and

(e) the refinancing of any existing Financial Indebtedness of the relevant target company or business acquired in any Permitted Acquisition referenced in paragraph (c) above.

Ellevio may apply any utilisation of any Ancillary Facility towards general corporate purposes and the working capital requirements of the Security Group.

Facility A1, Facility A2, Facility A3, the Capex Facility and the WC Facility originally provided under the IACFA (before it was amended on 18 January 2019) were repaid and replaced with the Revolving Credit Facility upon the amendment of the IACFA on 18 January 2019.

On the Closing Date, Ellevio entered into hedging agreements (the "**Hedging Agreements**") with certain hedge counterparties (the "**Hedge Counterparties**") with respect to the debt incurred under the Secured Debt.

Ellevio has the benefit of the Class A Liquidity Facility Agreement and the Class B Liquidity Facility Agreement which supports scheduled debt service obligations under the bonds, external bank debt and the hedging relating to the Secured Debt.

Guarantee, Security and Intercreditor Voting Arrangements

On the Closing Date, Ellevio Holding provided a Guarantee (which is contained in the STID) of the obligations of the Security Group under the Common Documents. For a more detailed description of the Guarantee, see Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents – Security Trust and Intercreditor Deed*"). On the Closing Date, the Parent provided a pledge over the shares it holds in Ellevio, its wholly owned subsidiary. The Parent share pledge secures Ellevio Holding's obligations under its Guarantee of the obligations of Ellevio and itself (the "**Parent Share Pledge**").

Pursuant to the terms of the STID, the following Secured Creditors are entitled to vote (in the case of paragraphs (a) to (c) below, represented by their respective agent or, in the case of the Qualifying Bondholders, the Bond Trustee):

(a) the Original Initial ACF Lenders;

(b) the Capex provider(s);

(c) the WC Facility provider(s);

(d) the Class A LF Providers;

(e) the Qualifying Bondholders;

(f) in relation to any vote on whether to take Enforcement Action or following Enforcement Action, the Hedge Counterparties; and

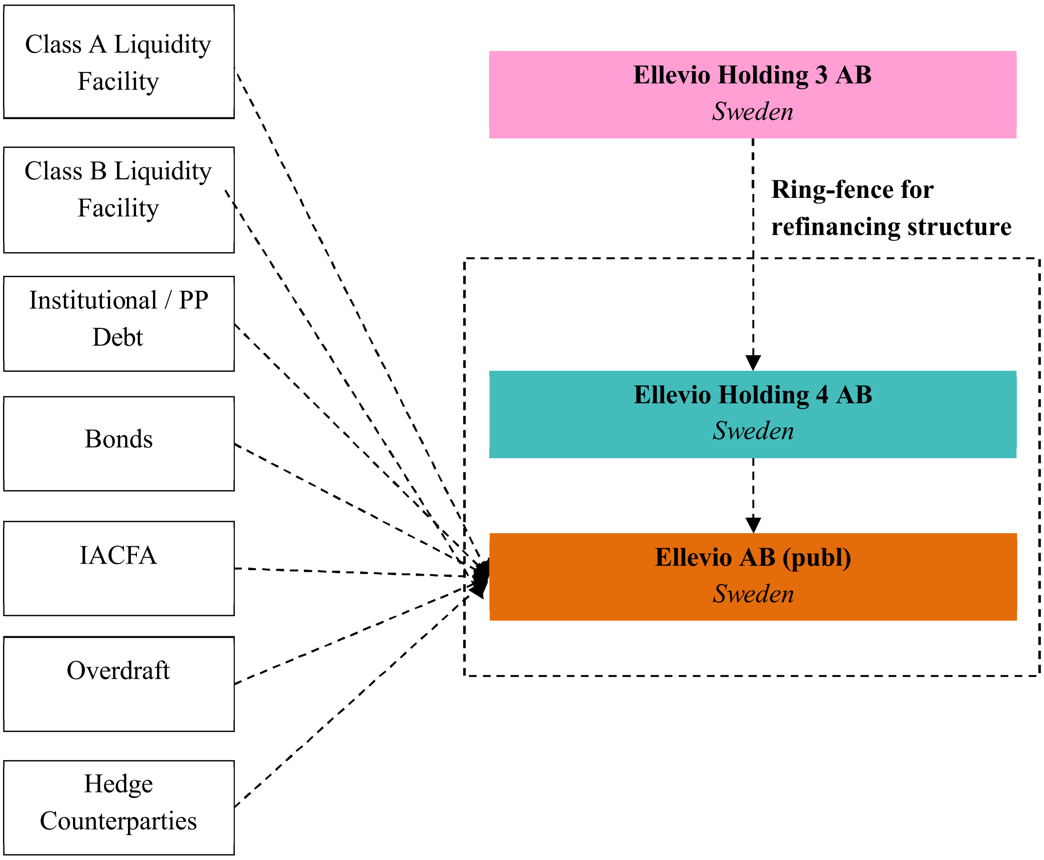
(g) any representative in respect of Authorised Credit Facilities,

(together, the "**Qualifying Secured Creditors**" and each a "**Qualifying Secured Creditor**") on the Closing Date.

For a more detailed description of the voting mechanics see Chapter 16 ("*Summary of the Finance Documents and the Bond Programme Documents – Security Trust and Intercreditor Deed*").

FINANCING STRUCTURE

The diagram below is a simplified representation of the Ellevio Group and the financing structure as at the date of this Prospectus. Certain Subsidiaries are not represented below.



CHAPTER 6
DESCRIPTION OF ELLEVIO

Ellevio is subject to economic regulation as further described in this Prospectus. As such, Ellevio's operational performance can impact on its financial performance through the incentives and penalties systems, which the Ei has in place. In Ellevio's view, such operational performance figures are not financial measures and as such not alternative performance measures unless specifically disclosed as such.

Overview

Ellevio AB (publ) ("**Ellevio**" or the "**Issuer**") is an electricity distribution business owned in its entirety by Ellevio Holding 4 AB ("**Ellevio Holding**" or the "**Parent**") (together, the "**Security Group**" or "**Obligors**"). Ellevio is headquartered in Stockholm, Sweden. See below for a full Security Group diagram.

Ellevio was incorporated under Swedish law and as a limited liability company on 15 September 1938 (and subsequently registered with Swedish registration number 556037-7326 on 7 November 1938). Ellevio's registered office is Valhallavägen 203, 115 53 Stockholm, Sweden and its telephone number is +46 (0)86 06 00 00. As at the date of this Prospectus, Ellevio's authorised share capital is SEK600,000 and it has 30 issued and outstanding shares.

In June 2015, Ellevio, formerly Fortum Distribution, was acquired from the Fortum Group by a consortium of long-term, experienced, strategic investors: OMERS Infrastructure (50 per cent.), Folksam (17.5 per cent.), First Swedish National Pension Fund ("**AP1**") (12.5 per cent.) and Third Swedish National Pension Fund ("**AP3**") (20 per cent.) (together the "**Shareholders**").

Ellevio is, in terms of number of customer connections, the second largest electricity DSO in Sweden, distributing electricity to more than 962,000 customers.[9] In 2019, Ellevio generated net sales of SEK 6,709 m[10] and an EBITDA of 3,848 m.[11]

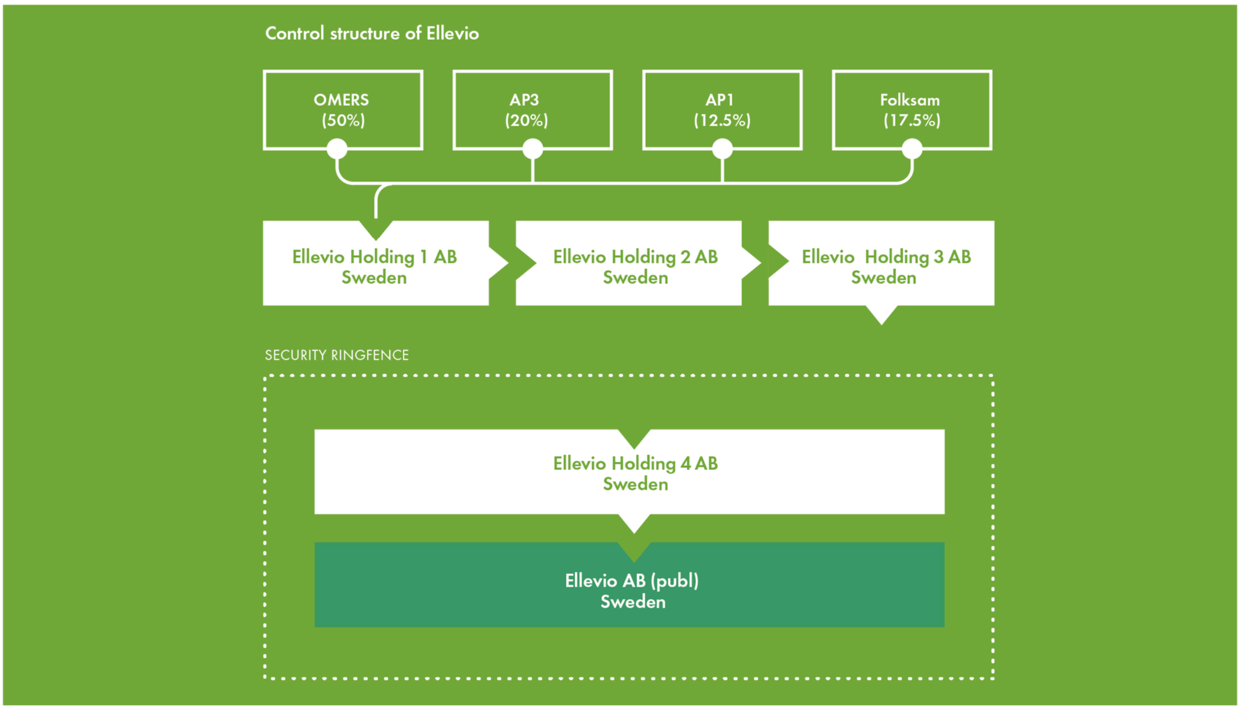
Simplified Control Structure

The Security Group comprises Ellevio Holding 4 AB and the Issuer. The Issuer is the 100 per cent. owned subsidiary of Ellevio Holding 4 AB. The Issuer is the revenue generating entity in the Security Group.

9 Source: Ellevio Annual Report 2019.

10 Source: Ellevio Annual Report 2019. For comparison, net sales for 2018 amounted to SEK 6,974m.

11 Source: Ellevio Annual Report 2019. EBITDA is an alternative performance measure. It is calculated using Ellevio's statutory annual report by subtracting the line item "Depreciation, amortisation and impairment or property, plant and equipment and intangible assets" from the line item "Operating Profit". It has been included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business. For comparison, Ellevio reported in 2018 an EBITDA of SEK 4,188m.



Source: Ellevio

Industry overview and regulatory context

The Swedish Economy

Sweden has long-term credit ratings of AAA (S&P), Aaa (Moody's) and AAA (Fitch). [12] The low credit risk is due to Sweden being a stable country with solid public finances and an established fiscal framework.

The Swedish GDP growth was 1.1 per cent. in 2019, compared to 1.2 per cent. for the total Euro area.[13] About 80 percent of GDP's value comes from private companies and 20 percent comes from the public sector. Production in private companies is divided into goods and services. Services account for about 70 per cent. and goods account for 30 per cent. of GDP value, of which the mining and manufacturing industry is the largest sector.[14]

As per May 2017, the population of Sweden was more than 10 million, with Stockholm, the capital of Sweden, being the largest city with a population of 1.6 million inhabitants.[15]

In the future, approximately 70 per cent. of the population growth is expected to be concentrated in the three major city regions of Stockholm, Gothenburg and Malmö, [16] two of which are closely linked to the Ellevio network. The population of Stockholm is expected to reach 3 million by 2040.[17]

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[12] Source: Swedish National Debt Office, February 2020, https://www.riksgalden.se/en/our-operations/central-government-borrowing/sweden-as-an-issuer/rating/.

[13] Source: Swedish Government, January 2020, https://www.government.se/48e7fb/globalassets/government/dokument/finansdepartementet/pdf/prognoser/2020/key-indicators-forecast-16-january-2020.pdf.

[14] Source: Statistics Sweden, February 2019, https://www.scb.se/hitta-statistik/sverige-i-siffror/samhallets-ekonomi/bnp-i-sverige/

[15] Source: Statistics Sweden, February 2019, https://www.scb.se.

[16] Source: Statistics Sweden, February 2019, http://www.scb.se.

[17] Source: Statistics Sweden, February 2019, http://www.scb.se.

The regulatory framework in which Ellevio operates

Electricity distribution is a regulated, regional monopoly business in Sweden. As one of the first adopters of an independent regulatory approach, Sweden has maintained a well-developed and transparent regime for over 20 years. The Swedish regulator, the Swedish Energy Market Inspectorate (Ei, Sw. *Energimarknadsinspektionen*), is an independent regulatory authority operating under the framework of the Swedish Energy Agency (EA, Sw. *Statens Energimyndighet*). The EA is to a large extent based on the directives and regulations of the EU and provides regulation in relation to power installations, trade in electrical power, and electrical safety. The EA is complemented by ordinances issued by the Swedish government (for example, the Electricity Ordinance which regulates concession applications and lays out the methodology of revenue calculations for DSOs).

DSOs are regulated by the Ei, which supervises implementation of the EA. The Ei monitors and analyses the development of the electricity markets as well as submits proposals for changes to regulations or other measures that may improve how the markets function. DSOs have discretion to set distribution tariffs within the regulatory framework. The concept of regulatory periods was introduced in 2012. The current regulatory period (RP3) began on 1 January 2020.

In Sweden, the court system has traditionally played a role as an impartial arbiter between DSOs and the Ei. As such, it has become common practice in Sweden for the industry to seek court rulings (in respect of certain decisions) in order to strengthen the framework. The court system also plays this role in respect of other regulated industries in Sweden such as telecommunications and gas distribution.

The regulatory framework should ensure that the networks maintain good quality and provide a reliable security of supply around the clock, every day of the year. This compensates network companies for reasonable costs linked to managing their business and a reasonable yield on investments made. According to the Electricity Act, the prices that customers pay should be fair, objective and non-discriminatory.

The permitted revenues resolved by Ei comprise four different components:

(a) capital compensation, comprising capital cost and a rate of return on RAV;

(b) non-controllable costs;

(c) controllable costs; and

(d) quality incentive and any regulatory surplus/deficit from the previous regulatory period.

Compensation for capital costs is compensation for the actual electricity network assets, including systems for operating the electricity network and metering electricity use, and investments made in these systems. The compensation is based on each company’s electricity network assets (a regulatory calculation that is the same for all network companies) and a reference interest rate (weighted average cost of capital, WACC) that is meant to cover interest on loans and returns to shareholders. The reference rate for the regulatory period 2016–2019 was 5.85 per cent. Ahead of the regulatory period 2020–2023, the Swedish Energy Markets Inspectorate has decided to reduce the reference interest rate to 2.16 per cent.

Non-controllable costs are costs that network companies cannot affect and which instead pass “straight through” their operations. This refers mainly to costs for “overhead networks”, which are the networks that transmit the electricity from the production site to each company’s electricity network, such as the national network owner Svenska Kraftnät, and costs for purchasing electricity that is lost in transmission (“network losses”). Non-controllable costs also include public authority fees that network companies are required to charge customers.

Controllable costs are costs that network companies can affect: fault repairs, staff costs, customer service, network monitoring, etc. These costs are subject to efficiency requirements, which require companies to incrementally improve efficiency each year.

The quality incentive was previously based on power outages that last between three minutes and twelve hours. Now, power outages that last for more than twelve hours are also included. Depending upon the reliability of a company's electricity network, its permitted revenue may be increased or decreased.

Licencing conditions in Sweden are in line with those of other European regulated industries with strong track records. DSOs are required to obtain a network concession from Ei under the EA to construct or operate an electricity line. This can either be an Area Concession relating to a particular geographical area or a Line Concession in respect of a line with a fixed route, which may cross several geographical areas.

For more information on the regulatory framework, please see Chapter 7 ("*Selected Aspects of Swedish Regulation to which Ellevio is Subject*").

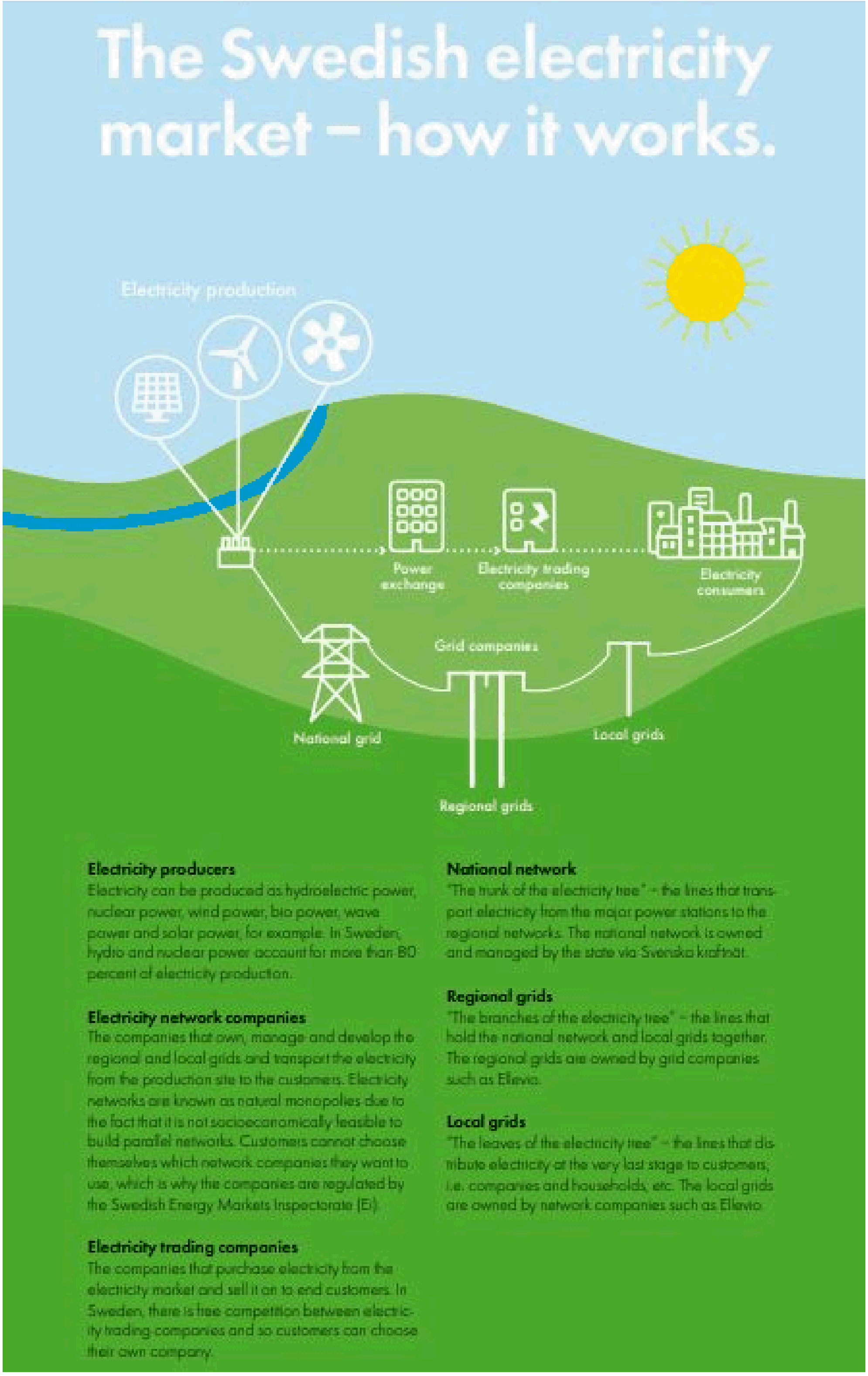
The Swedish electricity market – from production to end users in Sweden

The framework of Sweden's energy policy is shaped by the Paris Agreement's aim to keep global temperature increases below 1.5°C as well as the EU's energy policy framework. Sweden's ambition is to be at the forefront of climate efforts, and it has set an aim of becoming the world's first fossil-free welfare state. In 2016 the Swedish Parliament decided that Sweden is to no longer produce any net emissions of greenhouse gases by 2045. This is placing major demands on the electricity network of the future. If Sweden is to achieve its climate targets, electricity network companies must invest heavily in the electricity networks at every level: nationally, regionally and locally. [18]

There are three key trends that will shape the future for electricity networks and the network companies:

- The transition to more local and renewable energy
- The electrification of the transportation sector and industry
- The implementation of the next generation electricity meters.

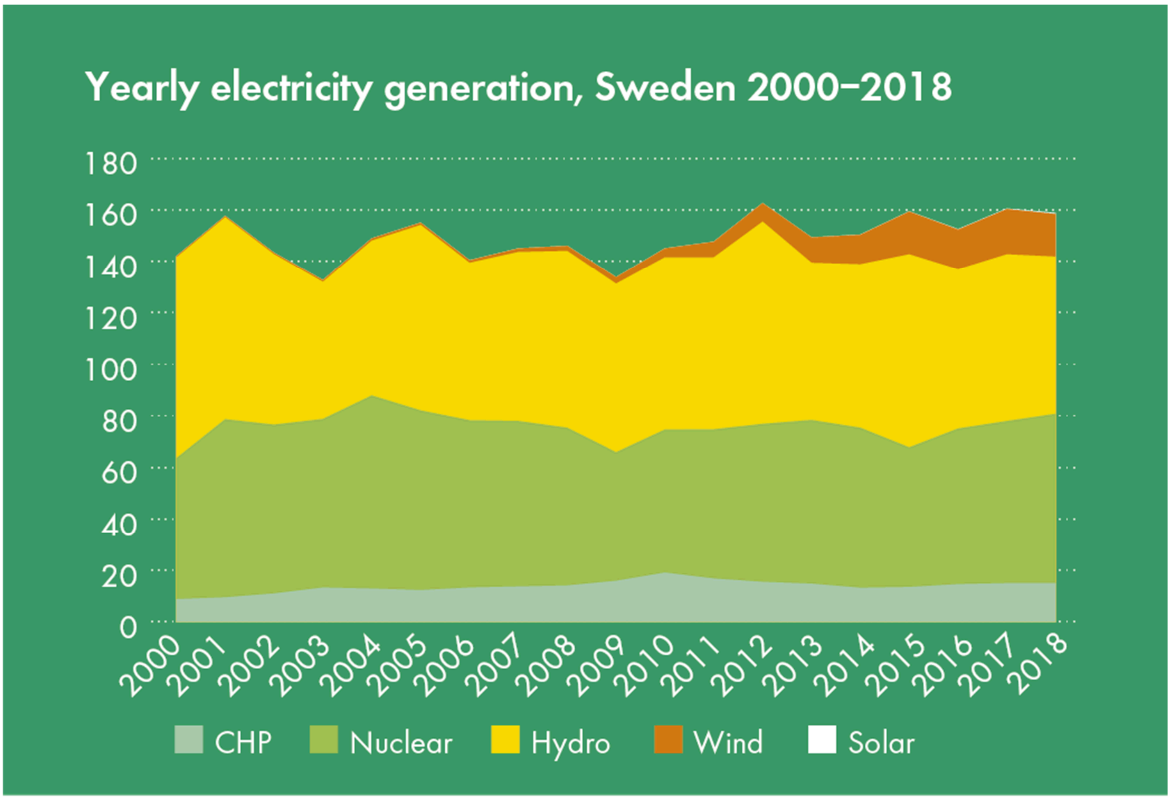
[18] Source: Ellevio Annual Report 2019.



Source: Ellevio

Production of electricity – increasingly local and renewable

More than 75 per cent. of all electricity generated in the Nordics is produced in Sweden or Norway where hydropower is the prominent form of generation. The second and third largest electricity sources are nuclear power and non-conventional combined heat and power ("**CHP**") as well as conventional thermal power. However, a major expansion of solar and wind power is currently under way, whereby production is geographically spread out and access varies during the day and in line with the seasons.[19] In 2018, wind power and solar energy accounted for almost 11 percentage of total electricity generation in Sweden, approximately 16,6 and 0.4 TWh per year respectively.[20]



Source: https://www.energiforetagen.se/statistik/energiaret/

This changing production, combined with the announced decline in nuclear power production, will place demands on the electricity network, which will need to rapidly become more flexible and able to function in both directions.

In 2018, the consumption of electricity in Sweden amounted to approximately 141TWh. Industrial consumption accounted for approximately half of the total consumption. The largest non-industrial consumer group is housing and services. According to Swedenergy (Sw. *Energiföretagen Sverige,* an industry association), approximately 30TWh, or approximately 20 per cent. of the total electricity consumption in Sweden, is used for heating.[21]

Within the framework of the government's Fossilfritt Sverige (Fossil-free Sweden) initiative, various sectors have produced roadmaps detailing how each sector will become fossil-free and strengthen its international competitiveness. In 2019 Swedenergy tasked a group of researchers with making an assessment of how

[19] Source: Ellevio Annual Report 2019.

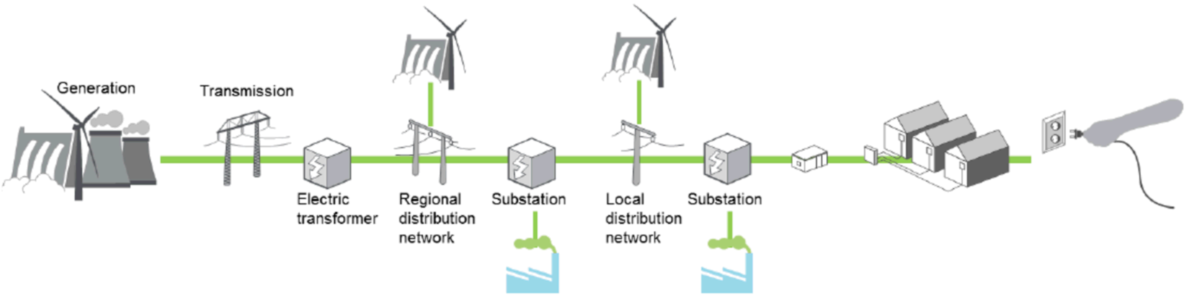
[20] Source: Energiforetagen-Energiaret 2018 https://www.energiforetagen.se/statistik/energiaret/energiaret2018.

[21] Source: Swedish Energy Agency, Energy usage – 2018, https://www.energiforetagen.se/globalassets/energiforetagen/statistik/energiaret/energiaret2018_elanvandningen_vers191210.pdf. The difference between the yearly energy generation and consumption is the net export of energy.

electricity consumption will develop by 2045. The study indicates that electricity consumption in Sweden will be around 190 TWh in 2045, which is an increase of more than 50 percent compared with today's levels. To handle this increase, the need for investment is estimated to be around SEK 500 billion in the electricity network and SEK 600 billion in production. The major increase in electricity consumption is mainly due to increased electrification in three sectors: the transport sector with its transition to electrical vehicles, the service and corporate sector in which a major expansion of data centers is expected, and the processing industry that will transition to electricity-based solutions.[22]

Transmission and distribution of electricity

The Swedish electricity distribution grid was largely developed during the 1960s to the 1980s.[23] The national transmission network transmits electricity to and from the regional and distributional networks, but in some cases directly to end-users. It also transmits outgoing and incoming electricity to and from Transmission System Operators ("**TSOs**") in neighbouring countries.



Source: Ellevio

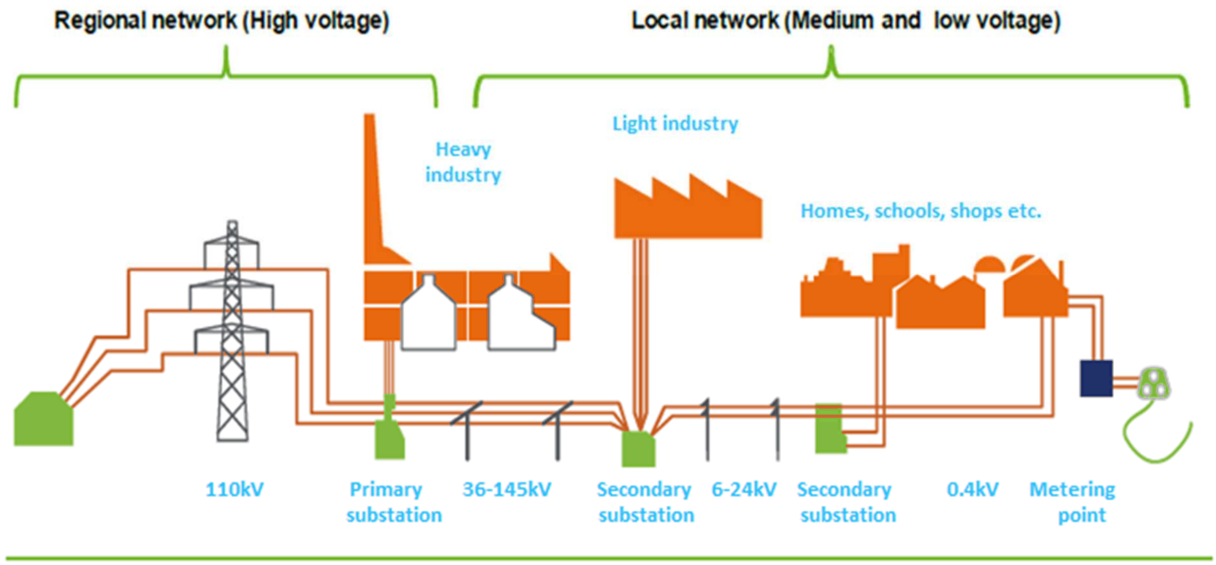
Today's network is divided into three levels – the national transmission network and the regional network ("**RN**"), operated under Line Concessions, and the local network ("**LN**"), operated under Area Concessions, connected as shown in the diagram above. The majority of consumers are connected to the local network, which in turn is connected to the regional network.

Electricity is delivered to industrial, commercial and domestic end users initially through the national transmission network, then through high-voltage regional distribution networks (the **"HV Networks"**) and finally through the local distribution network. Ellevio operates both regional distribution networks and local distribution networks. Production is connected through all network levels. The largest production site is located on the national grid, whilst medium and smaller sized sites are located within the regional and local networks respectively.

[22] Source: Swedenergy, January 2020, https://www.energiforetagen.se/globalassets/dokument/fardplaner/ffs_elbranschen_webb-200123.pdf

[23] Source: Ellevio Annual Report 2019.

The general components of a distribution network are illustrated in the image below:



Source: Ellevio

(A) **Regional Network**– The RN consists of an integrated system connected to the national grid, supplying electricity to large industries, local networks and supplying and receiving electricity from hydropower and wind power generators. For historical reasons, voltage levels vary widely depending on the region. Common voltage levels are between 36 kV and 145 kV.

(B) **Network transformer/substation (primary)** – A primary substation steps down the voltages to match the medium-voltage networks' (the "**MV Networks**") requirements. In metropolitan areas, substations are ground (pad) mounted in an enclosed building and in rural areas they consist of outdoor switchgears for the HV Network and indoors for MV Networks. Protection and control systems are used to ensure continuous monitoring and control.

(C) **MV Network/LV Networks** – The MV Networks and the low voltage networks (the "**LV Networks**") transport electricity to all consumption points and receive input from electricity produced by smaller producers that produce low voltage electricity (for example, solar and wind power). The MV Networks consist of 6-24 kV, while LV Networks consist of 400 V.

(D) **Distribution transformers/substations (secondary)** – Distribution substations are required throughout the distribution network in order to step the voltages down to those required for different applications, such as industry or local areas within the LV Network. Protection and control systems are used to ensure that the substations are functioning correctly. The large secondary substations located in city areas are more advanced than those located in rural areas. Substations can be pole or pad mounted.

(E) **Metering** – Metering is used throughout the distribution network, from generators to users. In particular, they are used at connections between different operators. Meters will be located at the generators, transmission network operators, distribution network operators and end users. Smart metering is typically used for hourly balance settlement and for customer billing purposes. They also have technical capability with the supporting information technology to manage outage information, quality deviations and manage remote on/off power in apartments.

The sole TSO in Sweden is Svenska kraftnät ("**SVK**"), which is wholly owned by the Swedish state and managed by the Ministry of the Environment. SVK is responsible for high-voltage power transmission across the national transmission network. DSOs are responsible for delivering electricity to the end users from the transmission network or directly from power plants.

Currently in Sweden, there are more than 160 DSOs, most of them owned, for historic reasons, either directly or indirectly, by municipalities. Most of the municipality owned DSOs are relatively small and are part of municipality-owned energy companies.[24]

Pursuant to the official position of the Council of European Energy Regulators ("**CEER**"), DSOs should act as neutral energy market facilitators, providing core activities to all energy market participants. The core activities include:

(a) planning, developing, operating, maintaining and developing its distribution network;

(b) ensuring that sufficient grid capacity is available;

(c) connecting and disconnecting users to/from the grid; and

(d) distributing electricity.

Direct regulation applies to network concession holders through the EA, ordinances and other detailed regulation. The core activities include:

(a) metering distributed electricity on an hourly or monthly basis and reporting such metering to electricity suppliers;

(b) managing the customers' supplier choices;

(c) transmitting electricity on reasonable terms and of good quality;

(d) ensuring that a customer outage never exceeds 24 hours (with certain permitted exceptions); and

(e) reporting detailed financial and technical information to the regulator.

A sustainable energy system – a giant leap into the future

Major investments are currently being made around the globe to modernise electricity networks and turn them into smart networks, which will then become the hub of a sustainable energy system. The next generation of smart electricity meters are currently being introduced, representing an important part of the electricity networks of the future. The new meters are intended to enable a range of improvements, both for Ellevio's customers and for society as a whole.

Smart electricity networks provide electricity consumers and producers new opportunities to contribute to a sustainable energy system that uses energy more efficiently. Ellevio plans to install information technology that gathers, relays, stores and analyses information from thousands of measurement points. This makes it possible to manage the electricity network more effectively, but also to offer new services to Ellevio's customers to simplify their daily lives. Another major advantage of better data is that future decisions surrounding the construction, maintenance, safety and use of electricity networks will be facilitated by access to information of a much higher quality and resolution than is available as at the date of this Prospectus.

As networks become smarter, it will likely become easier to rectify outages. In part, the networks may be able to solve problems on their own by reconfiguring how the electricity is transported, while it may also become possible to obtain immediate information about the occurrence and location of an outage, as well as see that an outage is about to happen before it does, thus enabling preventive measures to be taken.

[24] Source: Ellevio Annual Report 2019.

Electricity trading

Electricity trading companies purchase electricity from the electricity market and sell it on to end-customers. In Sweden, there is free competition between electricity trading companies and so customers can choose their own company. DSOs invoice end users for distribution charges directly or in some cases, an electricity trading companies may invoice end users for distribution charges on behalf of the DSO.

Ellevio

Business Overview

Ellevio is one of Sweden's largest electricity network companies. The company owns, operates and develops regional and local electricity grids and distributes electricity with 99.98 percent availability to 962,000 customers in Sweden. The electricity network is 77,500 km long, corresponding to almost two trips around the Earth. Ellevio's customers are spread across the West coast, mid-Sweden, and Stockholm County. The main proportion of Ellevio's networks are located in rural areas, but most of Ellevio's customers are in Stockholm.[25]

Electrification, digitalisation, urbanisation and new types of production are all placing new requirements on Ellevio's electricity network. Ellevio invested more SEK 10 billion between 2016 and 2019 to modernise and future-proof the electricity grids, a tripling compared with the previous four-year period.[26]

Ellevio is a regulated business subject to the provisions of the Electricity Act. The government-run Swedish Energy Markets Inspectorate implements legislation and regulations and monitors the extent to which Ellevio fulfils its mission.

In 2019, Ellevio delivered approximately 26.5 TWh of electricity.[27] Ellevio has delivered between 26 and 30 TWh of electricity annually since 2007.[28] The fluctuation in the electricity delivered is mainly driven by two factors: the outside temperature and general economic activity.

Ownership

Ellevio is indirectly owned by a consortium consisting of OMERS Infrastructure (50 per cent.), AP3 (20 per cent.), Folksam (17.5 per cent.) and AP1 (12.5 per cent.). Below is a description of each of the indirect Shareholders.

OMERS Infrastructure

- OMERS Infrastructure represents a branch of the Canadian pension fund OMERS, which manages pensions for the province of Ontario's public sector employees. Total managed capital amounts to around CAD 97 billion, which is the equivalent of around SEK 695 billion.[29]

Third Swedish National Pension Fund ("**AP3**")

- AP3 is one of five national pension funds tasked with helping safeguard the value of the Swedish state pension for both current and future pensioners. The task of this fund is to responsibly invest in and manage the pension system's buffer capital. Total managed capital amounts to approximately SEK 374 billion.[30]

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[25] Source: Ellevio Annual Report 2019.

[26] Source: Ellevio Annual Report 2019.

[27] Source: Ellevio Year-end Report 2019.

[28] Source: Ellevio.

[29] Source: Ellevio Annual Report 2019.

[30] Source: Ellevio Annual Report 2019.

Folksam

- Folksam is one of Sweden's largest insurance and pension companies, with a major investment business and total managed capital of around SEK 455 billion.[31]

First Swedish National Pension Fund ("**AP1**")

- AP1 aims to invest in a way that ensures the greatest benefit for the pension system. The fund is to strive for a high long-term return while ensuring the risk to current and future pensions remains low. The investments are being made across the globe. Total managed capital amounts to approximately SEK 352 billion.[32]

Strategy

Ellevio's overall strategy is to deliver value to its customers and investors by ensuring a reliable electricity network, efficient operations, committed employees, and growth. Seven strategic focus areas set the framework for Ellevio's operations and priorities.[33]

Source: Ellevio

Sustainability

For Ellevio, sustainability means striking the right balance between financial, social and environmental sustainability in order to create long-term value for all stakeholders. Together with Ellevio's customers the company wants to play an active role in creating a carbon-neutral and environmentally sustainable society.

Ellevio's business strategy involves taking the UN's sustainable development goals into account and identifying the goals to which Ellevio prioritises its contribution. As part of this strategy, Ellevio has selected the following goals to actively focus on: Goal 7 "Affordable and clean energy", Goal 9 "Industry, innovation and infrastructure" and Goal 5 "Gender Equality".

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[31] Source: Ellevio Annual Report 2019.

[32] Source: Ellevio Annual Report 2019.

[33] Source: Ellevio Annual Report 2019.

Goal 7, Affordable and clean energy, essentially represents Ellevio's mission in society and the aim of its long-term investments. In the case of the electricity networks of the future, Ellevio intends to install information technology that gathers, relays, stores and analyses information from thousands of measurement points.

Goal 9, Industry, innovation and infrastructure, also forms part of Ellevio's mission in society. Efficient infrastructure is currently dependent upon an efficiently functioning electricity network; for instance, it allows people to get to work or school in a smooth and reliable way. It also ensures everyone has access to information and communication technology, that companies can rely on transport systems and energy services functioning as they should and that new businesses can be set up whenever needed. Sustainable infrastructure is accessible, reliable, environmentally friendly and robust.

Ellevio also actively focuses on Goal 5, Gender Equality, in order to develop the company and industry and offer support to equality efforts outside its sphere by way of social responsibility initiatives and sponsorship. By working towards a more equal Ellevio, Ellevio wants to contribute to a more equal industry and, eventually, a more equal society.[34]

In May 2017, Ellevio signed the United Nations Global Compact. This commits Ellevio to actively participating in the struggle against society-threatening challenges such as pollution, corruption and human rights violations.[35]

Customer and brand experience

The core of the customer experience is a reliable electricity supply and an attractive range of services. Ellevio want the customers to perceive the company and its employees as reliable, committed and sustainable. Ellevio seeks to achieve this by working to ensure an improved customer experience through openness, the simplification and digitalisation of the customer interface, and fast and accurate information about outages and the customer dialogue.

In 2019, Ellevio began to prepare for the installation of the next generation of smart electricity meters among all of Ellevio's customers. The next generation meters will make it simpler for customers to connect new energy services, manage their electricity consumption and make it easier for customers to install solar panels. The smart meters are an important step towards changing energy behaviour, with customers being given the tools to manage their electricity consumption in a way that reduces the burden on the network at times of peak consumption.[36]

Committed employees

Ellevio is an organisation where everyone takes responsibility for their own, their team's and the company's development. The conduct is guided by Ellevio's values of reliability, commitment and development.

In order to attract new employees, Ellevio works to strengthen its brand as an employer. The goal is for Ellevio to be seen as an attractive and inclusive company and a preferred option for both potential and existing employees.

To maintain commitment in the organisation, the company is, for example, promoting individual and team efficiency by enhancing personal leadership and collective ability. All new employees undergo training in this collective ability so they can adopt the approach that permeates the entire company – that Ellevio is better when its people work together. The training course is based on research from the Stockholm School of Economics regarding efficient organisations and the abilities that need to be developed within a team in order to achieve and maintain efficiency. Internally trained coaches conduct continuous exercises with the different teams to

[34] Source: Ellevio Annual Report 2019.

[35] Source: Ellevio Half-year Report 2017.

[36] Source: Ellevio Annual Report 2019.

develop their collective ability and reinforce their understanding of the importance of the collective ability for the company's joint success.[37]

Regulation and industry development

The electricity network market is regulated and it is important to Ellevio to be involved in developing those regulations and to contribute knowledge, experience and opinions to issues that are important in terms of ensuring the electricity market functions and Sweden is in a position to achieve its climate targets.

The company's standpoint is that regulations must strike a balance among several perspectives – the needs of customers and society for reliable electricity and the transition to a sustainable energy system, as well as customers' willingness to pay and operators' profit imperative and capacity to invest.

Establishing reasonable conditions for attracting capital to the major investments in network capacity and automation required to meet demand in an increasingly electricity-dependent society is one of Ellevio's most important priorities. The improvements will not only result in weather-proofing, upgrades and increased capacity, but will also contribute to lowering operating and maintenance costs over the long term.

Improved reliability through efficient investments

Investments to maintain high reliability and further improve it in certain areas is an important aspect of Ellevio's operations. In 2019 Ellevio had a reliability of 99.98 per cent.[38] on average, but there are variations among geographical and urban/rural areas.

In general, the Swedish electricity network is old, with one third of the network being 40 years old or older and needing replacement.[39] At the same time, the electricity network plays a key role in the transition to a more sustainable energy society. As transport and industry become electrified, electricity consumption will increase. Vulnerability will also increase as more societal functions become dependent upon electricity. Society is also seeing urbanisation with strong population growth in the major cities, creating demand for greater capacity on the electricity network.

Over the past few years, Ellevio has made major investments in the modernisation and weather-proofing of grids in its network areas across Sweden. Ellevio invested more than SEK 10 billion between 2016 and 2019 to modernise and reinforce the electricity network, which is a tripling compared with the previous regulatory period, 2012–2015. The investments are allocated among all areas: SEK 2 billion in Dalarna-Gävleborg, SEK 2 billion in Värmland-Skaraborg-Närke, SEK 1.1 billion on the west coast and SEK 5.3 billion in Stockholm.[40]

The company is committed to using every invested krona as efficiently as possible. This will be achieved in a variety of ways, including improving how it procures and implements projects, optimising its investments and maintenance and engaging in dialogue with the contractor market to prepare it for more and larger contracts.

Operational efficiency

Ellevio's strategy for operational efficiency includes reducing the costs of fault repair and maintenance through the extensive investments planned in the electricity network. The company also intend to achieve smoother and more efficient processes, increase digitalisation, coordinate maintenance work and streamline the IT infrastructure.

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[37] Source: Ellevio Annual Report 2019.

[38] Source: Ellevio Annual Report 2019.

[39] Source: Ellevio Annual Report 2019.

[40] Source: Ellevio Annual Report 2019.

Growth through acquisitions and business development

According to the strategy for growth through acquisitions, Ellevio will identify, evaluate and, when the opportunity arises, carry out acquisitions of electricity network businesses. The company will also continuously evaluate new business development opportunities.

The electricity network of the future is going to require investments for modernisation, capacity and automatisation, to retain reliability of supply and support society's development. Sweden is unique in having such a high number of distribution network operators – at present, more than 160. A consolidation of the power distribution market would likely bring significant advantages by enabling even more efficient investments in the network. Over the long term, distribution operators would likely also be able leverage economies of scale to run their businesses in a more cost-effective structure. These synergies are also likely to benefit customers.

In 2019, Ellevio launched Smart Laddinfra ("Smart charging infrastructure") service as part of the company's business development. A prerequisite for Sweden's achievement of its climate targets is for more people to change from fossil-fuel vehicles to electric vehicles. This requires efficiently developed charging infrastructure – this has so far been hindered by costly and time-consuming excavation works in cities and densely populated areas. There are currently just under 2,000 public charging points in Stockholm; the majority of which are located in parking garages. The City of Stockholm has established the target of having around 15,000–25,000 public charging points by 2030.

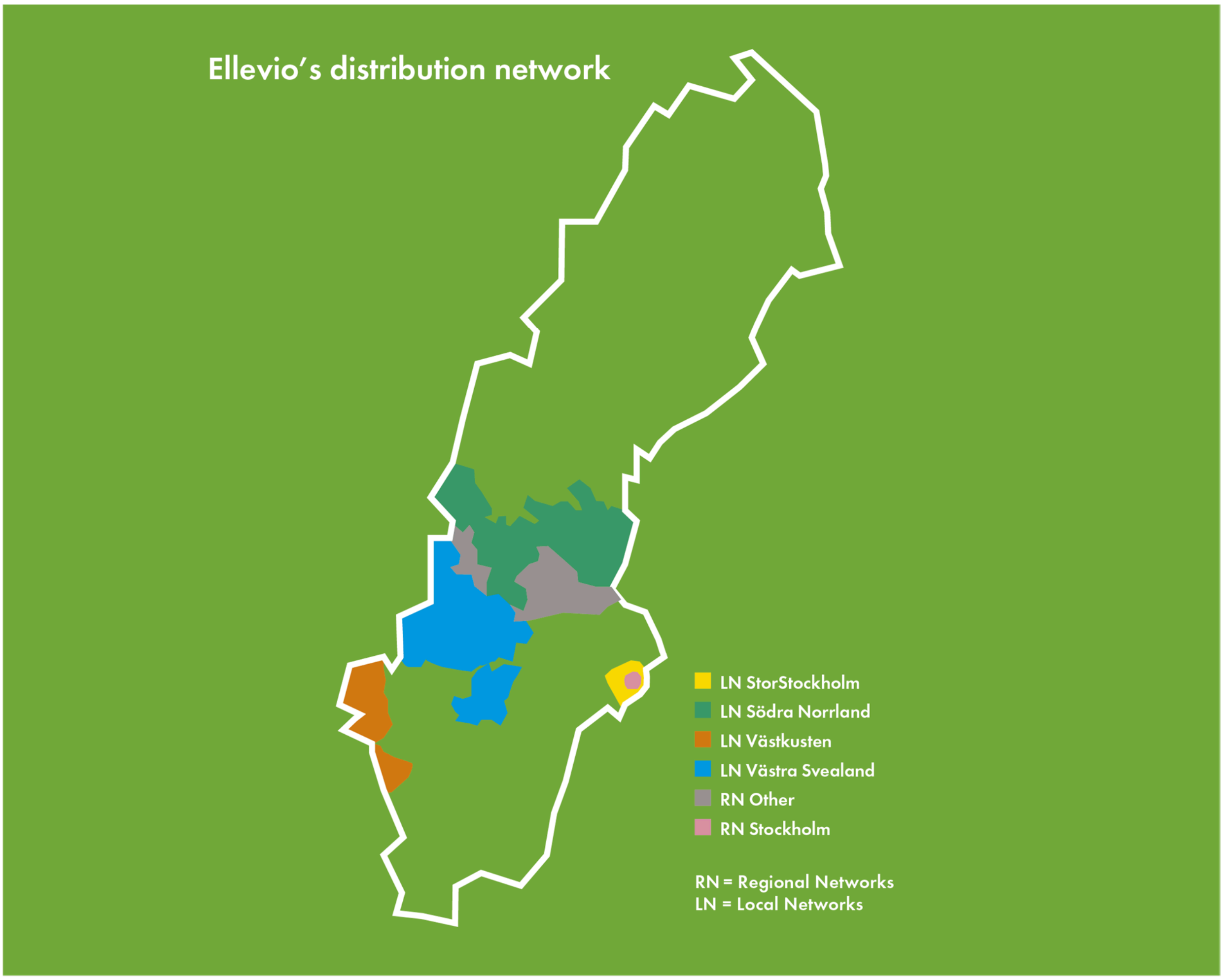
Through the Smart Laddinfra ("Smart charging infrastructure") service, Ellevio is taking comprehensive responsibility for the installation process that includes planning, permit applications, excavation and connection to the electricity network. Previously it has been up to the charging operators to connect new charging stations to the cable boxes. As Ellevio now includes connection in its offering, connections of new charging infrastructure will from now on be completed faster, more cheaply and with a smaller environmental impact. In this way Ellevio is contributing to the optimisation of the resources required to build up Sweden's charging infrastructure. Ellevio also maintains a dialogue with shipping and heavy goods traffic representatives about how these forms of transport could charge in the future.[41]

Ellevio's Distribution Network

Ellevio operates in the regions, as indicated in the map below, each of the six areas reflecting a separate network. "**LN**" refers to the local networks, which are made up of 26 Area Concessions. "**RN**" refers to the regional networks which are made up of approximately 330 Line Concessions.[42] Ellevio serves all electricity customers within its LN distribution areas.

[41] Source: Ellevio Annual Report 2019.

[42] Source: Ellevio.



Source: Ellevio

Area Concessions give the concession holder the exclusive right to build, maintain and operate low voltage lines in its area of responsibility. Area Concessions also give the concession holder the exclusive right to distribute electricity to all customers within the area.

Ellevio's network areas

An overview of Ellevio's networks in 2019 is presented in the table below. The electricity network is divided into four local network areas based on geographical location. Since 1 January 2018, these have been merged into two regulatory entities, Mid-Sweden (Storstockholm, Södra Norrland and Västra Svealand as one joint tariff zone) and Västkusten. In addition to the four local network areas, Ellevio also own regional grids in Stockholm and rural areas (reported as one regulatory entity). In total, this represents about 71,000 km of local grids and 6,500 km of regional grids.

The table below provides statistics for each of Ellevio's network areas relating to the number of customer connections it has, its network length , the amount of electricity it delivered in TWh, its Replacement Value[43] and its network classification as either Urban or Rural.

[43] The Replacement Value equals the Regulatory Asset Base ("**RAB**"), i.e. the cost to replace the network with identical components in the same operating environment at current price levels. The RV is updated every half year (1 January and 1 July).

	Customer connections as at 31 Dec 2019	Network length (km)	Delivered electricity (TWh)	Replacement Value (m SEK) as at 31 December 2019[44]	Network classification
Storstockholm	598,293	15,523	8.3	23,899	Urban
Södra Norrland	103,142	15,322	1.6	8,721	Rural
Västra Svealand	133,187	25,932	2.5	13,810	Rural
LN Mid-Sweden	**834,622**	**56,777**	**12.4**	**46,430**	**n.a.**
LN Västkusten	127,571	14,182	2.0	9,037	Rural
LN total	**962,193**	**70,959**	**14.4**	**55,467**	
Stockholm	9	501	1.0	3,025	n.a.
Other	207	6,052	11.1	13,195	n.a.
RN Total	**216**	**6,553**	**12.1**	**16,219**	
Ellevio Total	**962,409**	**77,512**	**26.5**	**71,686**	

Source: Ellevio

In order to operate the grid, Ellevio needs to have a right to use the land on which the grid is situated. Some parts of the grid are situated on land owned by Ellevio. However, given that the grid stretches over vast areas, the grid is generally located and operated on land, which is not owned by Ellevio. Therefore, Ellevio needs to have in place rights of use (Sw. *nyttjanderätter*) in respect of such land.

Various parts of the grid are generally coupled with different types of rights of use, with the most common types being utility easements (Sw. *ledningsrätter*), property easements (Sw. *servitut*) and other contractually based rights of use, such as general land lease agreements (Sw. *markupplåtelseavtal*). In addition, some parts of the grid are operated on basis of undocumented rights of use. From time to time, and when deemed necessary, Ellevio, takes action to ensure that it has the necessary rights of use in place for certain parts of the grid, for example by way of creating new utility easements.

A large part of Ellevio's revenues is generated from parts of the grid that are situated on the land of certain Swedish municipalities on basis of general land lease agreements. These agreements generally give Ellevio the right to have, and operate, parts of the grid on the land of such municipalities. In return, Ellevio undertakes not to apply for utility easements and other registered rights of use in respect of that land. The land lease agreements have terms varying between one and five years and the term is generally automatically extended by one year at each termination date. However, the agreements can generally be terminated at any time by either party with six to twelve months' prior notice and may also be renegotiated in connection with any extension.

Reliability

Availability on Ellevio's electricity network is 99.98 percent.[45] This is very good when making international comparisons, but as electrification and digitalisation increase, each outage becomes a challenge with economic consequences for society. Sweden also has an ageing electricity network today that requires replacement to maintain the high level of availability in the future.

Ellevio is continuously working to improve reliability, minimise the number of outages and manage outages efficiently in order to maximise customer satisfaction and profitability. Restoring power quickly and efficiently following an outage is essential for ensuring the overall success of Ellevio. There are primarily three

[44] Source: Ellevio. For comparison, the Replacement Value at 31 December 2018 was SEK 67,739m.

[45] Source: Ellevio Annual Report 2019.

profitability drivers related to outages: the regulatory framework's quality incentive, the costs of fault repairs and customer compensation in connection to outages.

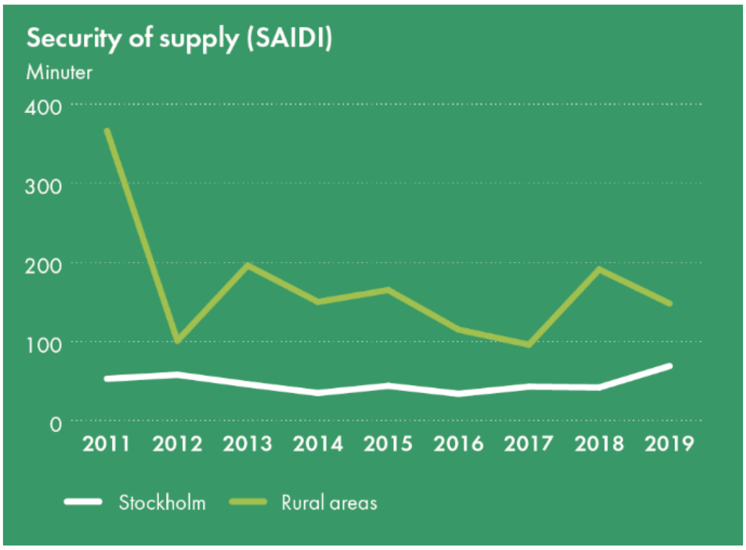
The number of overall faults impacting the Ellevio network has reduced since 2010. These reductions have been partly driven by historical strategic investments targeting specifically the number of faults in the low voltage and medium voltage lines.

Planned electricity outages are sometimes necessary. When maintaining or expanding Ellevio's networks, Ellevio is sometimes forced to shut off the power. Around 10 percent of its outages are planned and it always ensures that it informs its customers as to when they will be taking place.

A further 10 percent of outages are due to damage to cables or other equipment, for example during excavation works carried out by a company other than Ellevio. To reduce this type of outage, Ellevio offers free guidance for everyone carrying out works close to its cables. The remaining share of outages are due to storms, snowfall and other severe weather or components that break.

In terms of number of faults there are major differences between different parts of its network. While hundreds of thousands of Ellevio's customers experience no outages, there are groups of customers who experience several per year. Sweden is a sparsely populated country, meaning that Ellevio has many metres of cable per customer. Outside the major urban areas it continues to maintain long overhead lines, leading to a higher risk of outages in these areas.[46]

Ellevio's urban Concessions (for example, Stockholm) are at a relatively low risk of storm damage because of the geographical location and well-constructed urban networks. The below diagram (the System Average Disruption Index or "**SAIDI**") illustrates the strength of the Stockholm network compared to the rural network. The diagram measures the duration of annual, unplanned interruptions (in minutes) per year.



Source: Ellevio Annual Report

Storms can cause significant damage to overhead lines and electricity substations, which in turn could result in Ellevio being required to pay repair costs to repair the network, and outage fees to customers left without electricity. In the past ten years, Ellevio has been affected by ten major storms, but only one of those storms resulted in repair costs of over SEK30,000,000.[47]

[46] Source: Ellevio Annual Report 2019.

[47] Source: Ellevio. This figure has been rounded off to the nearest million SEK.

Year of Storm	Name of Storm	Repair Costs and Outage Fees paid by Ellevio (total)[48]	Number of Faults
2019	Alfrida	SEK32,000,000	422
2018	Knud	SEK6,000,000	104
2018	Johanne	SEK13,000,000	276
2017	No major storms	-	-
2016	No major storms	-	-
2015	Helga	SEK14,000,000	432
2015	Egon	SEK18,000,000	494
2014	Arnold	SEK25,000,000	553
2013	Ivar	SEK15,000,000	347
2013	Sven	SEK37,000,000	502
2012	Emil	SEK3,000,000	147
2011	Dagmar	SEK86,000,000	1032
2011	Yoda	SEK14,000,000	417

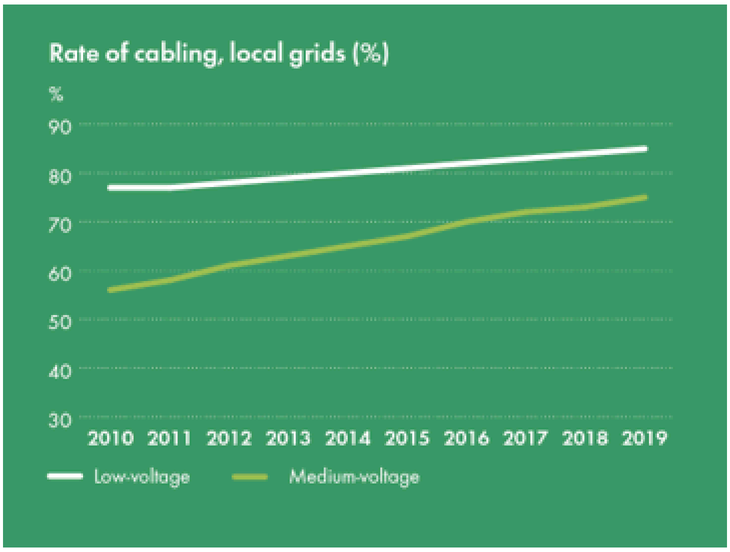
Source: Ellevio.

Preventing longer outages is most challenging in the event of major unexpected storms, given a large number of connection points which may simultaneously experience some level of failure, for example caused by trees falling on lines. In order to minimise these impacts on the regional grid, Ellevio have put in place a system where any primary substation has at least one feeder, which is tree-safe in order to reduce the likelihood of any outages on the wider grid.

Ellevio has been working on weatherproofing the electricity grids since the beginning of the 2000s and the storm Gudrun. At present, a total of approximately 57,600 km of its local network is buried, which corresponds to approximately 80 percent[49]. In addition, Ellevio's entire regional network is weatherproofed in the form of the large conduits that are created to prevent trees from falling over the conduits. Over the coming years, as the regulation leads to lower investment volumes, Ellevio will prioritise the areas in which it has the most outages. The strategic investments in weatherproofing made, together with the improvements in storm recovery management systems carried out by Ellevio, have also led to material improvement in relative recovery times over the last few years.

[48] These figures has been rounded off to the nearest million SEK. Source: Ellevio.

[49] Source: Ellevio Annual Report 2019



In 2019 Ellevio also worked to enhance preparedness for major fires by mapping all of its power lines based on their risk of being damaged during a major fire. Ellevio also enhanced its preparedness by way of larger stocks of reserve materials and developed its weather-monitoring services to identify the risks of fires starting.

The availability and the number of field workers available at outages has significantly increased in recent years. Through its contracts with field service providers, Ellevio can deploy nearly 150 field electricians to affected areas within 24 hours in case of extreme situations.[50] In addition, given Ellevio's strong relationships with its service providers, even more resources can be deployed if necessary.

Customers and tariffs

Ellevio has 962,000 customers, of which 86 per cent. households and 14 per cent. are companies.[51] More than half of these are apartments, of which the majority are located within the capital region of Stockholm and are included in the "**LN StorStockholm**".[52] Ellevio's network areas of LN Västkusten, LN Västra Svealand and LN Södra Norrland are rural areas and have a low population density.[53] Ellevio's growth is dependent on both macroeconomic growth and the development of the population demographic.

Approximately 50 per cent. of the total delivered volume to external customers is supplied by the Regional Networks that mainly deliver electricity to other networks and large industries. In 2019, the top four most significant industrial customers of Ellevio (measured by invoiced consumption, excluding DSOs and power producers) were: (1) Stockholms Stad; (2) Skolfastigheter i Stockholm Aktiebolag ; (3) Aktiebolaget Storstockholms Lokaltrafik; and (4) Stora Enso Paper Aktiebolag.[54] In total the above mentioned customers accounted for less than 4 per cent. of Ellevio's net sales in 2019.[55] In addition, Ellevio provides electricity to other DSOs and power producers, the biggest of which is E.ON Elnät Svergies AB which, in 2019, accounted for 1.2 per cent. of Ellevio's 2019 net sales.[56]

[50] Source: Ellevio Annual Report 2019.

[51] Source: Ellevio.

[52] Source: Ellevio.

[53] Source: Ellevio.

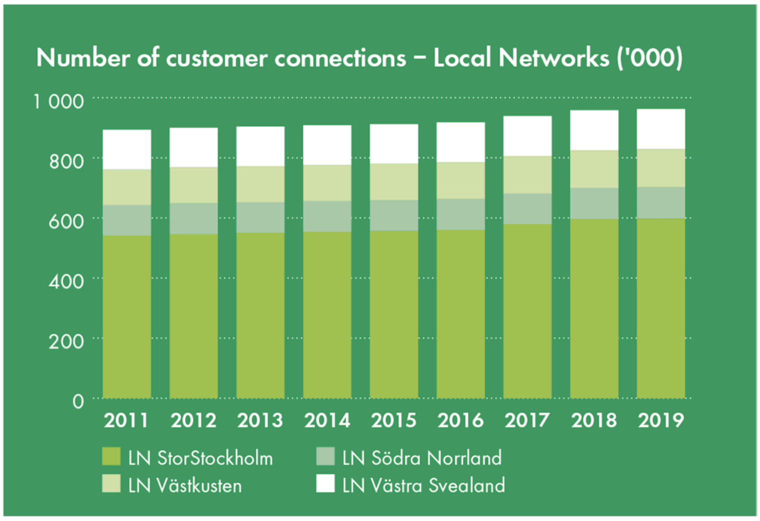
[54] Source: Ellevio.

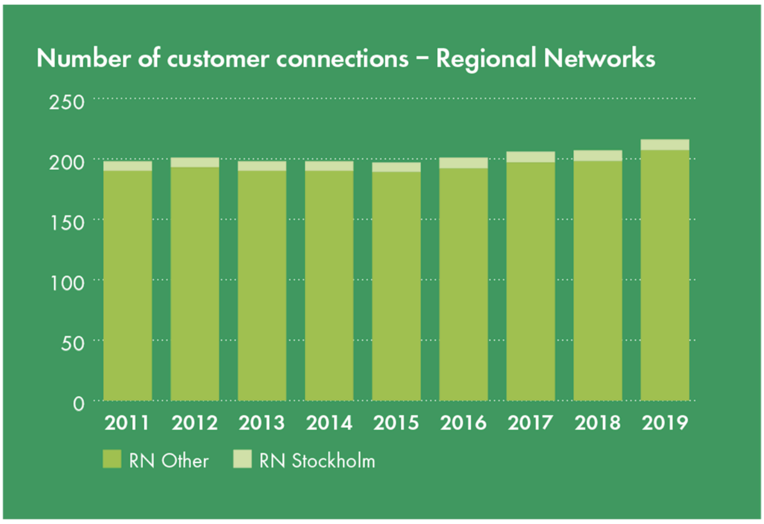
[55] Source: Ellevio. For comparison, in 2018 percentage of net sales attributed to Ellevio's top four customers accounted for 3.0 per cent. of the net sales 2018.

[56] Source: Ellevio. For comparison, in 2018 percentage of net sales attributed to Ellevio's top DSO customer accounted for 1.1 per cent. of the net sales 2018.

Development of customer base 2011 to 2019

Ellevio's local network customer base has grown since 2011 as demonstrated below:





Customer strategy

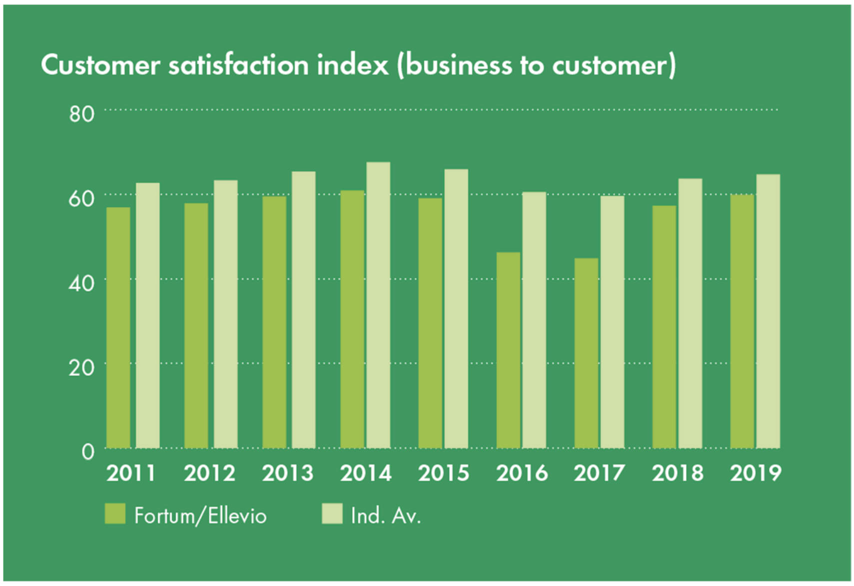
Aside from organic growth driven by customer growth and increasing wind connections, Ellevio's investment plans also take into account the evolution of customer expectations, their increasing demands on the network and the investment projects aimed at improving customer interfaces.

As part of the business plan for the coming four years, Ellevio has embarked on a journey to increase the customer focus within the company. A detailed programme to improve the customer handling has been rolled-out in the organisation focusing on digital customer interfaces, customer service and creating a customer culture in the company.

The provision of online and mobile services to improve Ellevio customers' ability to handle queries online, communicate with Ellevio through social media/mobile apps and SMS information (i.e. outage information and order confirmation), has been a key focus in improving the customer experience. The customer strategy has been created hand-in-hand with real customers in order to provide the best insight into customer needs and areas of concern and how best to improve their views on the network. Ellevio's ambition is to strengthen the customer experience with regards to the network and progressively allow customers greater flexibility.

Improving customer experience is a strategically important area for Ellevio. Ellevio is available around the clock to provide the technology and expertise required to ensure the electricity network functions as it should. Over the past few years, Ellevio have seen a positive trend in customer satisfaction surveys.

To ensure a strong focus on customers, customer satisfaction is measured on a regular basis. The diagram below shows the development of Ellevio's customer satisfaction index measured by Svenskt Kvalitetsindex ("**SKI**") from 2011 to 2019 The SKI is a standard index provided by the EPSI Ratings Group and is used by a number of Swedish market participants to measure quality across a number of sectors.[57]



Source: EPSI Ratings Group.

The decrease in customer satisfaction in 2016 and 2017, both for the industry and for Ellevio, is to a large extent the result of a negative price discussion. Ellevio's price increases together with other network companies' price increases caused criticism from customers, the media and policy makers. Many Swedish network companies including Ellevio are entering a period of heavy investments to replace ageing networks and prepare networks for future customer and society needs which comes at a cost. It is therefore important that society has a common view about the value of having a well-functioning, sustainable and reliable electricity infrastructure. Ellevio and the industry continued to promote a constructive dialogue about the role of the electricity networks in the future sustainable society, and the investment needs to uphold reliability of supply.

New services as part of a smarter network

In 2019 Ellevio began to prepare for the installation of the next generation of smart electricity meters among all of Ellevio's customers. The next generation of meters will allow producers, network companies and consumers to monitor their electricity production and consumption in real time. It will also become simpler for customers to connect new energy services, manage their electricity consumption and make it easier for customers to install solar panels. The smart meters are an important step towards changing energy behaviour, with customers being given the tools to manage their electricity consumption in a way that reduces the burden on the network at times of peak consumption. The new smart meters will also make it possible to remotely monitor the electricity supply to Ellevio's customers, which will have a major positive effect in terms of reducing the amount of work out in the field and thus less vehicle usage.

[57] More information can be found at: http://www.kvalitetsindex.se/.

Flexible electricity consumption is a potentially vital solution to the capacity issue on Stockholm's electricity network. In 2019 Ellevio initiated a dialogue with corporate customers and technology suppliers to find smart technical solutions together that free up capacity on the electricity network. This could, for example, include services that make properties automatically reduce heating around 5 p.m. as most households begin cooking dinner. It could also entail companies with back-up units or server centres providing extra production to create more space on the electricity network at critical moments. The aim is to examine the resources available among customers and determine the structure of a commercial model that exploits such resources.

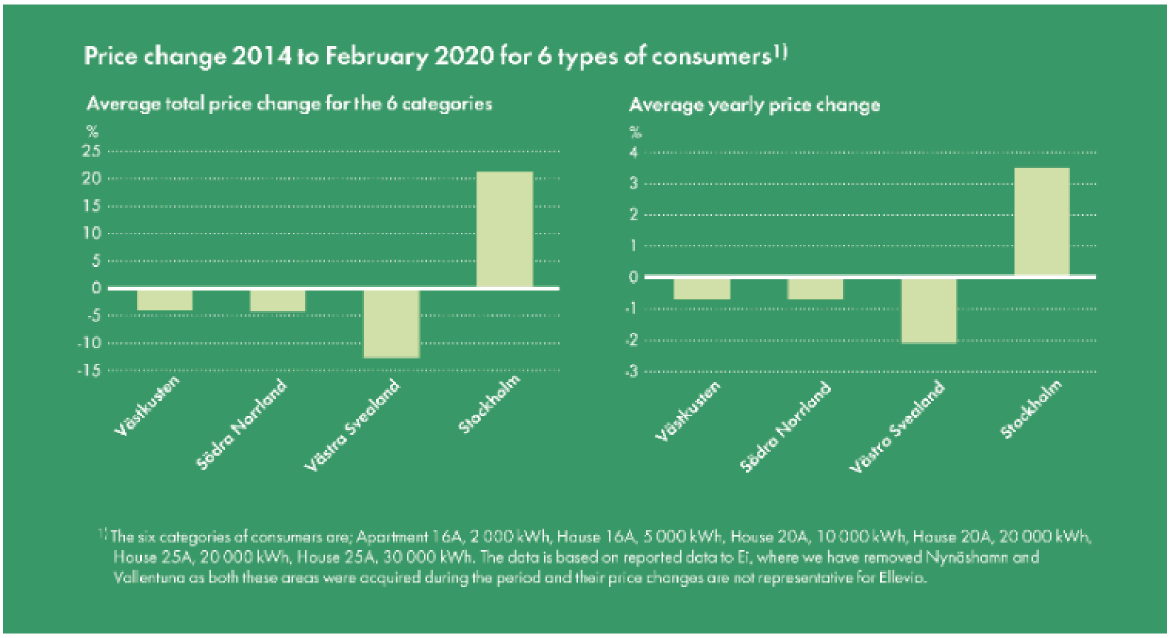
Tariff types and price development

Ellevio has three tariff types as follows:

Tariff Type	Description
Fuse Tariff	The Fuse Tariffs are based on the size of the installed fuse. The Fuse Tariff charge is based on a fixed fee and a variable fee based on monthly measurement of delivered volume. In general, the Fuse Tariff is used by customers that use a supply under 64 ampere.
Power Demand Tariff	The Power Demand Tariffs measures the actual power usage and delivered volume based on hourly measurements. In general, the Power Demand Tariff is used by customers that use a supply over 64 ampere.
Subscribed Power Tariff	Subscribed Power Tariffs is a tariff based on a set fee which entitles the user to use a set amount of electricity. If the customer exceeds the agreed usage, the customer will pay an additional fee. The Subscribed Power Tariff is only applied in the RNs for large customers.

During a regulatory period, DSOs are permitted to change electricity distribution prices at any time, subject to a two-week notice period for Fuse Tariff customers and a one-month notice period for Power Demand Tariff customers, and the constraints of the regulatory regime.[58] There are no limitations in terms of how often or the level of tariff changes. Tariff prices follow the development of Allowed Revenue during each four-year regulation period. Revenues are matched with Allowed Revenue at the end of each regulatory period. Pricing is not based on customer segment, but is based on consumption. Typically, industrial customers use more electricity and have Power Demand Tariffs or Subscribed Power Tariffs, whereas households have Fuse Tariffs or Power Demand Tariffs. DSOs apply to Ei through a web based IT system no later than nine months prior to the commencement of a regulatory period to establish in advance their Allowed Revenue.

[58] The Subscribed Power Tariff is not subject to a notification period, as the Subscribed Power Tariffs are fixed price/fixed usage agreements.



Source: Ellevio

Ellevio has two regional network areas (Stockholm and Rural) and four local network areas (Västkusten, Västra Svealand, Södra Norrland and Stockholm). Since the Allowed Revenue to a great extent is based on the sum of the value of all assets, prices tend to be high in sparse areas with more total assets per customer and low in dense areas. This means that Västra Svealand has had one of the highest prices in Sweden, while two thirds of all companies have higher prices than those in Stockholm. An important aspect of Ellevio's responsibility to customers is that it prioritises all customers equally. To make it easier for its customers to live and support themselves in rural areas, Ellevio has worked for a long time to level out the network tariffs between densely and sparsely populated areas.

To harmonise the price differences between Ellevio's networks, Ellevio applied to merge its local networks in 2013 and in 2017 the application to merge Stockholm with Västra Svealand and Södra Norrland was approved. Ellevio has following the decision gradually levelled out the prices across its network areas. In practice this will entail lower or unchanged prices for sparsely populated areas and small rises for customers in the Stockholm region. This price harmonisation is to be completed by 2023 at the latest.[59]

For further detail on pricing, see Chapter 7 ("*Selected Aspects of Swedish Regulation to which Ellevio is Subject*"), where pricing for electricity distribution services in Sweden is outlined in detail.

Ellevio's Investment and Cost Management Strategy

The focus on asset management is optimising the lifetime cost of assets. Key drivers for asset management are network reliability, safety/risk management, adaption to regulation and customers' needs and load. In addition, requirements from external parties (i.e. line relocations required by municipalities) must be taken into account. The weight of focus towards each driver depends to a certain extent on the current market conditions, and hence allows Ellevio flexibility and adaptability in terms of its planning approach. Often, planning decisions are geared to technical needs of the networks, legal- or societal-driven requirements or the regulatory environment.

Ellevio operates a fully regulated electricity distribution network in a changing regulatory landscape. Such an evolution of the regulation requires an in-built ability to be flexible and to accommodate the changes prescribed

[59] Source: Ellevio Annual Report 2019.

by Ei, while remaining faithful to the core strategy and values of Ellevio. The company has adapted its medium term and longer-term projects to take into account the new regulatory incentives as well as retaining a focus on the more fundamental regulatory requirements of avoiding outages of more than twelve hours and maintaining the basic functionality of the network.

Ellevio's management team have carefully considered growth and urbanisation trends in their investment forecasts in order to continue providing customers, existing and new, with reliable electricity while limiting outages. In expanding cities, new networks are anticipated to be built along with other infrastructure such as roads and piping systems. Following the construction of buildings and residential properties, new connection points and customers will be connected to Ellevio's grids. In LN StorStockholm, approximately a third of total connection investments are due to expansion in areas.[60]

Capital expenditures

Ellevio's capital expenditure comprises reinvestment in and replacement of existing network infrastructure (either due to age, safety, regulatory or for reliability reasons) because a key concern for Ellevio is the reliability of its network. Expenditure on other areas (IT, metering and other investments) comprises a relatively small portion of the overall capital expenditure. Ellevio has developed a long-term capital expenditure plan to reach its goals. The focus for basic network investments are investments in improved reliability though cabling and securing redundancy for critical network assets as well as capacity and safety related investments. Network reliability is improved by implementing large-scale projects including replacing overhead lines with underground cables and increasing the level of network automation.

In 2019, Ei took the decision to reduce revenue frameworks for the period 2020-2030, based on the directive resolved by the Swedish Government for 2018. Following the decision, Ellevio conducted a review of its investment plans for the coming years. It currently expects its basic investments to fall by 40 per cent. compared with the period 2016–2019. Prioritised investments include weather-proofing the electricity network in rural areas and tackling capacity shortages in growing major cities.[61]

In comparison with base investments, the customer-driven investments show a stable increasing trend, both in the small scale such as customers installing solar panels and in the large scale with wind power parks. To mention a few projects, in Kronoberget in Närke, a wind power park of 16 power turbines and 60 MW, with an estimated yearly production of 200 GWh, has been connected to the power grid. Ellevio has also worked with its largest wind power connection so far: Valhalla, with 85 power turbines and a total installed capacity of 366 MW. In addition, four large connection agreements have been signed; Åndberg, in Härjedalen, with a planned installed effect of 300 MW, Frykdalshöjden, in Värmland, with a planned installed effect of 40 MW and Skaftåsen and Tandsjö, in Hälsingland, with a total planned installed effect of 285 MW.[62]

Ellevio has also seen increased interest in solar panels from housing cooperatives and public housing companies. With the next generation smart meters, which Ellevio intends to begin installing next year, customers will be able to install solar panels without changing meters. This will make the change even easier for Ellevio's customers.

For more information about Capex, please see Chapter 8 ("*Financial Overview*").

Operating costs

Ellevio is highly focused on continuous improvements in operating efficiency, this ensures a strict control of the operating expenses as reflected in Ellevio's historical performance. Ellevio's operating costs are divided

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60 Source: Ellevio.

61 Source: Ellevio Annual Report 2019.

62 Source: Ellevio Year-end report 2019.

into transmission costs and operating expenses. The transmission costs consist of transmission charges to upstream networks (Svenska Kraftnät and other DSOs) including compensation to producers and network losses. According to the current regulatory framework, DSOs can pass through to the customers the total transmission costs incurred.

The operating expenses are largely driven by the cost of maintenance and fault repair, day-to-day network supervision (24/7), metering, customer management, IT and administration as well as personnel expenses.

Network maintenance is governed on a high level in a similar way to investment planning, with a detailed budget for two years followed by a long-term maintenance plan optimised according to the investment program. Network maintenance includes the cost of inspections, tree clearance, corrective and preventive maintenance, as well as project management and other network costs.

Network maintenance activities are highly dependent on the network structure, location, age and condition. Preventative maintenance activities include maintenance of buildings and facilities, inspections and selected maintenance activities that are expected to improve network reliability and resilience. Scheduled maintenance activities comprise tree clearing, small repair works and asset maintenance activities. Corrective maintenance activities primarily comprise corrective works arising from inspections and consequences of faults.

There is a correlation between the increased number of faults and age of degradable components such as plastic material, wooden poles and clamps under the influence of wind, water and sun. Ensuring thorough maintenance cycles provides a good view on the condition of the network and negates the risk of material unexpected maintenance outages.

For more information about operating costs, please see Chapter 8 ("*Financial Overview*").

Insurance

Ellevio manages operational risks through preventative and corrective actions in the ordinary course of business. Where suitable, and when relevant insurance coverage is offered by the market, insurance policies are used to transfer certain risks to the insurance market.

The objective of insurance risk management in Ellevio is to optimise loss prevention activities, self-retentions and insurance coverage in a long-term, cost efficient manner while ensuring that Ellevio is sufficiently compensated should a material insurable loss occur. The insurance programme includes coverage relating to Ellevio's own assets, such as property damage, construction all risk, crime and vehicles, and liability risks relating to Ellevio's operations such as product and general liability. Ellevio aims to insure own asset risks exceeding SEK 10 million and liability risks such that it is sufficiently financially compensated against material loss. Ellevio also insures lower frequency risks and risks which are statutorily required to be insured (e.g., third party risk motor insurance).

Asset risks relating to Ellevio's network assets are insured at replacement value. Insurance coverage for General Liability, Directors and Officers Liability and Crime insurance are purchased in accordance with what Ellevio believes to be standard coverage for Nordic utility businesses and subject to the coverage available in the local insurance market.

Insurances are placed in co-operation with Ellevio's insurance broker, Willis Towers Watson.

Employees and employee relations

During 2019, Ellevio had on average 500 full-time employee equivalents ("**FTEs**").[63] Since 2011, all blue-collar operations have been outsourced. The number of employees has increased significantly since 2015 as a consequence of Ellevio's network investments during the last years.[64]

Ellevio is a member of *Energiföretagens Arbetsgivareförening* ("**EFA**"), the employer's association for the Swedish energy industry, which, in addition to other tasks, develops the labour market policy for the energy sector and represents all energy companies. This organisation is responsible for the management of collective agreements for the employees of its member companies.

Collective agreements have two primary purposes: (a) to guarantee a minimum level of working conditions (e.g. wages and working time); and (b) to facilitate stability in labour relations. Collective agreements can be entered into on a central or local level and are normally fixed-term agreements with a term of one or three years. However, there are certain exceptions where collective agreements run for an indefinite period of time; for example, collective agreements on pensions and insurance. Even if the collective agreements are in force for a fixed-term period, in practice the agreements are continuously in force because they are renegotiated.

Ellevio has a good relationship with relevant trade unions with no history of disputes. The relationship is *inter alia* maintained by the presence of two union representatives with positions on Ellevio's board, who act as employee representatives.

Ellevio and its employees are subject to the Swedish social insurance system, which is administered by the Swedish Social Insurance Agency, *Försäkringskassan*, and the Swedish Pensions Agency, *Pensionsmyndigheten*. All employees are entitled to work related benefits under the social insurance system, for example public pension and parental benefits, which are funded *inter alia* by social security fees paid by employers. An employer's responsibility to pay social security fees in respect of an employee ends automatically in connection with the termination of the employment contract or at retirement, i.e. when the employer no longer pays any salary or other remuneration to the employee.

Pensions

As part of the collective agreement outlined above, all employees of Ellevio are covered by an insurance package, which includes a retirement pension, disability pension and family pension. For further information on these pensions, see page 65 of the Ellevio Annual Report 2019.

Occupational health and safety

Ellevio is committed to being a safe and attractive employer. The health and safety of the people who work for us is our top priority and we have a zero vision in relation to accidents. Naturally, our work in this area also covers suppliers and contractors. Ellevio engages contractors for network maintenance and infrastructure projects and works in long-term relationships with established firms. The contractors we engage must not only be experts in their fields, they must also be trained in health and safety procedures and knowledgeable about safe workplace requirements.

In 2016 Ellevio launched the "Safe workplace" programme that forms part of its health and safety management system. The programme aims to further improve processes and work methods, as well as change behaviours. Ellevio's aim is to become more proactive in its efforts to create a safe work environment for those who work at and for Ellevio. Ellevio has chosen to use a method known as behaviour-based safety (BBS). This is based

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[63] Source: Ellevio Annual Report 2019.

[64] Source: Ellevio.

on research within behavioural psychology and is a proven effective method in influencing safe behaviours and building a strong safety culture.

In 2019, Ellevio took the next step in this initiative, implementing a major project together with three of its largest contractors that focused on safe behaviours among contractors disconnecting the power when working with low levels of voltage. This is one of the most accident-afflicted tasks according to both Ellevio's own statistics and those from the National Electrical Safety Board, and during the course of the project safe behaviours increased by 50–60 per cent. in the relevant team.[65]

A safety handbook was produced in 2018 to promote the safety initiatives of contractors, which serves as an introduction to Ellevio's safety initiatives and the safety culture it strives for. It establishes the safe behaviours which Ellevio wants its contractors to adopt during different work tasks. In 2019 Ellevio continued efforts to implement the handbook's guidance among its contractors and participated in workplace meetings among all of its major contractors at which the handbook was presented.

Ellevio has taken stock of the need for safety training as part of its aim to increase awareness of safety and the work environment. Focus has been placed on employees who have "one foot in the field", for example project managers and network planners. The training package will be launched in 2020 and will initially affect 200 key individuals.

With the aim of learning from other sectors and sharing its experience, Ellevio was the first energy company to join the construction sector's "Håll Nollan" (Keep to Zero) safety initiative, which aims to reduce work-related accidents at construction sites. In 2019 Ellevio was nominated for Håll Nollan's work environment award, together with three other finalists.[66]

Auditing

Ellevio invests substantial resources in preventing accidents through training and follow-up work. Compliance with sustainability requirements is ensured among contractors out in the field, and any shortcomings are reported and remedied immediately. In 2019, 301[67] unannounced audits (unannounced site visits to ensure compliance with Ellevio's requirements for project activities in the areas of quality and health, safety and environment) were made to ensure compliance with Ellevio's requirements governing safety, environment and quality. The audits are an important tool in terms of identifying potential areas of improvement and enabling a continuous dialogue.

The results of the unannounced audits form the basis of Ellevio's safety index, which supplements its more reactive key indicators in the form of the LWIF (Lost Workday Injury Frequency). One of the conclusions drawn is that the work environment is not always prioritised in the necessary way during the planning stage, and that resources are lacking on site to clearly delegate responsibility for the work environment. Work is halted in the event of serious deviations, and this occurred on one occasion in 2019.[68]

In 2019, Ellevio had zero employee accidents (measured in TRIF)[69] and 3.3 contractor accidents (measured in LWIF)[70].

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65 Source: Ellevio Year-end report 2019.

66 Source: Ellevio Annual Report 2019.

67 Source: Ellevio Annual Report 2019.

68 Source: Ellevio Annual Report 2019.

69 Source: Ellevio Annual Report 2019. TRIF, Total Reportable Incidents Frequency: The number of accidents per one million hours worked by Ellevio's employees. Includes accidents that have resulted in absence from work of more than one day, the need for restricted work, or medical treatment.

70 Source: Ellevio Annual Report 2010. LWIF, Lost Workday Injury Frequency: The number of lost workdays per one million hours worked as a result of personal injuries at Ellevio's contractors.

Occupational safety issues are monitored by the Swedish Work Environment Authority, *Arbetsmiljöverket*. Electrical safety issues are monitored by the National Electrical Safety Board, *Elsäkerhetsverket*. The authorities and industry participants have jointly defined safety standards, according to which Ellevio operates.

Security

The new Protective Security Act applicable from 1 April 2019 has created a new and clear framework governing which protective measures need to be taken to protect socially critical information and assets. Following an initial protective security analysis, suitable measures are being planned and implemented to further enhance security. Ellevio invests in cyber security, build the most robust systems possible and collaborate with authorities and players involved in the electricity network. By preparing its organisation and using the latest technology, Ellevio are able to manage the security issue – one of the most important aspects when it comes to a future-proofed electricity network.[71]

Environment

Ellevio has three overall environmental goals: playing an active role in the transition to a sustainable energy system, reducing its impact on the environment and climate, as well as contributing to strong biodiversity. Ellevio's overall environmental goals are to be achieved using the following strategies:

- Establishing environmental requirements for purchases, taking account of environmental aspects in the company's business and operational activities and promoting solutions that reduce Ellevio's environmental impact.
- Promoting the application of a lifecycle perspective in all of Ellevio's activities.
- Avoiding materials and substances that can be harmful to humans, animals and the environment as far as possible.
- Applying the precautionary principle in connection with investments and purchasing.
- Employing the principles of the waste hierarchy to reduce waste.
- Providing information about, and raising awareness of, how the company's operations can affect the environment.
- Adopting a sustainability perspective when selecting venues for meetings and modes of transport for travel.

Sustainable energy system.

Ellevio is strongly committed to contributing to the transition to a climate-neutral society. This means it actively contributes to the global Goal 7 concerning Affordable and clean energy and Goal 9 concerning Industry, innovation and infrastructure. Ellevio also takes active steps to adapt its electricity network to the transition to solar and wind power and enable the charging of electric vehicles.

Responsibility for its environmental impact

Ellevio has an environmental management system certified in accordance with ISO 14001:2015, and has an ongoing programme that ensures that its operations meet that standard. External and internal audits are carried out each year, including an evaluation of the environmental issues on which Ellevio has a significant effect. In addition, the company operates under a Board approved sustainability policy, where environmental responsibility comprises one of three components. Environmental safety is monitored by the Swedish Environmental Protection Agency, *Naturvårdsverket*.

[71] Source: Ellevio Annual Report 2019.

The most significant environmental aspects of Ellevio's operations are consumption of materials to power lines (containing creosote including leakage of creosote), usage of the greenhouse gas sulfur hexafluoride (SF_6) as switchgear insulation, leakage of oil (cables and transformers) and energy losses in the grid.

Ellevio uses wooden poles in its distribution network, which have environmental disadvantages due to the need to protect against decay. The poles are therefore impregnated with creosote to decrease the risk of decay and increase the life span of the pole. However, creosote is classified as a health and environmental hazard by the Swedish Chemicals Agency. The health risks of creosote are related to how often you are exposed to the substance and the degree to which protective regulations are followed while the environmental risks are local, that means in direct proximity to the pole. The usage of creosote pillars is regulated by the Swedish Chemicals Inspectorate and the EU and Ellevio only use impregnation approved by the Swedish Chemicals Inspectorate. In 2016, the Swedish Chemicals Agency made a decision to extend the usage of creosote-treated wood for certain sectors, such as electricity and telecommunications and the railways, until March 2021.[72, 73] Looking specifically at grid companies, the usage of creosote poles in the construction of overhead lines has so far proved to be the most sustainable solution for network based on the environment, total climate impact, economy and longevity. Ellevio follows the development of alternative materials.

Ellevio is working to weather-proof the networks at lower voltages by laying cable in the ground. At the same time, we reduce the risk that creosote in individual cases can have a local impact by removing creosote impregnated poles. In 2019, 13,500 creosote impregnated poles (net) were taken down.[74]

One of Ellevio's environmental aspects concerns the sustainable development of oil, specifically oil contamination, polychlorinated biphenyl ("**PCB**") oil and oil leakage. Ellevio has an active policy for preventing oil leakages. However, Ellevio has a long and complex corporate and operational history, which has involved the acquisition in, divestment of, or merger with, many legal entities over the years. This means that Ellevio could be held liable for historic contamination that occurred prior to Ellevio being the network owner.

CO_2-emissions

Since 2018 Ellevio has been actively measuring, following up and reducing CO2 emissions generated by its operations. From 2019, Ellevio reported results in line with the Greenhouse Gas Protocol (GHG), which is an internationally accepted standard for calculating and reporting CO2 emissions. To begin with, Ellevio's CO2 reporting covers its direct (scope 1) and indirect emissions (scope 2) of CO2.

Ellevio's direct emissions come from the burning of fossil fuels at and SF6-leakage from its own facilities along with emissions from its proprietary and leased vehicles. Its indirect emissions come from the purchase of heating and cooling for Ellevio's own use along with network losses.

In 2019, Ellevio also began measuring and following up on the accumulated reduction of network losses that occur as it replaces the old transformers with new and more efficient ones. Network losses fell by a total of 1,500 MWh during the year.[75]

Biodiversity

Ellevio's power lanes are kept free from trees so that electricity can be transported with a high level of reliability. Regular clearing of brushwood can often be enough to ensure that open meadows and pastures are not able to

72 Source: The Swedish Chemicals Agency, 23 February 2020, http://www.kemi.se/nyheter-fran-kemikalieinspektionen/2016/traskyddsmedel-med-kreosot-far-fortsatta-anvandas-i-fem-ar/.

73 Pursuant to Regulation (EU) 528/2012 concerning the making available on the market and use of biocidal products, poles treated with creosote products may only be placed on the market as long as creosote is an approved active substance. Under Regulation (EU) 528/2012, the current approval is valid until 30 October 2020.

74 Source: Ellevio Annual Report 2019.

75 Source: Ellevio Annual Report 2019.

grow again. As areas of meadow and pastural land have shrunk dramatically in Sweden over the past century, other types of open land will become important habitats for Sweden's threatened meadow species. The power lines that run over grassland environments thus contribute to Sweden's biodiversity.

Ellevio has an action plan that describes how the management and development of areas rich in species within Ellevio's power line network should be conducted. During 2019, a total length of approximately 600 km power lanes were studied within Ellevio's network with a voltage level of 50 kV and higher, of which one-third of the distance was field inventoried and approximately 200 km of valuable areas were identified. The distances of which field inventories are carried out are those identified as potentially species-rich areas. During the year, Ellevio also made plans for how to adapt its maintenance plans for these species-rich areas.[76]

Green bond certification

To offer the capital market the opportunity to invest in projects that support the transition to a climate-neutral society, Ellevio launched a framework for issuing green bonds. Projects that could be considered be for financing are those which contribute to the UN's sustainable development goals. The new framework was developed in line with the industry standard for green bonds (ICMA Green Bond Principles) and was reviewed by the independent climate and environmental research institute CICERO, receiving the highest score of "Dark Green" during the review. With the aim of giving investors and other stakeholders the opportunity to follow developments in Ellevio's environmental efforts and the issuing of green bonds, as well as an insight into how the funds are used, Ellevio will annually publish a newsletter for investors.[77]

Corporate Governance

Corporate governance at Ellevio is based on applicable laws and ordinances, Articles of Association, shareholder agreements, internal policies and instructions. The external regulatory policies primarily comprise the Swedish Companies Act, Swedish Annual Accounts Act, as well as other relevant laws. As a natural monopoly, the business is regulated in accordance with the Electricity Act and supervised by the Swedish Energy Markets Inspectorate (Ei). Ellevio also adheres to regulations applicable to companies with interest-bearing instruments registered on Euronext Dublin. Ellevio is not subject to the mandatory requirement for listed companies to comply with the Swedish Corporate Governance Code (the Code).

The company's most significant governing document is the shareholder agreement signed by the four shareholders of Ellevio Holding 1 AB. The shareholder agreement stipulates how the Parent Company and Group's subsidiaries are to be governed. Other key internal policies are the Articles of Association and the Board's rules of procedure and instructions for the CEO and on reporting to the Board. In addition, there is a Code of Conduct along with internal policies and instructions that are adopted by the Board or by the company and revised on an annual basis. Ellevio's Articles of Association include certain shareholder reserved matters, which must be approved by shareholders holding more than 75 per cent. of the shares then in issue.

The Board and management team work in accordance with an annual cycle including a structured process for strategic business planning and operational monitoring. All of the company's activities are based on Ellevio's values, which are in turn based on the key words reliability, commitment and development. The company's business is operated in accordance with Ellevio's Code of Conduct. Ellevio maintains policies, instructions and procedures that are intended to establish rules and responsibilities for specific areas and to define mandates and authority. In addition to the policies adopted by the Board, there are also policies determined by the CEO, as well as instructions and procedures determined by the head of each business function. In line with the operational management structure, the management has produced policies within the areas of sustainability,

[76] Source: Ellevio Annual Report 2019.

[77] Source: Ellevio Annual Report 2019.

working environment, financing, management of insider information, information security, whistleblowing and others. These documents are available to all employees. They are revised on an annual basis or when necessary to ensure compliance with the prevailing laws and provisions and so forth. The organisation is continuously updated and given training in policies, instructions and procedures. Overall, this internal framework covers all relevant operational areas in an appropriate manner.

Risk management is an integrated element in the planning, governance and monitoring of operations. Business risks are assessed through the strategy and planning activities of the Board and management, and the underlying premise is that risks are managed on a day-to-day basis in the operations in which they arise. Ellevio has a decentralised approach to risk management. The responsibility to identify and manage risks remains within each business unit throughout the organisation.

The Board of Directors oversees the administration of Ellevio and its subsidiaries and the appropriate organisation of its operations. The Board of Directors is also responsible for the appropriate control of Ellevio accounts and finances. The Chief Executive Officer is appointed by, and reports to, the Board of Directors and has the mandate to run the Management Team and the general day-to-day business operations in accordance with the instructions and orders given by the Board of Directors. However, decisions in relation to exceptional matters remain under the control of the Board of Directors. Ordinary decisions of the Board of Directors are made by simple majority, while reserved matters require approval of more than 75 per cent. of the directors appointed by the Shareholders. The quorum for such decisions is a majority of directors including one director from each of the Shareholders. Ellevio conducts internal control efforts aimed at ensuring that operations are managed in a secure, appropriate and efficient manner. Internal control mechanisms for financial reporting aim to secure that the company prepare reliable financial statements and reporting, and to comply with applicable laws and regulations.

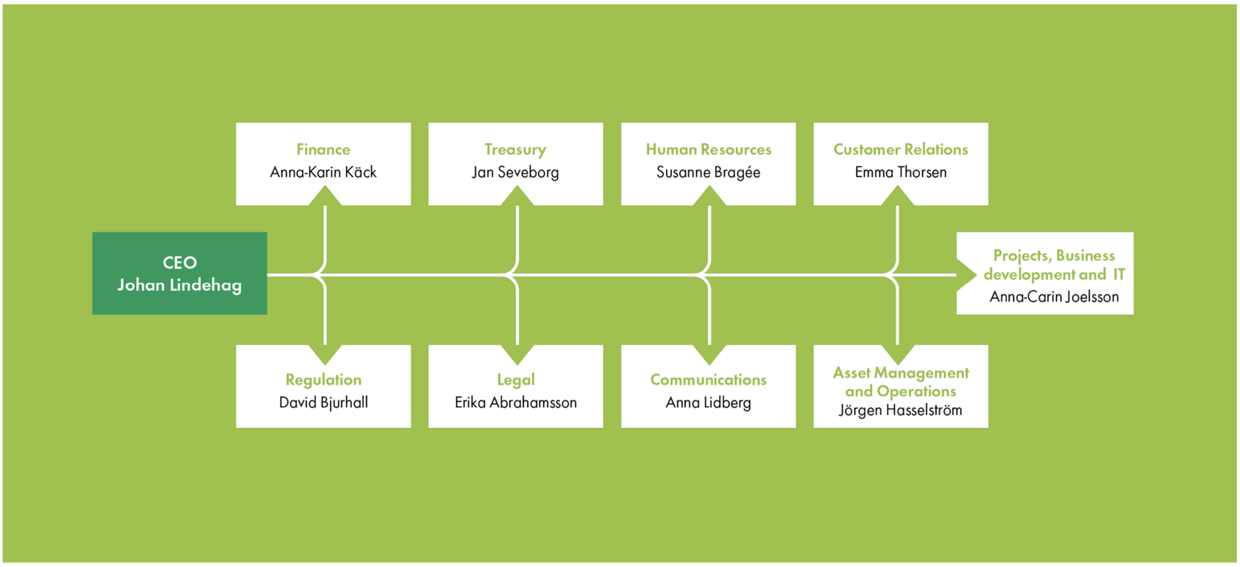
Ellevio has information and communication channels that aim to promote completeness and accuracy in its financial reporting. The annual report and half-yearly reports specify which parts are formal financial reports, the regulations on which they are based and which parts have been audited by the company's auditor. Ellevio publishes the half-yearly report, year-end report and annual report on the company's website.

Ellevio's operations are subject to supervision by the Swedish Energy Markets Inspectorate (Ei) and means that financial and operational reporting should be conducted yearly. These reports can be found on Ei's website.

Management Team

Ellevio benefits from an executive management team with over one hundred years of combined, relevant experience in the utilities sector. Ellevio has a separate Board of Directors, Chief Executive Officer and Management Team.

The Management Team consists of the heads of business and other units and handles the operational-level day-to-day business of the Ellevio, and reports directly to the Chief Executive Officer. The senior management organisation structure of Ellevio is shown below:



The CVs of the Management of Ellevio are as follows:

Johan Lindehag
Chief Executive Officer/Managing Director

Johan has almost 20 years of experience in the energy business, with twelve in the Nordic electricity distribution industry. Johan has been CEO of Ellevio since the company became independent. He has occupied several senior management positions within Ellevio including: Head of Asset Management and Design, Nordic (2012 – 2013) and Head of Strategic Sourcing, Projects and IT, Nordic (2009 – 2012). Johan holds a degree in Business Administration from the Institute of Business Administration, Stockholm and Executive Business Administration and leadership from Stockholm School of Economics. Johan is a board member of the Energy Industry Association.

Jan Seveborg
Head of Treasury

Jan has more than 20 years of experience in the Nordic utility business. Previously, he has been Treasurer of the Fortum Group (2004 – 2015). Jan holds a B.Sc (Business Administration).

Anna-Karin Käck
Head of Finance

Anna-Karin has 18 years of experience in finance and business control as well as corporate planning functions of which 12 years have been spent in the Nordic electricity distribution industry. She has occupied several senior management positions within Ellevio including: Head of Business Control, Asset Management and Design (2009 – 2013), Head of Business Control Network Construction & Service (2006–2009). Anna-Karin holds a B.Sc (Business Administration) from Umeå University.

Erika Abrahamsson
Head of Legal

Erika has six years of experience in the energy industry. Prior to joining Ellevio, she was Senior Corporate

Counsel at V&S Vin & Sprit AB (publ) (2006-2011), Erika holds a Master of Laws from the University of Stockholm.

David Bjurhall *Head of Regulation*	David has almost ten years of experience in Nordic electricity distribution industry, of which he during more than half of them has been responsible for regulation and tariffs. Prior to joining Ellevio, David worked as a Management Consultant for Deloitte (2005-2010).
Jörgen Hasselström *Head of Asset Management & Design and Operations*	Jörgen has more than 20 years' experience in various project manager, specialist and managerial functions within the Energy sector, both nationally and internationally. Prior to joining Ellevio in 2019 Jörgen has held managerial and advisory roles at Multiconsult AS, Sweco Energuide AB, and Fortum Distribution (now Ellevio). Jörgen holds a Ph.D in Physics from Uppsala University.
Emma Thorsen *Head of Customer Relations*	Emma has twelve years of experience of managing large subscription based customer bases. Prior to joining Ellevio in 2019, Emma worked as Chief Customer Officer for Viaplay Nordic (2015-2018). She has held similar positions at Viasat (2012-2015) and Canal Digital (2009-2012)
Anna Lidberg *Head of Communications*	Anna has more than ten years of experience in the energy industry. Since 2015, she has been the head of the communications function at Ellevio. She previously held several senior communications position at Fortum. She headed the communications for Fortum Distribution, Nordic (2009 – 2015) and was the Communications Director, Head of PR & Media, Corporate communications (2011 – 2013). Anna is part of the advisory board for Strategic communications at the industry association Swedenergy.
Anna-Carin Joelsson *Head of Projects, Business Development and IT*	Anna-Carin has twelve years of experience in the Nordic electricity and distribution industry. She has previously held positions in Ellevio including Senior Project and IT Manager (2008 – 2013) and Project Manager Process Development (2007). Anna-Carin holds a B.Sc (Communications) from the University of Jönköping.
Susanne Bragée *Head of Human Resources*	Susanne has more than 20 years of experience of HR and 10 year in finance in various industries. Prior to joining Ellevio, Susanne held the position as Vice president, HRBP Europe and Asia region, at Nasdaq (2009-2019).

Board of Directors

The current directors of Ellevio and their respective business address and principal activities are set out below. For further details on the CVs of the Board of Directors, see below.

Name	Business Address	Principal Activities
Sören Mellstig	Healthinvest Partners AB, Biblioteksgatan 29, 8 floor, 114 35 Stockholm	Chairman of the Board of Directors
Anna Belfrage	Stora Nygatan 30, 211 37 Malmö	Member of the Board of Directors
Lars Clausen	Marianelundsvej 13, 3460 Birkeröd, Denmark	Member of the Board of Directors
Göran Hägglund	Källarpsgatan 19, 554 46 Jönköping	Member of the Board of Directors
Michael Mc Nicholas	Omers Infrastructure Ltd., The Leadenhall Building, Floor 29, 122 Leadenhall Street, London, EC3V 4AB	Member of the Board of Directors
Karin Jarl Månsson	Byahornsgränd 5 216 23 Malmö	Member of the Board of Directors
Sten Olsson	Folksam, Bohusgatan 14, 106 60 Stockholm	Member of the Board of Directors
Pamela Sundin	Ellevio AB, Valhallavägen 203, 115 53 Stockholm	Member of the Board of Directors (employee representative)
Mohammad Nazemi	Ellevio AB, Valhallavägen 203, 115 53 Stockholm	Member of the Board of Directors (employee representative)
Alastair Hall	OMERS Infrastructure Europe Ltd, The Leadenhall Building, Floor 29, 122 Leadenhall Street, London, EC3V 4AB	Deputy Member of the Board of Directors
Johan Temse	Första AP-fonden Regeringsgatan 28, 111 53 Stockholm	Deputy Member of the Board of Directors
Henrik Nordlander	Tredje AP-fonden Vasagatan 16 111 91 Stockholm	Deputy Member of the Board of Directors

Tomas Bergqvist	Ellevio AB, Valhallavägen 203 115 53 Stockholm	Deputy Member of the Board of Directors (employee representative)
Fredrik Ullman	Ellevio AB, Valhallavägen 53 115 53 Stockholm	Deputy Member of the Board of Directors (employee representative)

None of the directors of Ellevio has any actual or potential conflict between their duties to the company and their private interests or other duties as listed above. It is a term of the Common Documents that at least one independent director is appointed to the Board of Directors of Ellevio. There is currently one independent director, Sören Mellstig, who is also the Chairman of the Board. CVs for the Board of Directors are as follows:

Sören Mellstig *Chairman of the Board*	In addition to being Chairman of the Board of Directors of Ellevio and the boards of Ellevio Holding, CellaVision AB, Humana AB, Remeo AB, Delivery 1 AB and Impilo Holding AB. Previously, Sören has held the roles of President and Chief Executive Officer of Gambro AB, Executive Vice President and CFO of Incentive AB.
Anna Belfrage *Member of the Board of Directors*	In addition to being a Board Member of Ellevio and Ellevio Holding, Anna is a board member of Mycronic AB, Note AB, Serneke AB and Isofol AB. Previously Anna held the roles of Group CFO of Södra Skogsägarna, Acting CEO of Beijer Electronics.
Lars Clausen *Member of the Board of Directors*	In addition to being a Board Member of Ellevio and Ellevio Holding, Lars is a board member of Energinet, The TSO in Denmark, Senior advisor to Omers Infrastructure and Qvartz. Previously Lars held roles as CEO & Country General Manager IBM Danmark, CEO Retail Gazprom Ltd UK, CEO for Sales & Distribution Dong Energy (Ørsted), Managing Director Shell Gas Direct UK, and CEO & Country Chair A/S Dansk Shell.
Göran Hägglund *Member of the Board of Directors*	In addition to being a Board Member of Ellevio AB and Ellevio Holding, Göran is the Chairman of the boards of Feelgood Svenska AB and Samtrafiken as well as member of the boards of FRISQ, Forska!Sverige and Sparbankstiftelsen Alfa. Previously, Göran is a former politician of the Christian Democrats. He was leader of the Christian Democrats from 2004 to 2015, Member of the Swedish parliament from 1991 to 2015 and served as Minister for Social Affairs from 2006 to 2014.
Karin Jarl Månsson	In addition to being a Board Member of Ellevio AB and Ellevio Holding, Karin is Head of Smart Infrastructure Accelerator Nordic & Baltic at Siemens. Karin is also

Member of the Board of Directors

member of the board of System Verification and Meaningful Business Invest AB. Previously, Karin held various positions at E.on Sverige including CEO E.on Försäljning AB, and CEO E.on Värme Sverige AB.

Michael Mc Nicholas

Member of the Board of Directors

In addition to being a Board Member of Ellevio AB and Ellevio Holding, Michael is Managing Director, Asset Management and responsible for the active management of OMERS Infrastructure investments, with a focus on Europe. His asset management experience includes: Thames Water, Scotia Gas Networks, Caruna and Ellevio.

Prior to joining OMERS, Michael was CEO of Ervia Group with responsibility for Irelands' Gas Networks and the national Water Utility. Michael also served as Group CEO of NTR, a sustainable infrastructure company investing in renewables, and recycling in Europe and the USA. Prior to that he served for 11 years as an Executive Director in ESB with responsibility for Wholesale Trading, Generation, Retail Competition and Transformation. Michael holds a degree in Engineering from the National University of Ireland, is a Fellow of the Engineers Ireland and completed the Harvard Advance Management Program.

Sten Olsson

Member of the Board of Directors

Sten is the Chairman of the National Property Board and Member of the Board of Directors of Sinoma Fastighets AB and Deputy Member of the Board of Directors in Kvarnholmen Utveckling AB, Tornet Bostadsproduktion AB and CEO of Nyköping-Östgötalänken AB. Previously, Sten held the role of Secretary of State for the Swedish Ministry of Finance. Sten was also the Secretary of State for the Prime Minister's Office.

Pamela Sundin

Member of the Board of Directors (Employee Representative)

In addition to being a Member of the Board, Pamela is a Settlement Engineer and an Employee Representative at Ellevio. Pamela has held various positions within Ellevio and Fortum since 1998.

Mohammad Nazemi Shad

Member of the Board of Directors (Employee Representative)

In addition to being a Member of the Board, Mohammad is a Production Controller and an Employee Representative at Ellevio. Mohammad has held various positions within Ellevio and Fortum since 2010.

CHAPTER 7
SELECTED ASPECTS OF SWEDISH REGULATION TO WHICH ELLEVIO IS SUBJECT

Ellevio is subject to economic regulation as further described in this Prospectus. As such, Ellevio's operational performance can impact on its financial performance through the incentives and penalties systems which the Energy Market Inspectorate ("**Ei**") has in place. In Ellevio's view, such operational performance figures are not financial measures and as such not alternative performance measures unless specifically disclosed as such.

Overview

Sweden's electricity market was reformed in 1996. Since that date, trade and production of electricity has been exposed to competition, while network operations (such as those performed by Ellevio) have been performed by a large number of regulated regional monopolies.

The Swedish revenue regulation on the network operations is governed by regulations in a hierarchical structure, with EU Directives at the top followed by the Swedish Electricity Act, Ordinances and Authority Regulations.

The EU electricity market directive

The Swedish regulation is based on the directives and regulations of the European Union. The European Union's "Third Energy Package" (the "**Third Energy Package**") consists of two directives and three regulations aiming to make the European Union energy market fully effective and creating a single European Union electricity and natural gas market. Article 37(6)(a) of the Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 (the "**Third Electricity Directive**"), regulatory authorities in each Member State are responsible for fixing or approving the methodologies used to calculate or establish, amongst other conditions, transmission and distribution tariffs for electricity. Under Article 37 of the Third Electricity Directive, determinations of such tariffs or methodologies must "allow the necessary investments in the networks to be carried out in a manner allowing those investments to ensure the viability of the networks" and must be "fully reasoned and justified to allow for judicial review". Member States are required to guarantee the independence, impartiality and transparency of the relevant regulatory authority, and to ensure that suitable mechanisms exist at a national level for affected parties to appeal decisions of that regulatory authority.

The Electricity Act

The Swedish Electricity Act (Sw. *ellagen (1997:857)*) (the "**EA**") governs electricity distribution system operators in Sweden and was updated in 2010 to comply with the Third Electricity Directive. In 2018, amended provisions in respect of the revenue framework regulation were adopted. The EA states that a decision on allowed revenue shall be for a regulatory period of four years.

1. The allowed revenue which is published by the Ei for any regulatory period must cover reasonable costs and provide a reasonable return on the regulatory asset base of DSOs, where such regulatory asset base is calculated as the capital which is required for DSOs to conduct their business. In addition, the allowed revenue should not exceed what is needed to cover the costs of running a network business with similar objective conditions and that is conducted in an appropriate and efficient manner;
2. cover depreciation, and
3. provide such return on the capital base as is necessary to gain access to capital for investment in competition with alternative investments with a corresponding risk.

The quality of performance shall also be considered.

The Allowed Revenue Ordinance

The Swedish Government has issued further regulatory requirements in ordinances. The legislative framework applicable to Ellevio includes the Electricity Ordinance (Sw. *elförordningen (2013:208)*) (the "**Electricity Ordinance**") and the Ordinance on Revenue Frames for electricity network operations (Sw. *förordning om intäktsram för elnätsverksamhet (2018:1520)*) (the "**Allowed Revenue Ordinance**"). The Allowed Revenue Ordinance from 2018 applies from the third regulatory period 2020–2023 ("**RP3**"), and has replaced and superseded the Ordinance on Adoption of Revenue Frames under the Electricity Act (Sw. *förordningen (2010:304) om fastställande av intäktsram enligt ellagen (1997:857)*), which applied in relation to the first regulatory period 2012–2015 ("**RP1**"), and the Ordinance on Allowed Revenue for Electricity Network Companies (Sw. *förordningen om intäktsram för elnätsföretag (2014:1064)*), which applied in relation to the regulatory period 2016–2019 ("**RP2**").

A significant change in the Allowed Revenue Ordinance, compared to the preceding ordinances, is that the Allowed Revenue Ordinance now specifies in more detail how the return of capital shall be calculated by establishing the formula used to calculate the interest of return and how the WACC parameters shall be determined (e.g. the risk free interest rate, the credit risk premium and inflation). As an example, appendix 2 to the Allowed Revenue Ordinance stipulates additional formulas regarding the calculation of borrowed capital, cost of equity and debt to equity ratio.

Government proposal on undercharge from RP1

In December 2019, the government put forward a legislative proposal (prop. 2019/20:53) which stipulates that network companies shall not be allowed to 'carry-over' undercharges from RP1 to RP3. However, the government acknowledged that investment in the grids will be necessary to meet the increasing need of capacity and to ensure security of supply. On this basis, the government has put forward a memorandum containing a follow-up legislative proposal under which, in specific circumstances, a network company would be allowed to use undercharges from RP1.[78] The proposal entitles the Ei to grant a 'special investment decision' for network companies to use its undercharge from RP1 provided that the undercharge is used to make investments in the grid(s) during RP3 and RP4. The proposal is now out for referral. The new legislation is proposed to enter into force on 1 January 2021.

The authority regulation

In legal framework in Sweden also includes regulations relating to reporting requirements, calculation of reasonable costs and reasonable return, quality parameters and effective utilization of the distribution network.

The authority model

Ei has constructed a model to take into account the formal regulation when determining the allowed revenue.

The allowed revenue for RP3 is set by reference to four components, which are closely aligned to those used in the economic regulation of DSOs in other European jurisdictions:

(a) Capital Compensation, comprising capital cost and a rate of return on RAV;

(b) Non-controllable costs;

(c) Controllable costs; and

(d) Quality Incentive and any regulatory surplus/deficit from the previous regulatory period.

[78] Infrastrukturdepartmementet, Promemoria, Särskilt investeringsutrymme för nätverksamhet, 2020-02-17.

Regulatory Authorities

The main regulatory body for the Swedish energy markets is the Ei, an authority under the Ministry of Infrastructure. It supervises the Swedish electricity, natural gas and district heating markets. One of the main responsibilities of the Ei is to improve the functioning and efficiency of these markets. Ei's role involves both regulating monopoly operation in the electricity and natural gas networks, and monitoring the competitive energy markets. The Ei's work is intended to contribute to a reliable supply network, well-functioning energy markets and consumer awareness. The Swedish parliament and the government decide on the assignments and budget of the Ei.

Ei's duties are governed through terms of reference, annual appropriation directions and specific Government assignments. Its work is intended to contribute to the implementation of the energy market policies of the Government and the Riksdag (the Swedish parliament). Furthermore Ei supervises compliance with laws and regulations in the energy markets sector. The laws that govern its operations are the Electricity Act, the Natural Gas Act, the District Heating Act, the Act on Certain Pipelines, the Act on the Certification of National Grid Undertakings for Electricity and the Certification of Certain Natural Gas Undertakings. Ei's operations are also governed by extensive EU regulation.

The markets for electricity and gas in Europe are becoming increasingly transnational. Ei's duties therefore include participating, as a representative of Sweden, in the development of energy markets within the Nordic countries and Europe.

Ei's operations can be summarised as follows:

- inspecting whether network fees are reasonable for electricity and gas;
- examining applications for and issuing concessions for electricity and gas;
- examining whether connection fees are reasonable for electricity;
- monitoring quality in the electricity network;
- monitoring and analysing the development of the electricity, gas and district heating markets;
- strengthening the position of customers by providing information;
- suggesting changes to laws or other measures when necessary; and
- working internationally within ACER, CEER, NordREG and ICER.

Svenska kraftnät, which owns and operates the national grid, is a state-owned public utility, responsible for transmitting electricity from the major power stations to regional electrical grids via the national grids. Svenska kraftnät is also the system operator under the EA, which means that it has overall responsibility for ensuring that electrical plants work together in an operationally reliable way so that the balance between the production and consumption of electricity is maintained throughout the country. Svenska kraftnät is commissioned to commercially manage, run and develop a cost-effective operationally safe and environmentally sound electricity transmission system as well as to sell transmission capacity and conduct other activities connected to the electricity transmission system.

The Swedish electricity network is operated as a regulated monopoly with the Ei reviewing the network companies' revenues and assessing whether they are fair or not. The tariffs payable by customers are set by the individual DSOs.

The Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") supervises Swedish actors who with the SFSA's permission operate on the financial electricity market. Supervision of trade and businesses' actions takes place on the exchanges Nord Pool Spot and Nasdaq Commodities. The Nord Pool Spot, which is based in Norway, is supervised by the Norwegian Water Resources and Energy Directorate (No. *Norges vassdrags- og energidirektorat*) and the Norwegian Financial Supervisory Authority (No. *Finanstilsynet*).

The Swedish Competition Authority (Sw. *Konkurrensverket*) is the authority that ensures that companies in the Swedish electricity market do not violate the prohibitions on restrictive agreements and abuse of dominant position set out in the Treaty on Functioning of European Union and the Swedish Competition Act (Sw. *konkurrenslagen (2008:579)*). The Swedish Competition Act also contains a prohibition against anti-competitive public sales operations, and the Swedish Competition Authority may actively intervene in the above restrictions on its own initiative or following complaints from companies or the public. The Competition Act also includes rules governing mergers and acquisitions. The Swedish Competition Authority also proposes changes to regulations and other measures, which aim to eliminate existing barriers to competition.

The Swedish court system

The two primary court systems in the Swedish judicial structure are the administrative and the general courts. The administrative court system is the relevant court system for cases involving Ellevio and the Ei. The general administrative courts are the courts of first instance among the administrative courts and deal with cases involving disputes between the community and individuals. These courts settle many different types of cases. Common types of cases are tax cases, social insurance cases, and decisions from authorities such as the Ei (for example, decisions regarding the allowed revenue). A common type of case in an administrative court would be a submission for judicial review by an individual against an adverse decision of an administrative authority in one of the above areas of interest.

There are three levels of administrative courts. The first level of administrative courts is the County Administrative Courts. The Administrative Court in Linköping handles cases where Ei is involved. The second level of administrative courts consists of four Administrative Courts of Appeal. For most kinds of cases, leave to apply for judicial review is required for a full review by an administrative court of appeal. The Administrative Court of Appeal in Jönköping handles cases where Ei is involved. The highest level of administrative court is the Supreme Administrative Court. Not all adverse decisions of the county administrative courts are subject to review by the Administrative Courts of Appeal. Leave to apply for review by the Supreme Administrative Court is granted in only about two to three percent of the cases where it is requested.

Proceedings in the administrative courts can be conducted either entirely through written submissions or in certain cases via oral presentation.

Impact of regulation from outside Sweden

As a part of the European Union, Sweden is obliged to implement EU directives. On 1 June 2014, for example, Sweden transposed into national law Directive 2012/27/EU on energy efficiency. In addition to EU level regulation, Nordic energy market authorities have a common objective to increase competition, improve the efficiency of business operations in the market and make it easier for consumers to operate in the electricity market.

Implementation of the Directive on Energy Efficiency

Directive 2012/27/EU has been implemented into Swedish law in a variety of legal acts. The most important implementations for Ellevio have been included in the EA, the Swedish Environmental Code (Sw. *miljöbalken (1998:808)*) and the respective regulation on the implementation of these two laws.

Principles of Electricity Distribution Regulation

General Obligations of DSOs

DSOs have an important role to play, both in ensuring that system operation is secure and as a neutral market facilitator. Operation of the network may not be undertaken by a legal entity engaged in production of or trade in electricity. The reason for this is that the electricity distribution network and thus the design of network tariffs is a monopoly under public control, while the production and trade of electricity takes place in a competitive environment. It has been considered important that the regulated network operations are not affected by conditions in unregulated competitive electricity production or electricity trading.

A company conducting network operations, which is part of a group whose collective power grid has at least 100,000 electricity users, must have its organisation and decision making kept apart from companies engaged in production of or trade in electricity. The operator of the distribution system must also have a right of decision when it comes to assets necessary to operate, maintain or develop the network.

Ellevio generally owns the physical assets comprising the grid and is, pursuant to the EA, under an obligation to operate and maintain such assets. This includes ensuring that the grid is safe, reliable and efficient and, further, that the grid can be expected to meet reasonable long-term demands regarding distribution of electricity. A DSO has to fulfil a number of obligations in order to be granted a concession. The DSO has to fulfil all obligations set out by the Ei in connection with the process of granting the relevant concession. This includes conducting an environmental impact assessment of the planned line or grid and, an assessment of the necessity of the line or grid on basis of the public interest of a safe and functioning electricity grid. Furthermore, a DSO is obliged to operate the licensed line or grid in compliance with the regulations that the Ei has set out for the operation of the specific line or grid.

The DSO has obligations aimed at ensuring a functioning electricity market, including that it must provide reports on electricity consumption to electricity market actors. If an electricity company ceases to exist or stops the delivery of electricity, the DSO has to appoint another electricity company for the purpose of delivering electricity to end consumers. In addition, the DSO has to provide security to the Ei to ensure that there is enough capital to remove the line or grid in case of an insolvency of the DSO or a breach of the concession. Similarly, the DSO has an obligation to deliver an annual financial report to the Ei, so that the Ei is able to monitor whether the DSO is equipped to operate the line or grid in the future.

Concessions

The pre-conditions for granting a concession to a company are that it has the technical, economic, organisational and resource capabilities needed for conducting an electricity distribution operation.

A network concession is, as a general rule, granted for an indefinite period. However, line concessions may be subject to revisions (Sw. omprövningar) 40 years after the concession decision. A revision of a line concession could be initiated by the county administrative board, the municipality or Ei.

As a general rule, area concessions are also granted for an indefinite period. However, the owner of the area concession could at any point request a change to the conditions of the concession. In addition, Ei could initiate revisions every 25 years after the prior change. Such revisions may entail new conditions being imposed. An example of changed condition is changes of allowed voltage span.

There are only three circumstances in which a concession could be withdrawn by the regulator:

(a) if the DSO were to discontinue its operations;
(b) if the cables were substantially poorly managed for an extended period of time; or
(c) if the DSO no longer meet the pre-conditions for the granting of the concession(s).

If a DSO is in severe and protracted breach of its obligations under applicable legislation or the terms of its concessions, its assets could be placed under receivership pursuant to the provisions of the Act (2004:875) (the "Act on Special Administration of Certain Electronic Installations"). The Ei may then request that the Administrative Court make determinations with respect to such receivership. The relevant provisions of the Act on Special Administration of Certain Electronic Installations have only ever been applied once, when Ekfors Power Company Limited ("**Ekfors**") was put under receivership in 2010. However, before the matter could be concluded, Ekfors was declared bankrupt. Ekfors was a small DSO that held concessions in two municipalities in the Norrbotten County in northern Sweden. The circumstances surrounding the receivership of Ekfors were extraordinary and were a result of severe violations (including cutting the supply of electricity to street lighting, in violation of both regulations and its concessions), a fundamental breakdown in relations with the municipalities and poor financial performance (resulting in Ekfors being declared bankrupt by the Stockholm District Court in 2011). To Ellevio's knowledge and belief (having taken all reasonable care to ensure that this is the case), to date no DSO (other than Ekfors) has lost its concessions in Sweden.

History

The Swedish regulatory framework for electricity distribution tariffs has evolved during the years since the deregulation of the electricity market started in 1996. The development has been driven by deregulation as well as compliance with European Union directives and regulations resulting in gradual steps towards other European regulatory models. The first ex-ante model was introduced in 2012 for RP1 and a new linear model was introduced before RP2. The linear model more closely resembles other European regulatory models.

In Sweden, the regulation of tariffs has historically been done in retrospect through ex-post supervision. After the deregulation in 1996 Sweden allowed free pricing for distribution system operators combined with ex-post regulation and tariffs from general guidelines. A more structured model was introduced in 2003.

A network performance assessment model was used between 2003–2007. The supervision remained ex-post but a more detailed methodology was used to calculate the Allowed Revenue. The model calculated the customer value for a standard network to provide an Allowed Revenue using input from the distribution system operators.

In 2006 the Government initiated an assessment of how to comply with the Third Energy Package. In 2009 the Government decided that a new ex-ante framework was to be introduced in 2012.

During 2008 to 2012 a revised model was needed because the old model could no longer be used and the new model was only to be introduced from 2012. Thus an intermediate model was introduced to create a smooth transition to the ex-ante model. The intermediate model used an annuity methodology to calculate the Allowed Revenue and the model showed significant similarities with the ex-ante model for RP1.

To ensure compliance with the European Union directives and regulations a new ex-ante framework was introduced in 2012 for RP1. The Allowed Revenue was intended to cover reasonable costs to operate a distribution network and to provide a reasonable return on assets used to operate the network.

To promote investments in the Swedish electricity network the Ei proposed changes to the regulatory methodology for RP2. For determining a reasonable return a linear model with depreciation calculation is now used to calculate the Allowed Revenue. In addition to RP2 an age floor of 38 years was used for all assets as of 31 December 2015. The regulatory framework thus moved from a theoretical age adjustment of the regulatory asset base using a real annuity to an actual age adjustment of the regulatory asset base through a real linear depreciation of adjustment of the asset value, showing more similarities with the regulation in many other European countries.

The regulatory framework for 2012-2015 (RP1)

The method that the Ei applied in decisions regarding the electricity grid operators' revenue frameworks for the first regulatory period 2012–2015 was based on a standardised method (the "**standardised method**") and a transition method (the "**Transition Method**").

The standardised method

The starting point for decisions on revenue frameworks for the first regulatory period was a standard calculation method prepared by the Ei. This method was based on assumptions about the cost recovery and return that a reasonably efficient electricity grid operator with similar objective conditions would have over time in order to meet its obligations. With this revenue, the grid operator can recover its costs and achieve profitability in its operations so that the grid operator can run the network with high supply security and also make the necessary investments to develop the electricity grid.

To ensure that all grid companies are treated equally, the calculations made under the standardised method did not take the companies' booked costs into consideration. Instead, the calculated revenue was based on assumptions concerning cost recovery and investment returns that a reasonably efficiently run company should have during the regulatory period. The Ei decided that a reasonable return on investment is ensured by cost of capital (which is decided according to the calculation model known as the weighted average cost of capital ("**WACC**")) before tax amounting to 5.2 per cent.

In accordance with the standardised method, the revenue framework was made up of capital costs and controllable and non-controllable running costs. When calculating the revenue framework, account was also taken of the electricity grid operators' way of conducting network operations through a quality regulation. The quality regulation was established based on the historical quality the individual grid operators have had. Adjustment resulting from better or worse supply quality occurs first during the reconciliation, i.e. after the end of the regulatory period, when data on the actual supply quality during the period becomes available. If the companies' supply quality differs from the norm levels, the company's return will be reduced or increased during the reconciliation of the revenue framework. The quality impact should not exceed the reasonable return and should not be greater or less than three per cent. of the total revenue framework.

The Transition Method

However, in the Ei's 2011 resolutions concerning RP1, the Ei was of the opinion that using the standardised method in full would give rise to certain transitional effects, which would eventually hit electricity customers. Therefore, the method of calculation was revised and adjusted by the Ei and the revenue framework for the grid companies was set lower compared to what it would have been had only the standardised method been used.

Ei concluded that the revenue frameworks according to the standardised method significantly exceeded the companies' previous revenue levels.

After analysing the magnitude of the differences that arose with the standardised method's results in comparison with the companies' previous revenue levels, the Ei assessed that it was appropriate that only after a transitional period should the Allowed Revenues reach the levels resulting from the standardised method.

Adjustments to the method in connection with court rulings

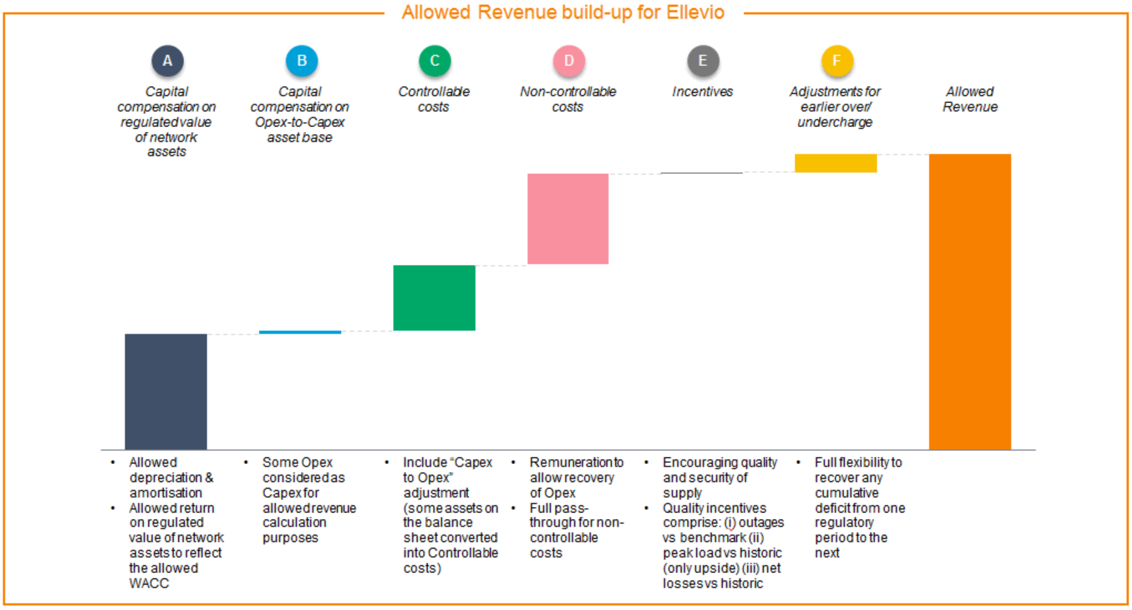
About half of all decisions made by the Ei regarding the companies' revenue frameworks were referred to the Administrative Court for review.

The Transition Method, as described above, was rejected by the Administrative Court (Sw. förvaltningsrätten) and the Administrative Court of Appeal (Sw. kammarrätten) (the "**Courts**"). The Courts found that the standardised method developed by the Ei for calculating the grid operators' revenue frameworks was prepared in accordance with current provisions, according to which both the customers' and the grid operators' interests have been taken into account. An application of the Transition Method, according to the Administrative Court, meant that the consumers' interest in low and stable fees, which was already taken into account when calculating the revenue framework using the standardised method, came to be considered once again.

The Ei had set cost of capital to 5.2 percent. The Courts found that that a reasonable long-term stable interest rate should be set at 6.5 per cent. before tax during RP1. The Ei appealed to the Supreme Administrative Court for judicial review. However, the Ei did not get leave for further review and therefore the processes are fully completed and the Administrative Court of Appeal ruling stands.

After the end of RP1, the Ei has decided on final revenue frameworks and on surplus or deficit.

The regulatory framework for 2016–2019 (RP2)



Capital compensation in RP2

Some major changes in the revenue regulation were made in RP2. The real annuity depreciation method was replaced by using a real linear depreciation of the regulatory asset base to determine the capital compensation. A successive revision component and a transition rule called the 38-year rule were introduced. Depreciation times were fixed in the Allowed Revenue Ordinance. Hence, the main change in methodology was how the capital compensation was derived. The remaining components of the Allowed Revenue were materially the same as in RP1. There were also some smaller adjustments to other regulatory parameters.

The model in RP1 provided incentives for companies to continue to run older installations rather than investing in new and more efficient installations, due to the companies receiving the same compensation level regardless of age. The Ei concluded that the method of capital cost calculation that had been applied could delay the renewal of critical infrastructure.

Consequently, a real linear depreciation method for calculation of the capital costs from the regulatory asset base was introduced, where the age of the system is taken into account. The regulation gives the electricity network companies a greater incentive to invest and modernise its electricity network.

Additional changes to the regulation include a broader mandate for the Ei to issue detailed regulation.

The return mechanism based on the age-adjusted regulatory asset base (the "**RAV**") and the linear model, allows for higher real returns in the early years of an asset's life compared to the previous annuity model, while also benefiting from an age floor of 38 years for all network assets at inception of the regulation at 1 January 2016. The linear model is viewed as moving towards a stable and predictable regulatory regime, incentivising investments into the network and matches more closely the methodologies employed in many other Nordic and European countries.

Allocation of capital costs in RP2

The capital compensation in the linear model consists of two components, the regulatory WACC return on the RAV and the regulatory depreciation. With a real linear method the age of the assets in the electricity grid must be determined.

In RP2 assets where the age was not possible to determine, or were older than 38 years old, were considered 38 years at start of the regulatory period.

One purpose of the age floor of 38 years was to limit the administrative burden for the distribution system operators of identifying the technical age for old assets with currently limited data available. Another purpose was to provide a smooth transition for the distribution system operators' Allowed Revenue when switching from the annuity model from RP1 to the linear model for RP2.

The Ordinance on Allowed Revenue for Electricity Network Companies valid for RP2 specified that if the age of a component was unknown or older than 38 years, the component's regulatory age be set at 38 years as at 31 December 2015, after which the components' regulatory age evolves as for any other component. As a result, the minimum RAV value for each component with a regulatory lifetime of 40 years was 2/40 of the regulatory asset base at 1 January 2016. These components reach their regulatory lifetime in 2018, following a 10-year period of receiving capital compensation. Finally in 2028, the components in the scope of the 38 years age floor will have reached a regulatory age of 51 years with a RAV of zero and no longer generate capital compensation. This 38-year rule is no longer valid in RP3.

The depreciation periods used were the same as for the previous period, which was:

(a) 40 years for facilities for the transmission of electricity; and

(b) 10 years for meters and systems.

The real linear method provides for the same incentives for re-investments as for new investments, which encourages improvements of the supply security and the quality, as the age of the installations also impacts the size of the annual capital cost.

Furthermore, the Allowed Revenue Ordinance introduced a so-called successive revision component, which provides incentives for the electricity grid operators to maintain functioning installations even after the depreciation period has expired.

The Ei decided that the discount rate for RP2 should be calculated with the WACC method and set to 4.53 per cent. A majority of the electricity distribution network operators appealed the decision on the WACC. The Administrative Court ruled that the WACC for RP2 should be 5.85 per cent. and cited expert opinions and investigations. The Administrative Court of Appeal did not grant leave to appeal, so the WACC rate for RP2 was set to 5.85 per cent. real before tax.

Efficiency requirements for operating expenses that are controllable costs

For RP1 there was an efficiency requirement of 1%. In RP2 individual efficiency requirements were introduced. They were calculated based on estimated efficiency improvement potential, but was set to 1% at the lowest.

Quality control

The quality control only considers outages. The indicators of quality used for local networks in RP1 and RP2 were the System Average Interruption Duration Index (the "**SAIDI**") and the System Average Interruption Frequency Index (the "**SAIFI**"). The quality control in the regulatory framework addressed outages from 3 minutes to 12 hours. The EA provides a financial incentive to avoid long outages through outage compensation that companies must pay out to the affected customers in the case of outages longer than 12 hours.

Incentives for effective utilization of the network were introduced; incentives to reduce losses in the electricity grid and incentives to reduce the load from the overhead networks.

The incentive to improve the quality of electricity distribution, along with incentives to reduce losses in the electricity grid and the cost of overhead networks could in RP2 provide an addition or deduction of a maximum 5 per cent. of the Allowed Revenue.

The regulatory framework for 2020–2023 (RP3)

Main changes in regulatory framework for RP3

The revenue regulation model remains largely the same in RP3 as in RP2, except that the Allowed Revenue Ordinance (which entered into force on 1 January 2019) specifies in detail how return on capital should be calculated, and has set updated WACC parameters which result in materially lower nominal risk-free interest rates compared to RP2. The Allowed Revenue Ordinance is being challenged before the Administrative Court and has been the subject of a complaint to the EU Commission (as described below). These legal challenges are ongoing as at the date of this Prospectus, and therefore the final revenue framework for RP3 have not been finally determined.

In addition, amendments to Chapter 5 of the EA (the provisions regarding the revenue framework) came into force on 1 January 2019. These are intended to simplify and clarify the legal framework rather than materially change the revenue regulatory framework.

The main changes in the regulation for RP3 from RP2 are:

- The Allowed Revenue Ordinance stipulates that the cost of capital must be determined by the WACC method, and includes detailed instructions on how to determine the WACC parameters. In June 2019, Ei announced their decision on regulatory WACC for the RP3 regulatory framework. These calculations result in a materially lower nominal risk free interest rate of 0.90 per cent. for RP3 (compared to a nominal risk free interest rate of 4.00 per cent. during RP1 and 4.01 per cent. during RP2). As a result, the WACC rate for RP3 is set to 2.16 per cent., real before tax compared to the 5.85 per cent., real before tax decided by the Administrative Court for RP2
- The regulatory asset base further divided into 17 categories with more correct depreciation periods: 10, 15, 30, 40, 50 and 60 years. In the previous regulatory periods only two different depreciation periods were used, 40 and 10 years.
- Regulatory revenue deficits from a previous period is only possible to transfer to one subsequent regulatory period.
- Some changes made in the incentive regulation; the main change is that interruptions longer than 12 hours are included in the quality regulation.

Complaint to the EU Commission

Energiföretagen Sverige has sent a complaint to the EU Commission regarding the Allowed Revenue Ordinance, on the basis that the tariff-setting methodology which it has applied is largely set out in rules adopted by the

Swedish Government and affected parties do not have the right to appeal. The EU Commission has invited Sweden to change the ordinance, so that it can comply with the Third Electricity Directive. The Swedish Government has answered that it does not share the Commission's view and considers that the Swedish provisions comply with the Third Electricity Directive. A similar case for Germany, which considers whether tariff-setting in Germany has complied with the Third Electricity Directive, is due to be decided in the EU Court during 2020. Both the EU Commission and the Swedish Government are awaiting the decision from the EU Court in the case for Germany.

Appeal to the Administrative Court

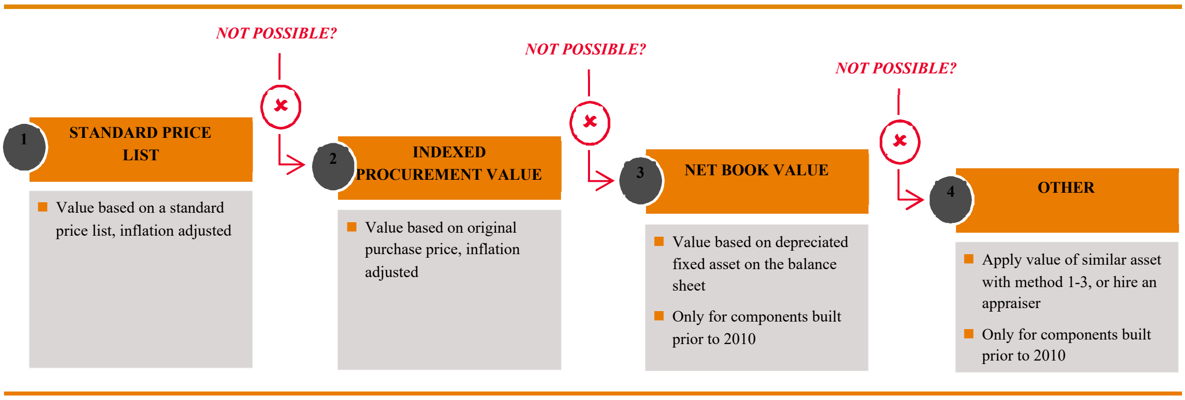
More than 100 electricity network owners have appealed their decisions on allowed income framework for RP3 to the Administrative Court in Linköping. The main grounds for the appeals are, in short, that the Allowed Revenue Ordinance sets out a revenue framework which does not comply with the EA and case law because parties affected by the new tariff-setting methodology do not have adequate rights to appeal. As a result, the Allowed Revenue Ordinance is in breach of the EA and therefore also the Swedish Constitution (*Sw. Regeringsformen*), as well as EU law and the Electricity Market Directive. If these appeals are successful, the decisions will be repealed and referred back to Ei for reconsideration.

Capital compensation

The capital compensation in the linear model consists of two components, the regulatory WACC return on the RAV and the regulatory depreciation. The RAV is the age-adjusted regulatory value of the network, derived for each component from the regulatory asset base adjusted for the ratio of a component's regulatory age, according to the Ei's definition, and regulatory lifetime, as defined by the Ei for the component categories. Thus, a component's capital compensation is at its highest in the early years and then decreases over time.

The Ei uses a number of different methods of measuring the replacement value of an asset for use in the RAV calculation, as summarised in the diagram below. The most commonly used method is the use of a standard price list, which aims to reflect what each component type should cost, according to best practice construction and purchasing methods. These standard unit prices are adjusted annually for changes in price level, using the Swedish Construction Cost Index provided by Statistics Sweden ("**CCI**"). The standard price list is updated every fourth year ahead of the new regulatory period.

If there are valid arguments for why the standard price list is unreasonable, the indexed procurement value may be used. This method uses the actual purchase price and other directly related costs, e.g. installation costs. These original costs are then indexed with CCI to the current year's price level. If there are valid reasons why the preceding two methods cannot be used then a value derived from the net book value may be used. This method looks at the depreciated original purchased value of the assets and is only available in respect of assets activated prior to 2010. If none of the preceding methods are suitable then assets may be valued based on a relative valuation principle (by reference to materially similar components in similar conditions which have been valued by using the indexed procurement value or net book value) or by using an independent valuer to value the component. The below diagram shows the process that is used to determine the replacement value.



Source: Ellevio

The regulatory depreciation period is fixed together with a so-called successive revision component, which provides incentives for the electricity grid operators to maintain functioning installations even after the depreciation period has expired. In order to prolong the utilisation of technically functioning assets, a lifetime extension of 25 per cent. is calculated, which increases the number of years which the assets generate capital compensation. When the regulatory age exceeds the sum of regulatory lifetime and regulatory lifetime extension, the capital compensation becomes zero.

Rate of return on regulatory asset base

According to the EA, the revenue framework should provide a reasonable return for the business to conduct network operations. This is done through a real discount rate before tax (i.e. by excluding inflation). WACC is an accepted method for calculating a reasonable rate of return used in various kinds of regulations.

The discount rate is calculated with respect to lenders' and investors' return as a proportion of an assumed capital structure for the industry. The required return for the investor is built up by aggregating a risk-free rate and a risk premium, which is industry- or activity-dependent.

The Ei has decided that the discount rate for RP3 should be set to 2.16 per cent. A majority of the electricity distribution network operators has appealed the decision on the WACC and these appeals are currently ongoing.

Operating expenses

Operating expenses are costs that are not classified as capital costs. These costs are divided into non-controllable costs and controllable costs.

Non-controllable costs

Non-controllable costs are viewed as reasonable in their entirety.

Non-controllable costs are forecasted by companies prior to a regulatory period. The forecast is the basis for the revenue framework and is cross-checked against the actual outcome for the regulatory period. Non-controllable costs are:

(a) costs for network losses, divided between purchase and own production;

(b) the cost of subscriptions to the overlying and adjacent networks;

(c) the cost of connections to overlying and adjacent networks;

(d) the cost of network capacity reserve;

(e) the cost of compensation to the holders of the production plant for the supply of electricity; and

(f) costs for official charges.

Controllable costs

Controllable costs are calculated based on the company's actual historical operating expenses, for a four year period beginning six years before the regulatory period.

Controllable costs can be changed by a company's own decisions and agreements. Controllable costs are, for example; operation and maintenance costs and network management.

Controllable operating expenses such as operation and maintenance will increase as fixed assets become older. With a real-linear method of capital, it is reasonable to assume that the company's actual operating and maintenance costs will increase with the assets' age and that the capital costs will decrease with the assets' age. In this way, a relatively uniform network tariff can be held. One limitation is put on the operating expenses in the form of efficiency requirements to avoid controllable costs increasing too much.

Efficiency requirements for operating expenses that are controllable costs

There are efficiency requirements set on network companies when it comes to operating expenses that are controllable. There are individual efficiency requirements imposed on companies calculated based on estimated efficiency improvement potential with a Data Envelopment Analysis method, but is set to 1% at the lowest.

The efficiency requirement is set to increase a company's productivity. If the increase in productivity is greater than the efficiency requirement, the company's return increases. Due to the Allowed revenue, there is an incentive to reduce costs in order to increase the surplus and the return on the capital. Increased productivity is also intended to be passed on to customers in the form of lower network tariffs.

Operating costs treated as capital costs

The Ei treats some assets that are used in network operations but that are not owned by the DSO as part of the RAV. This is the case for both bought services and rented/leased services. Therefore, the costs entailed with use of these assets are not accounted for as an operating cost at all and are instead treated as capital expenditure. The conversion factor for converting these assets into the RAV are set by the DSOs, with evidence provided to the Ei.

Transmission charges

The costs for transmission charges payable to upstream networks are considered as non-controllable although they can be partly controllable. This is because a more efficient use of the electricity grid can be achieved by making the network load more even and cutting power peaks. This can in return lower the transmission charges payable to upstream networks, reduce network losses, create greater opportunities to connect intermittent renewable electricity to the grid and provide the opportunity to connect more customers to the grid without increasing the electricity network's capacity.

Incentives

The regulation contains certain incentives. This means that an allowed revenue is calculated based on network companies' reasonable costs and an opportunity to benefit if they invest in accordance with the incentives to increase their efficiency, ensure delivery quality, reduce losses and the load on the power grid.

Quality control

The intention of including a quality control element in the regulatory framework is to reduce outages in the electricity grid. If a network operator improves the quality of its operations within its concession area compared to the standard level, the network operator may receive a supplement equal to the value of the improvement. The indicators of quality used are Average Interruption Time ("**AIT**") and Average Interruption Frequency (**AIF**). The cost of an outage depends on what type of customers that are affected. The quality control in the regulatory framework addresses outages longer than 3 minutes. The EA also provides a financial incentive to avoid long outages through outage compensation that companies must pay out in the case of outages longer than 12 hours. Some of the costs for the outage compensation are treated as operating expenses in the revenue regulation.

For quality control purposes, DSOs are compared with the historical performance of selected DSOs with similar objective conditions. The criteria for identifying similar objective conditions is customer density. If a DSO's average level of outages is worse than the average outage level for DSOs with similar customer density the average outage level is used as the benchmark value for that DSO. If a DSO's own historical outage levels are better than the average outage level, that DSO's own previous levels are used as the benchmark.

Efficient utilization

There are two incentives which aim to give a more efficient utilization of the electricity networks: reduction of network losses and reduction of the load from the overhead networks.

The reason for providing incentives to reduce network losses is that the reduction of network losses reduces the need for extra energy and costs to cover the network losses. Network losses are defined as the difference between the amount of electricity fed in and how much is levied on the net. The network companies receive an addition or deduction of the revenue cap if they reduce or increase transmission and distribution losses.

The second incentive for efficient utilization is to even out the load in the electricity network measured by load factors in the connection points to the overhead networks.

The incentive to improve the quality of electricity distribution, along with incentives for efficient utilization can provide an addition or deduction of a maximum 1/3 of the allowed return on capital.

Deficit recovery

If the actual revenue of a DSO in a regulatory period exceeds or falls short of the Allowed Revenue, a regulatory surplus or deficit is created. As a result the Allowed Revenue will be decreased or increased as necessary by the corresponding amount in real terms for the next regulatory period. If a regulatory surplus of greater than 5 per cent. of Allowed Revenue is generated, an excess penalty fee is added to the regulatory surplus in the amount of 15 per cent. plus the risk free rate on that excess amount. From RP3 onwards, a deficit from a previous regulatory period may only be transferred to one subsequent regulatory period.

CHAPTER 8
SELECTED FINANCIAL OVERVIEW OF ELLEVIO

The commentary in this section should be read in conjunction with the 2019 financial statements, which are incorporated into this Prospectus by reference. Further details can be found in the section entitled "*Documents Incorporated by Reference*" set out on page 11 of this Prospectus.

Company	Item	Periods ending	Accounting standard
Ellevio AB (publ)	Audited financial statements	2019	Swedish GAAP RFR2

Basis of Preparation

The annual accounts for 2019 has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. The application of RFR 2 requires that Ellevio apply, as far as possible, all EU-adopted International Financial Reporting Standards (IFRS) and interpretations of IFRS as developed by the IFRS Interpretation Committee (IFRIC) subject to the provisions of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and taking account of the relationship between accounting and taxation.

Ellevio

Ellevio uses Net sales, Operating Profit and EBITDA as performance indicators of its business operations.

Summary of financials (SEK, millions)

Item	2019	2018
Net Sales	6,709	6,974
Operating Profit	1,649	2,067
Depreciation, amortisation and impairment or property, plant and equipment and intangible assets	2,200	2,121
EBITDA[79]	3,848	4,188
EBITDA margin (per cent.)[80]	*57.4%*	*60.1%*

The revenue generated by Ellevio is fully regulated as explained in Chapter 7 "*Selected Aspects of Swedish Regulation to which Ellevio is Subject*".

[79] EBITDA is an alternative performance measure. It is calculated using Ellevio's statutory annual report by subtracting the line item "Depreciation, amortisation and impairment or property, plant and equipment and intangible assets" from the line item "Operating Profit". It has been included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business.

[80] EBITDA margin is an alternative performance measure. It is calculated by dividing EBITDA over the line item "Net Sales" from Ellevio's statutory annual report and multiplying that figure by 100. It has been included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business. EBITDA (used to calculate the EBITDA margin) is an alternative performance measure. It is calculated using Ellevio's statutory annual report by subtracting the line item "Depreciation, amortisation and impairment or property, plant and equipment and intangible assets" from the line item "Operating Profit". It has been included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business.

The majority of the revenue is generated from the distribution of electricity. This distribution revenue is dependent on both the network tariff and electricity consumption. The tariffs are set in accordance with the Ellevio's pricing strategy. Ellevio has discretion to set prices which are within the limits of the regulatory framework. The regulatory framework is broadly "volume neutral" since any over- or under-recovery of revenue attributed to volumes can be corrected in subsequent years.

Electricity consumption can vary depending on customer type. The consumption per connection for both households and businesses is heavily dependent on weather conditions and temperature. In addition, the consumption growth for households is driven by population growth, whereas for business customers, services, construction and industrial sectors, economic growth is a key driver.

In addition, Ellevio generates regulated revenue through the sale of new network connections and contracting works. Connection fees are payable for new physical connections to the electricity distribution network and are broadly correlated with macroeconomic development. Connection fees are from 2018 onward periodised over 40 years for standard connections and 25 years for wind farms (based on implementation of IFRS15). Ellevio's contracting works are separately invoiced services for customers who require additional works, for example, relocating parts of the network. Other operating income consists of e.g. communication income, rental income, income from reconnection of customers and reminder fees.

The information below provides an overview of the selected financial information for Ellevio of the audited financial accounts for each 12-month period ending 31 December 2019 and 31 December 2018. All figures have been rounded and consequently the sum of individual figures may deviate from the sum presented. The figures have been calculated using exact figures.

Volumes (TWh)

Item	2019	2018
Distribution Volumes	26.5	27.3

Revenue (SEK, millions)

Item	2019	2018
Distribution Income[81]	6,527	6,817
Other Net Sales[82]	182	157
Net Sales	**6,709**	**6,974**
Other Operating Income	70	93
Total Revenue[83]	**6,779**	**7,067**

81 Distribution Income is an alternative performance measure. It is defined as revenue from electricity distribution to customers. The figure is determined by Ellevio in accordance with its accounting system. The line item in Ellevio's statutory annual report which it can be most directly reconciled to is "Net Sales" which is a composite of Distribution Income. Distribution Income is included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business.

82 Other Net Sales is an alternative performance measure. It is defined as other revenue from new customer connections and relocation of networks. The figure is determined by Ellevio in accordance with its accounting system. The line item in Ellevio's statutory annual report which it can be most directly reconciled to is "Net Sales" which is a composite of Other Net Sales. Other Net Sales is included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business.

83 Total revenue is an alternative performance measure. It is calculated from Ellevio's statutory annual report by adding the line item "Other Operating Income" to the line item "Net Sales". It has been included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business.

Operating costs (SEK, millions)

Item	2019	2018
Transmission Charges[84]	929	857
Network Losses[85]	303	294
Costs for purchase and transit of power (pass-through)	**1,232**	**1,151**
Employee Benefits Expense	499	474
Other External Expenses	1,301	1,337
Total Operating Expenses[86]	**1,800**	**1,811**
Total Operating Costs[87]	**3,031**	**2,963**

Capital expenditure (SEK, millions)

Item	2019	2018
Customer Driven Investments[88]	1,100	805
Basic Network Investments[89]	2,066	1,881
Other Investments[90]	226	184
Acquisition[91]	608	-
Capital Expenditure[92]	**4,000**	**2,870**

84 Transmission Charges is an alternative performance measure. It is defined as the costs of transmission of power, including payment of compensation to power producers. It has been determined in accordance with Ellevio's accounting system and has been included in this Prospectus to present potential Bondholders with a more detailed understanding of Ellevio's operating costs.

85 Network Losses is an alternative performance measure. It is defined as the cost of purchasing electricity to cover network losses. It has been determined in accordance with Ellevio's accounting system and has been included in this Prospectus to present potential Bondholders with a more detailed understanding of Ellevio's operating costs.

86 Total Operating Expenses is an alternative performance measure. It is the sum of the line items "Employee Benefits Expense" and "Other External Expenses" from the statutory annual report of Ellevio. It has been included in this Prospectus to present potential Bondholders with a more detailed understanding of Ellevio's operating expenses.

87 Total Operating Costs is an alternative performance measure. It is the sum of the line items "Costs for purchase and transit of power"; "Employee Benefits Expense" and "Other External Expenses" from the statutory annual report of Ellevio. It has been included in this Prospectus to present potential Bondholders with a more detailed understanding of Ellevio's operating costs.

88 "Customer Driven Investments" includes network projects ordered by customers or other external counterparties (such as, for example, new customer connections, connecting wind power to the grid, connecting new areas of the city plan and the relocation of existing network assets). Source: Ellevio.

89 "Basic Network Investments" includes reinvestments and investments in increased capacity in the existing network. Source: Ellevio.

90 "Other Investments" includes mainly electricity meters and investments in IT infrastructure. Source: Ellevio.

91 "Asset Acquisitions" includes direct acquisition of network assets from Svk (the Swedish national grid) and Hamra Besparingsskog in 2019. Source: Ellevio.

92 Capital Expenditure is an alternative performance measure. It is calculated from Ellevio's statutory annual report by summarizing tangible fixed asset "Cost incurred during the year" SEK 3,809 million (2,767) with intangible assets "Cost incurred during the year" SEK 191 million (103), totalling SEK 4,000 million (2,870). It has been included in this Prospectus to allow potential Bondholders to better assess Ellevio's performance and business.

CHAPTER 9
TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions that, subject to completion by the relevant Final Terms or the relevant Drawdown Prospectus, shall be applicable to the Bonds in definitive form (if any) issued in exchange for the Global Bond(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or the relevant Drawdown Prospectus or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Bonds or on the Certificates relating to such Registered Bonds. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms or the relevant Drawdown Prospectus. Those definitions will be endorsed on the definitive Bonds or Certificates, as the case may be. References in the Conditions to "Bonds" are, as the context requires, references to the Bonds of one Sub-Class only, not to all Bonds that may be issued under the Bond Programme.

Ellevio A.B. (publ) (the "**Issuer**") has established a bond programme (the "**Bond Programme**") for the issuance of up to EUR 10,000,000,000 bonds (the "**Bonds**"). Bonds issued under the Bond Programme on a particular Issue Date comprise a Series (a "**Series**"), and each Series comprises one or more Classes of Bonds (each a "**Class**"). Each Class may comprise one or more Sub-Classes (each a "**Sub-Class**") and each Sub-Class comprising one or more tranches (each a "**Tranche**").

Bonds issued by the Issuer will be designated as "**Class A Bonds**" or "**Class B Bonds**" and will represent either "**Class A Debt**" or "**Class B Debt**". Each Sub-Class will be denominated in different currencies or will have different interest rates, maturity dates or other terms. Bonds of any Class may be fixed rate bonds ("**Fixed Rate Bonds**"), floating rate bonds ("**Floating Rate Bonds**") or index-linked bonds ("**Index-Linked Bonds**") depending on the method of calculating interest payable in respect of such Bonds and may be denominated in Swedish Krona, sterling, euro, U.S. dollars, Norwegian kroner, Canadian dollars or in other currencies subject to compliance with applicable law.

The terms and conditions applicable to any particular Sub-Class of Bonds are these terms and conditions ("**Conditions**") completed by a set of final terms in relation to such Sub-Class (a "**Final Terms**") or a drawdown prospectus (a "**Drawdown Prospectus**"). In the event of any inconsistency between these Conditions and the relevant Final Terms or Drawdown Prospectus, the relevant Final Terms or Drawdown Prospectus (as applicable) shall prevail.

Reference to "Final Terms" or "Drawdown Prospectus" is to the Final Terms or, as the case may be, Drawdown Prospectus (or the relevant provisions thereof) applicable to the Bonds.

The Bonds are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Bonds (the "**Issue Date**"), the "**Trust Deed**") dated the Bond Programme Signing Date between the Issuer, the Guarantor, and Citibank, N.A., London Branch (the "**Bond Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Bondholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Bonds, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated the Bond Programme Signing Date has been entered into in relation to the Bonds between the Issuer, the Guarantor, the Bond Trustee, Citibank, N.A., London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation**

Agent(s)". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Bond Trustee (presently at Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the Paying Agents.

The Bondholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Bonds in bearer form and, where applicable in the case of such Bonds, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Bonds in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Bonds which are identical in all respects. Any further terms that are not defined in these Conditions have the meaning given to them in the master definitions agreement entered into by, among others, the Obligors and the Secured Creditors (as defined therein) dated 19 August 2016 (**"the Master Definitions Agreement"**).

1 Form, Denomination and Title

(a) The Bonds are issued in bearer form ("**Bearer Bonds**") or in registered form ("**Registered Bonds**") in each case in the Specified Denomination(s) shown hereon. References in these Conditions to "Bonds" include Bearer Bonds and Registered Bonds and all Sub-Classes, Classes, Tranches and Series.

This Bond is a Fixed Rate Bond, a Floating Rate Bond or an Index-Linked Bond, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Bonds are serially numbered and are issued with Coupons (and, where appropriate, a Talon) and (if applicable) Receipts attached.

Registered Bonds are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(d) (*Exercise of Options or Partial Redemption in Respect of Registered Bonds*), each Certificate shall represent the entire holding of Registered Bonds by the same holder.

Title to the Bearer Bonds and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Bondholder**" means the bearer of any Bearer Bond and the Receipts relating to it or the person in whose name a Registered Bond is registered (as the case may be), "**holder**" (in relation to a Bond, Receipt, Coupon or Talon) means the bearer of any Bearer Bond, Receipt, Coupon or Talon or the person in whose name a Registered Bond is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Bonds.

(b) **Fungible Issues of Bonds comprising a Sub-Class**: A Sub-Class of Bonds may comprise a number of issues in addition to the initial Tranche of such Sub-Class, each of which will be issued on identical terms save for the first Interest Payment Date, the Issue Date and the Issue Price.

Such further issues of the same Sub-Class will be consolidated and form a Series with the prior issues of that Sub-Class.

2 No Exchange of Bonds and Transfers of Registered Bonds

(a) **No Exchange of Bonds from Registered Bonds to Bearer Bonds or from Bearer Bonds to Registered Bonds**: Registered Bonds may not be exchanged for Bearer Bonds. Bearer Bonds of one Specified Denomination may not be exchanged for Bearer Bonds of another Specified Denomination. Bearer Bonds may not be exchanged for Registered Bonds.

(b) **Exchange of Bearer Bonds**: Interests in each Temporary Global Bond are exchangeable on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Bondholder, for interests (recorded in the records of the Clearing Systems) in a permanent global Bond (each a "**Permanent Global Bond**") representing the same Tranche of Bonds (the expressions Global Bonds and Global Bond including respectively: (i) all of the Temporary Global Bonds and the Permanent Global Bonds or the Temporary Global Bond and the Permanent Global Bond of a particular Tranche; or (ii) Permanent Global Bonds, as the context may require). The Permanent Global Bonds have also been deposited with the Common Depositary and/or the Common Safekeeper for the Clearing Systems.

(c) **Transfer of Registered Bonds**: One or more Registered Bonds may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Bonds to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Bond Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder upon request.

(d) **Exercise of Options or Partial Redemption in Respect of Registered Bonds**: In the case of an exercise of an Issuer's or Bondholders' option in respect of, or a partial redemption of, a holding of Registered Bonds represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Bonds of the same holding having different terms, separate Certificates shall be issued in respect of those Bonds of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Bonds to a person who is already a holder of Registered Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(e) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2 (c) or (d) shall be available for delivery within three business days of receipt of the form of transfer or exercise notice and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(e), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(f) **Transfers Free of Charge**: Transfers of Bonds and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require).

(g) **Closed Periods**: No Bondholder may require the transfer of a Registered Bond to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Bond, (ii) during the period of 15 days prior to any date on which Bonds may be called for redemption by the Issuer at its option pursuant to Condition 8(e), (iii) after any such Bond has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 Guarantee and Status

(a) **Status of Class A Bonds**: This Condition 3(a) is applicable only in relation to Bonds which are specified as being a Sub-Class of Class A Bonds.

The Class A Bonds, Class A Coupons, Class A Talons and Class A Receipts (if any) are direct and unconditional obligations of the Issuer, are secured in the manner descried in Condition 4 (*Security*) and rank *pari passu* without any preference among themselves

(b) **Status of Class B Bonds**: This Condition 3(b) is applicable only in relation to Bonds issued by the Issuer which are specified as being a Sub-Class of Class B Bonds.

The Class B Bonds, Class B Coupons, Class B Talons and Class B Receipts (if any) are direct and unconditional obligations of the Issuer, are secured in the manner described in Condition 4 (*Security*), are subordinated to the Class A Bonds, Class A Coupons, Class A Receipts and Class A Talons (if any) and rank *pari passu* without any preference among themselves.

(c) **Guarantee**: The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, each Class of Bonds, the Receipts and the Coupons. Its obligations in that respect (the "**Guarantee**") are contained in the STID.

4 Security

(a) **Security**: As continuing security for the payment or discharge of the Secured Liabilities (including all moneys payable in respect of the Bonds, Coupons and Receipts and otherwise under the Trust Deed, the STID, the Security Documents, the Bond Programme Documents and any deed or other document executed in accordance with the Trust Deed, the STID or the Security

Documents and expressed to be supplemental to the Trust Deed, the STID or the Security Documents (as applicable) (the "**Trust Documents**") (including the remuneration, expenses and other claims of the Security Trustee and any Receiver appointed under the STID or the Security Documents)), the Issuer has entered into the Security Documents to create as far as permitted by and subject to compliance with any applicable law, the following security (the "**Security**") in favour of the Security Trustee for itself and on trust for the other Secured Creditors, including, but not limited to, the Bondholders:

(i) English law assignment of its rights and receivables under the Common Terms Agreement, each Liquidity Facility Agreement, the STID, the Account Bank Agreement and the Agency Agreement;

(ii) a Swedish law pledge agreement relating to mortgage certificates issued in certain real properties owned by the Issuer;

(iii) a Swedish law pledge agreement relating to business mortgage certificates issued by the Issuer;

(iv) a Swedish law pledge agreement relating to the shares in the Issuer; and

(v) a Swedish law pledge agreement relating to certain intragroup loans granted by the Parent to the Issuer,

Further, the Parent will grant a share pledge agreement relating to the shares in the Issuer. This Security is more particularly set out in the Security Documents.

All Bonds issued by the Issuer under the Bond Programme will share in the Security constituted by the Issuer in the Security Documents, upon and subject to the terms thereof.

(b) **Relationship among Bondholders and with other Secured Creditors**: The Bondholders are Secured Creditors. The Bond Trustee is a Secured Creditor on its own behalf and on behalf of the Bondholders.

The Trust Deed contains provisions detailing the Bond Trustee's duties to consider the interests of Bondholders as regards all discretions of the Bond Trustee (except where expressly provided or otherwise referred to in the Trust Deed). In addition, the STID contains provisions detailing the Security Trustee's duties to consider the interests of the Secured Creditors (including the Bond Trustee on behalf of the holders of each Sub-Class of Bonds) in accordance with and subject to the provisions of the STID.

(c) **Enforcement of Security**: The Security shall become enforceable upon the commencement of and at any time during an Enforcement Period, in accordance with the terms of the STID (with the exception of a Permitted Share Pledge Enforcement, which can occur during a Standstill). An Enforcement Period begins upon the termination of a Standstill (other than where the underlying default is waived in accordance with the STID). It continues until the earlier of the date on which all Secured Liabilities are discharged or the date on which the Security Trustee (acting according to the instructions of the Qualifying Secured Creditors pursuant to the STID) notifies the Issuer that the Enforcement Period has ended. Where such Security becomes enforceable, the Security Trustee shall enforce its rights with respect to the Security in accordance with the STID, but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Bondholder or other Secured Creditor, provided that the Security Trustee shall not be obliged to take any action unless it is indemnified and/or secured and/or prefunded to its satisfaction.

Bondholders acknowledge and agree that only the Security Trustee is entitled to: (i) deliver an Acceleration Notice in accordance with the STID; (ii) take Enforcement Action against the Issuer save as permitted under the STID; or (iii) take proceedings or to exercise any rights, discretions or powers, or to grant any consents or releases, in respect of the security given under or pursuant to the Security Documents or otherwise have direct recourse to the Security.

In the event of the Security becoming enforceable as provided in the Security Documents, the Security Trustee shall, if directed by any of the Qualifying Secured Creditors, deliver an Acceleration Notice and exercise all rights which may be available to it under any Common Document or Bond Programme Document, and enforce any Security Document in accordance with the STID.

(d) **Application before Enforcement**: Before enforcement of the Security, the Issuer shall (to the extent such funds are available) use funds standing to the credit of the account of the Issuer to make payments in accordance with the Pre-Enforcement Priority of Payments (as set out in the STID).

(e) **Application after Enforcement**: After enforcement of the Security, the Security Trustee shall (to the extent that such funds are available) use all Available Enforcement Proceeds to make payments in accordance with the Post-Enforcement Priority of Payments as set out in the STID.

(f) **Security Trustee and Bond Trustee not Liable for Security**: Neither the Bond Trustee nor the Security Trustee will make, or be liable for any failure to make, any investigations in relation to the property which is the subject of the Security, and shall not be bound to enquire into or be liable for any defect or failure in the right or title of the Issuer to the Security, whether such defect or failure was known to the Security Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will it have any liability for the enforceability of the Security created under the Security Documents whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Security or otherwise. The Security Trustee and the Bond Trustee shall have no responsibility for the value of any such Security.

The Bond Trustee is authorised by the Bondholders to execute the STID (and the Bondholders are deemed, by acquiring an interest in the Bonds, to consent to such authorisation).

The Security Trustee is authorised by the Bondholders to execute the Security Documents as Security Trustee for, among others, the Bondholders (and the Bondholders are deemed, by acquiring any interest in the Bonds, to consent to such authorisation).

5 Issuer Covenants

So long as any of the Bonds remain outstanding, the Issuer has agreed to comply with the covenants as set out in the CTA.

The Bond Trustee shall be entitled to rely absolutely on a certificate of any director of the Issuer in relation to any matter relating to such covenants and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter stated in such certificate.

6 Interest and other Calculations

(a) **Interest on Fixed Rate Bonds:** Each Fixed Rate Bond bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

The amount of interest payable shall be determined in accordance with Condition 6(f) (*Calculations*).

(b) **Interest on Floating Rate Bonds and Index-Linked Bonds:**

(i) *Interest Payment Dates:* Each Floating Rate Bond and Index-Linked Bond bears interest on its outstanding nominal amount and if it is an Index-Linked Bond, adjusted for indexation in accordance with Condition 7 (*Indexation*) from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Bonds:* The Rate of Interest in respect of Floating Rate Bonds for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Bonds

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon

(y) the Designated Maturity is a period specified hereon and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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

(B) Screen Rate Determination for Floating Rate Bonds

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR, Stockholm time in the case of STIBOR or Oslo time in the case of NIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Bonds is specified hereon as being other than LIBOR, EURIBOR, STIBOR or NIBOR, the Rate of Interest in respect of such Bonds will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is STIBOR, the principal Stockholm office of each of the Reference Banks, or if the Reference Rate is NIBOR, the principal Oslo office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), or if the Reference rate is NIBOR, at approximately 11.00 a.m. (Oslo time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), or if the Reference Rate is NIBOR, at approximately 11.00 a.m. (Oslo time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or if the Reference Rate is STIBOR, the Swedish inter-bank market or, if the Reference Rate is NIBOR, the Norwegian inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), or if the Reference Rate is NIBOR, at approximately 11.00 a.m. (Oslo time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or if the Reference Rate is STIBOR, the Swedish inter-bank market, or, if the Reference Rate is NIBOR, the Norwegian inter-bank market as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(iv) *Rate of Interest for Index-Linked Bonds*: The Rate of Interest in respect of Index-Linked Bonds for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Accrual of Interest**: Interest shall cease to accrue on each Bond on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 6 (*Interest and Other Calculations*) to the Relevant Date (as defined in Condition 8 (*Redemption, Purchase and Options*)).

(d) **Deferral of interest on Class B Bonds**: This Condition 6(d) is applicable only in relation to Bonds issued by the Issuer which are specified as being Class B Bonds.

In the case of interest on Class B Bonds only, if, on any Interest Payment Date prior to the taking of Enforcement Action, there are insufficient funds available to the Issuer (after taking into account any amounts available to be drawn under the Class B Liquidity Facility or from any Class B Debt Service Reserve Account) to pay such accrued interest, the Issuer's liability to pay such accrued interest will be treated as not having fallen due and will be deferred until the earliest of: (i) the next following Interest Payment Date on which the Issuer has, in accordance with the cash management provisions of Schedule 8 (*Cash Management*) of the CTA, sufficient funds available to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which the Class A Debt has been paid in full; and (iii) an acceleration of and enforcement of rights by the Secured Creditors (other than a Permitted Hedge Termination). Interest will accrue on such deferred interest at the rate otherwise payable on unpaid principal of such Class B Bonds.

(e) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 6(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the countries of such currency.

(f) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Bond for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Bond for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Bond Trustee, the Issuer, each of the Paying Agents, the Bondholders, any other Calculation Agent appointed in respect of the Bonds that is to make a further calculation upon receipt of such information and, if the Bonds are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Bond Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Bonds become due and payable under Condition 12, the accrued interest and the Rate of Interest payable in respect of the Bonds shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Bond Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**") and/or

(iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Business Centres**" mean those places of business specified in the Final Terms.

"**Calculation Amount**" means the amount specified as such in the Final Terms.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365** (**Fixed**)" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Bonds, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Bond and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and in the case of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Issuer (in consultation with the Calculation Agent) or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Bonds are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

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

7 Indexation

This Condition 7 is applicable only if the relevant Final Terms or Drawdown Prospectus specifies the Bonds as Index-Linked Bonds.

(a) **Definitions**:

"**Base Index Figure**" means (subject to Condition 7(c)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms or Pricing Supplement.

"**Index**" or "**Index Figure**" means, subject as provided in Condition 7(c)(i) (*Change in base*), the Swedish Consumer Price Index ("**CPI**") (for all items) which is sponsored by Statistics Sweden and available to view at Bloomberg page SWCPI (or any replacement page thereto) or any other index (including any comparable index which may replace any of the foregoing), for the purpose of calculating the amount payable on repayment of any Swedish Government Index-Linked Bond instrument. Any reference to the Index Figure:

(i) applicable to a particular month shall, subject as provided in Conditions 7(c) (*Changes in Circumstances Affecting the Index*) and 7(e) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the third month prior to that particular month and relating to the month before that of publication;

(ii) applicable to the first calendar day of any month shall, subject as provided in Conditions 7(c) (*Changes in Circumstances Affecting the Index*) and 7(e) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or

(iii) applicable to any other day in any month shall, subject as provided in Conditions 7(c) (*Changes in Circumstances Affecting the Index*) and 7(e) (*Cessation of or Fundamental Changes to the Index*), be calculated by linear interpolation between: (A) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in sub-paragraph (ii) above; and (B) the Index Figure applicable to the first calendar day of the following month, calculated as specified in sub-paragraph (ii) above, and rounded in accordance with Condition 6(e) (*Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding*).

Information about the past and future performance and volatility of CPI can be found free of charge at the following website: https://www.scb.se/en/finding-statistics/statistics-by-subject-area/prices-and-consumption/consumer-price-index/consumer-price-index-cpi/.

If the Index is replaced, the Issuer will describe the replacement Index in a supplementary prospectus.

"**Index Ratio**" applicable to any month means the Index Figure applicable to such month divided by the Base Index Figure.

"**Limited Index Ratio**" means: (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month 12 months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month.

"**Indexation Adviser**" means an internationally recognised investment bank or financial adviser recognised as having expertise in indexation matters appointed by the Issuer in such capacity to perform certain functions in respect of Index-Linked Bonds as set out in these Conditions.

"**Limited Indexation Factor**" means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month 12 months prior thereto, provided that: (i) if such ratio is greater than the maximum indexation factor in relation to the Index Ratio specified in the relevant Final Terms or Pricing Supplement (the "**Maximum Indexation Factor**"), it shall be deemed to be equal to such Maximum Indexation Factor; and (ii) if such ratio is less than the minimum indexation factor in relation to the Index Ratio specified in the relevant Final Terms or Pricing Supplement (the "**Minimum Indexation Factor**"), it shall be deemed to be equal to such Minimum Indexation Factor.

"**Limited Indexation Month**" means any month specified in the relevant Final Terms or Pricing Supplement for which a Limited Indexation Factor is to be calculated.

"**Limited Index-Linked Bonds**" means Index-Linked Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms or Pricing Supplement) applies.

(b) **Application of the Index Ratio:** Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Index-Linked Bonds applicable to the month in which such payment falls to be made and rounded in accordance with Condition 7(d) (*Application of Changes*).

(c) **Changes in Circumstances Affecting the Index:**

(i) **Change in base:** If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the calendar month from and including that in which such substitution takes effect: (A) the definition of "Index" and "Index Figure" in Condition 7(a) (*Definitions*) shall be deemed to refer to the new date or month; and (B) the new Base Index Figure shall be the product of the existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.

(ii) **Delay in publication of Index:** If the Index Figure relating to any month (the "**Relevant Month**") which is required to be taken account for the purposes of the determination of the Index Figure applicable for any date is not published on or before the 14th business day before the date on which any payment of interest or principal on the Bonds is due (the "**date for payment**"), the Index Figure relating to the Relevant Month shall be: (A) such substitute index figure (if any) as the Indexation Adviser considers to have been published by Statistics Sweden or the Government of Sweden (or such other body designated by the Swedish Government for such purpose) for the purposes of indexation of payments by reference to CPI or, failing such publication, on any one or more issues of index-linked treasury stock selected by an Indexation Adviser (and approved by the Bond Trustee); or

(B) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7(c)(i) (*Change in base*)) before the date for payment.

(d) **Application of Changes:** Where the provisions of Condition 7(c)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7(c)(ii)(B) (*Delay in publication of Index*), the Index Figure relating to the Relevant Month is subsequently published while a Bond is still outstanding, then:

(i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7(c)(ii)(B) (*Delay in publication of Index*), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the 14th Business Day before the date for payment; and

(ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(e) **Cessation of or Fundamental Changes to the Index:**

(i) If: (A) the Bond Trustee has been notified by the Calculation Agent that the Index has ceased to be published; or (B) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Bond Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Bond Trustee (acting on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.

(ii) If the Issuer and the Bond Trustee fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in Condition 7(e)(i) above, a bank or other person in London shall be appointed by the Issuer (and approved by the Bond Trustee) or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the day period referred to above, by the Indexation Adviser (in each case, such bank or other person so appointed being referred to as the "**Expert**"), to determine for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Bond Trustee in connection with such appointment shall be borne by the Issuer.

(iii) If any payment in respect of the Bonds is due to be made after the cessation or changes referred to in Condition 7(e)(i) above but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the Relevant Month is not available in accordance with the provisions of Condition 7(c)(i) (*Change in base*) above) make a provisional payment on the basis that the Index Figure applicable to the month in which such payment is due to be made is the Index Figure last published. In that event, or in the event of any payment (also referred to below as a provisional payment) on the Bonds having been made on the basis of an Index applicable under Condition 7(c)(ii) (*Delay in publication of Index*) and the Issuer (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 7(e) (*Cessation of or Fundamental Changes to the Index*), then:

(a) in relation to a payment of principal or interest in respect of the Bonds other than upon final redemption of such Bond, if the sum which would have been payable if such adjustment of substitute index had been in effect on the due date for such payment is greater or less than the amount of such provisional payment, the Interest Amount payable on the Bonds on the Interest Payment Date next succeeding the date on which such adjustment or substitute index becomes effective shall be increased or reduced to reflect the amount by which such provisional payment fell short of, or (as the case may be) exceeded, the sum which would have been paid on the Bonds if such adjustment or substituted index had been in effect on that date; or

(b) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(iv) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Bond Trustee (acting on the advice of the Indexation Adviser) or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Bond Trustee (acting on the advice of the Indexation Adviser) and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, the other Secured Creditors, the Bond Trustee and the Bondholders, and the Issuer shall give notice to the Bondholders in accordance with Condition 19 (*Notices*) of such amendments as promptly as practicable following such notification.

8 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed, or purchased and cancelled as provided in this Condition 8, each Bond that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Bond shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Bond, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Bond shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Bond falling within paragraph (i) above, its final Instalment Amount.

(iii) In the case of principal on Class B Bonds only, if on any date, prior to the taking of Enforcement Action, on which such Bond is to be redeemed (in whole or in part) there are insufficient funds available to the Issuer to pay such principal, the Issuer's liability to pay such principal will be treated as not having fallen due and will be deferred until the earliest of (i) the next following Interest Payment Date on which the Issuer has, in accordance with the cash management provisions of Schedule 8 (*Cash Management*) of the CTA, sufficient funds to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which all Class A Debt has been paid in full and (iii) an acceleration of and enforcement of rights by the Secured Creditors (other than a Permitted Hedge Termination) and in the case of a Permitted Share Pledge Acceleration only to the extent that there would be sufficient funds available in accordance with the Post-Enforcement Priority of Payments to pay such deferred principal (including any accrued interest thereon). Interest will accrue on such deferred principal at the rate otherwise payable on unpaid principal of such Class B Bonds.

(b) **Early Redemption:**

The Early Redemption Amount payable in respect of any Bond, upon redemption of such Bond pursuant to Condition 8(e) (*Redemption at the option of the Issuer*) or upon it becoming due and payable as provided in Condition 12 (*Events of Default*), shall be the Final Redemption Amount unless otherwise specified hereon. The Early Redemption Amount payable in respect of any Bond, upon redemption of such Bond pursuant to Condition 8(d) (*Redemption for Taxation Reasons*) shall be the Principal Amount Outstanding plus accrued but unpaid interest.

(c) **Redemption for Index Events:** Upon the occurrence of any Index Event (as defined below), the Issuer may, upon giving not more than 15 nor less than five Business Days' written notice to the Bond Trustee, the Security Trustee, the other Secured Creditors and the holders of the Index-Linked Bonds in accordance with Condition 19 (*Notices*), redeem all (but not some only) of the Index-Linked Bonds of all Sub-Classes on any Interest Payment Date at the Principal Amount Outstanding (adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*)) plus accrued but unpaid interest. No single Sub-Class of Index-Linked Bonds may be redeemed in these circumstances unless all the other Classes and Sub-Classes of Index-Linked Bonds linked to the same underlying Index are also redeemed at the same time. Before giving any such notice, the Issuer shall provide to the Bond Trustee, the Security Trustee and the other Secured Creditors a certificate signed by an Authorised Signatory: (i) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (ii) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption including all amounts payable in priority thereto in accordance with the Pre-Enforcement Priority of Payments.

"**Index Even**t" means: (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7(c)(ii) (*Delay in publication of Index*) and the Bond Trustee and the Issuer have been notified by the relevant Calculation Agent (to be appointed at the time of issuance by the Issuer of an Index-Linked Bond) that publication of the Index has ceased; or (ii) notice is published by Statistics Sweden, or on its behalf, following a change in relation to the Index, and no amendment or substitution of the Index has been advised by the Indexation Adviser to the Issuer and such circumstances are continuing.

(d) **Redemption for Taxation Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Bond is either a Floating Rate Bond or an Index-Linked Bond) or at any time (if this Bond is neither a Floating Rate Bond nor an Index-Linked Bond), on giving not less than five Business Days' nor more than 15 Business Days' notice to the Bondholders, in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 8(b) (*Early Redemption*) above), if: (i) (a) the Issuer certifies to the Bond Trustee (upon which certificate the Bond Trustee shall rely absolutely and without enquiry or liability) immediately before the giving of such notice that: (A) it has or will become obliged to deduct or withhold from any payment of interest or principal in respect of the Bonds as described under Condition 10 (*Taxation*); or (B) it or a Hedge Counterparty has or will become obliged to deduct or withhold from any payment in respect of Hedging Agreement, as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Bonds; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 8(d) (*Redemption for Taxation Reasons*) , the Issuer shall deliver to the Bond Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem has occurred (together with evidence satisfactory to the Bond Trustee that such conditions have been satisfied, including such opinions as the Bond Trustee may require) and the Bond Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event, it shall be conclusive and binding on Bondholders and Couponholders.

(e) **Redemption at the Option of the Issuer:**

(i) **Optional Redemption of Floating Rate Bonds:** If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 30 days' nor more than 60 days' written notice to the Bond Trustee and the relevant Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Floating Rate Bond Redemption Date**") and the applicable Record Date), redeem all or only some of any Sub-Class of Floating Rate Bonds then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the relevant Floating Rate Bonds Maturity Date at the Principal Amount Outstanding plus any accrued but unpaid interest on the Principal Amount Outstanding. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of the Floating Rate Bonds, the Floating Rate Bonds to be redeemed (the "**Redeemed Floating Rate Bonds**") will be selected individually by lot, in the case of Redeemed Floating Rate Bonds represented in definitive form, and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Floating Rate Bonds represented in global form, not more than 30 days prior to the date fixed for redemption.

(ii) **Fixed Rate Bonds - Optional Euro Bond Redemption:** If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 30 days' nor more than 60 days' written notice to the Bond Trustee and the relevant Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Euro Bond Redemption Date**") and the applicable Record Date), redeem all or only some of any Sub-Class of Euro Bonds then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the relevant Euro Bond Maturity Date at the Optional Euro Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Euro Bonds to (but excluding) the relevant Optional Euro Bond Redemption Date in respect of such Euro Bonds. Any such redemption must be of a nominal amount not less than €5,000,000 and not more than the Principal Amount Outstanding of the relevant Euro Bonds on such Optional Euro Bond Redemption Date. In the case of a partial redemption of the Euro Bonds, the Euro Bonds to be redeemed (the "**Redeemed Euro Bonds**") will be selected individually by lot, in the case of Redeemed Euro Bonds represented in definitive form, and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Euro Bonds represented in global form, not more than 30 days prior to the date fixed for redemption.

(iii) **Fixed Rate Bonds – Optional Swedish Krona Bond Redemption:** If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 30 days' nor more than 60 days' written notice to the Bond Trustee and the relevant Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Swedish Krona Bond Redemption Date**") and the applicable Record Date), redeem all or only some of any Sub-Class of Swedish Krona Bonds then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the relevant Swedish Krona Bonds Maturity Date at the Optional Swedish Krona Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Swedish Krona Bonds to (but excluding) the relevant Optional Swedish Krona Bond Redemption Date in respect of such Swedish Krona Bonds. Any such redemption must be of a nominal amount not less than SEK500,000,000 and not more than the Principal Amount Outstanding of the relevant Swedish Krona Bonds on such Optional Swedish Krona Bond Redemption Date. In the case of a partial redemption of the Swedish Krona Bonds, the Swedish Krona Bonds to be redeemed (the "**Redeemed Swedish Krona Bonds**") will be selected individually by lot, in the case of Redeemed Swedish Krona Bonds represented in definitive form, and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Swedish Krona Bonds represented in global form, not more than 30 days prior to the date fixed for redemption.

(iv) **Fixed Rate Bonds - Optional U.S. Dollar Bond Redemption:** If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 30 days' nor more than 60 days' written notice to the Bond Trustee and the relevant Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional U.S. Dollar Bond Redemption Date**") and the applicable Record Date), redeem all or only some of any Sub-Class of U.S. Dollar Bonds then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the U.S. Dollar Bond Maturity Date at the Optional U.S. Dollar Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant U.S. Dollar Bonds to (but excluding) the relevant Optional U.S. Dollar Bond Redemption Date in respect of such U.S. Dollar Bonds. Any such redemption must be of a nominal amount not less than U.S.$5,000,000 and not more than the Principal Amount Outstanding of the relevant U.S. Dollar Bonds on such Optional U.S. Dollar Bond Redemption Date. In the case of a partial redemption of the U.S. Dollar Bonds, the U.S. Dollar Bonds to be redeemed (the "**Redeemed U.S. Dollar Bonds**") will be selected individually by lot, in the case of Redeemed U.S. Dollar Bonds represented in definitive form, and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed U.S. Dollar Bonds represented in global form, not more than 30 days prior to the date fixed for redemption.

(v) **Fixed Rate Bonds - Optional Norwegian Kroner Bond Redemption:** If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 30 days' nor more than 60 days' written notice to the Bond Trustee and the relevant Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Norwegian Kroner Bond Redemption Date**") and the applicable Record Date), redeem all or only some of any Sub-Class of Norwegian Kroner Bonds then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the Norwegian Kroner Bond Maturity Date at the Optional Norwegian Kroner Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Norwegian Kroner Bonds to (but excluding) the relevant Optional Norwegian Kroner Bond Redemption Date in respect of such Norwegian Kroner Bonds. Any such redemption must be of a nominal amount not less than NOK 50,000,000 and not more than the Principal Amount Outstanding of the relevant Norwegian Kroner Bonds on such Optional Norwegian Kroner Bond Redemption Date. In the case of a partial redemption of the Norwegian Kroner Bonds, the Norwegian Kroner Bonds to be redeemed (the "**Redeemed Norwegian Kroner Bonds**") will be selected individually by lot, in the case of Redeemed Norwegian Kroner Bonds represented in definitive form, and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Norwegian Kroner Bonds represented in global form, not more than 30 days prior to the date fixed for redemption.

(vi) **Fixed Rate Bonds - Optional Canadian Dollar Bond Redemption:** If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 30 days' nor more than 60 days' written notice to the Bond Trustee and the relevant Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Canadian Dollar Bond Redemption Date**") and the applicable Record Date), redeem all or only some of any

Sub-Class of Canadian Dollar Bonds then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the Canadian Dollar Bond Maturity Date at the Optional Canadian Dollar Bond Redemption Amount together with interest accrued on the Principal Amount Outstanding of the relevant Canadian Dollar Bonds to (but excluding) the relevant Optional Canadian Dollar Bond Redemption Date in respect of such Canadian Dollar Bonds. Any such redemption must be of a nominal amount not less than C$5,000,000 and not more than the Principal Amount Outstanding of the relevant Canadian Dollar Bonds on such Optional Canadian Dollar Bond Redemption Date. In the case of a partial redemption of the Canadian Dollar Bonds, the Canadian Dollar Bonds to be redeemed (the "**Redeemed Canadian Dollar Bonds**") will be selected individually by lot, in the case of Redeemed Canadian Dollar Bonds represented in definitive form, and in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg or such other relevant clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg or such other relevant clearing system as either a pool factor or a reduction in nominal amount, at their discretion), and in the case of Redeemed Canadian Dollar Bonds represented in global form, shall be selected not more than 30 days prior to the date fixed for redemption in accordance with the rules and procedures of Euroclear, and/or Clearstream, Luxembourg or such other relevant clearing system.

(vii) **Optional Redemption of Index-Linked Bonds:** If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 30 days' nor more than 60 days' written notice to the Bond Trustee and the relevant Bondholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Index-Linked Bond Redemption Date**") and the applicable Record Date), redeem all or only some of any Sub-Class of Index-Linked Bonds then outstanding on any Interest Payment Date from and excluding the Issue Date up to and including the relevant Index-Linked Bonds Maturity Date at the Principal Amount Outstanding plus any accrued but unpaid interest up to and including the date of redemption (in each case, as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*). References in this Condition 8(e) to Principal Amount Outstanding of any Index-Linked Bonds shall be to the Principal Amount Outstanding as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of the Index-Linked Bonds, the Index-Linked Bonds to be redeemed (the "**Redeemed Index-Linked Bonds**") will be selected individually by lot, in the case of Redeemed Floating Rate Bonds represented in definitive form, and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Index-Linked Bonds represented in global form, not more than 30 days prior to the date fixed for redemption.

In this Condition 8(e):

"**Bund Rate**" means, with respect to any Reference Date, the rate per annum equal to the equivalent yield to maturity as at such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination or, if such rate is negative then the Bund Rate shall be zero.

"**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the Remaining Life to Maturity and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then Principal Amount Outstanding of the relevant Bonds and of a maturity most nearly equal to the Remaining Life to Maturity provided, however, that if the Remaining Life to Maturity is less than one year, a fixed maturity of one year shall be used.

"**Comparable German Bund Price**" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Financial Adviser obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations.

"**Financial Adviser**" means an internationally recognised investment bank in Frankfurt am Main acting as a financial adviser (selected by the Issuer and notified in writing to the Bondholders, provided that such adviser cannot be any Borrower Obligor).

"**Government of Canada Benchmark Rate**" means the interest rate published by the Bank of Canada for Government of Canada marketable bonds for the applicable maturity.

"**Norwegian Bond Rate**" means, with respect to any Reference Date, the rate per annum equal to the equivalent yield to maturity as at such date of the direct obligations of Norway with a fixed maturity most nearly equal to the Remaining Life to Maturity, provided that:

(a) if the Remaining Life to Maturity is not equal to the fixed maturity of a direct obligation of Norway for which a weekly average yield is given, the Norwegian Bond Rate shall be obtained by linear interpolation from the weekly average of direct obligations of Norway for which such yields are given; and

(b) if the Remaining Life to Maturity is less than one (1) year, the weekly average yield on the actually traded direct obligations of Norway adjusted to a fixed maturity of one year shall be used.

"**Optional Euro Bond Redemption Amount**" means, in respect of the relevant Euro Bonds, an amount equal to the higher of:

(a) the Principal Amount Outstanding of the relevant Euro Bonds; and

(b) the sum of:

   (i) the present value of the Principal Amount Outstanding for the relevant Euro Bonds at the Reference Date; and

   (ii) all required interest payments that would otherwise be due to be paid on the relevant Euro Bonds during the period between that Optional Euro Bond Redemption Date and the relevant Euro Bonds Maturity Date (excluding accrued but unpaid interest to the Optional Euro Bond Redemption Date),

   discounted at a rate equal to the Bund Rate plus 50 basis points as at the Reference Date.

"**Optional Swedish Krona Bond Redemption Amount**" means, in respect of the relevant Swedish Krona Bonds, an amount equal to the higher of:

(a) the Principal Amount Outstanding of the relevant Swedish Krona Bonds; and

(b) the sum of:

(i) the present value of the Principal Amount Outstanding for the relevant Swedish Krona Bonds at the Reference Date; and

(ii) all required interest payments that would otherwise be due to be paid on the relevant Swedish Krona Bonds during the period between that Optional Swedish Krona Bond Redemption Date and the relevant Swedish Krona Bonds Maturity Date (excluding accrued but unpaid interest to the Optional Swedish Krona Bond Redemption Date),

discounted at a rate equal to the Swedish Bond Rate plus 50 basis points as at the Reference Date.

"**Optional U.S. Dollar Bond Redemption Amount**" means, in respect of the relevant U.S. Dollar Bonds, an amount equal to the higher of:

(a) the Principal Amount Outstanding of the relevant U.S. Dollar Bonds; and

(b) the sum of the present values, calculated on the relevant Optional U.S. Dollar Bond Redemption Date of all of the remaining scheduled payments of principal of and interest on the U.S. Dollar Bonds to be redeemed on such Optional U.S. Dollar Bond Redemption Date (not including any portion of such payments of interest accrued to the relevant Optional U.S. Dollar Bond Redemption Date), in each case, from but excluding the applicable Optional U.S. Dollar Bond Redemption Date to and including the U.S. Dollar Bond Maturity Date, computed on a semi-annual basis by discounting such payments, assuming a 360-day year consisting of 12 30-day months and using a semi-annual yield to maturity equivalent to the then current treasury bond yield corresponding closest to the Remaining Life to Maturity on the U.S. Dollar Bonds calculated at the Optional U.S. Dollar Bond Redemption Date, plus 50 basis points.

"Optional Norwegian Kroner Bond Redemption Amount" means, in respect of the relevant Norwegian Kroner Bonds, an amount equal to the higher of:

(a) the Principal Amount Outstanding of the relevant Norwegian Kroner Bonds; and

(b) the sum of:

(i) the present value of the Principal Amount Outstanding for the relevant Norwegian Kroner at the Reference Date; and

(ii) all required interest payments that would otherwise be due to be paid on the relevant Norwegian Kroner Bonds during the period between that Norwegian Kroner Optional Bond Redemption Date and the relevant Norwegian Kroner Bond Maturity Date (excluding accrued but unpaid interest to the Optional Norwegian Kroner Bond Redemption Date),

discounted at a rate equal to the Norwegian Bond Rate plus 50 basis points as at the Reference Date.

"Optional Canadian Dollar Bond Redemption Amount" means, in respect of the relevant Canadian Dollar Bonds, an amount equal to the higher of:

(a) the Principal Amount Outstanding of the relevant Canadian Dollar Bonds; and

(b) the sum of:

(i) the present value of the Principal Amount Outstanding for the relevant Canadian Dollar Bonds at the Reference Date; and

(ii) all required interest payments that would otherwise be due to be paid on the relevant Canadian Dollar Bonds during the period between that Optional Canadian Dollar Bond Redemption Date and the relevant Canadian Dollar Bonds Maturity Date (excluding accrued but unpaid interest to the Optional Canadian Dollar Bond Redemption Date),

discounted at a rate equal to the Government of Canada Benchmark Rate plus 50 basis points as at the Reference Date.

"**Reference Date**" means the date which is three Business Days prior to the dispatch of the notice of redemption under this Condition 8(e).

"**Reference German Bund Dealer**" means any dealer of German *Bundesanleihe* securities appointed by the Financial Adviser.

"**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Financial Adviser of the bid and offered prices for the Comparable German Bund Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to the Financial Adviser by such Reference German Bund Dealer at or about 3.30 p.m. (Frankfurt am Main, Germany time) on the Reference Date.

"**Reference Treasury Dealer**" means any primary U.S. government securities dealer appointed by the Issuer.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of monies payable has not been received by the Bond Trustee on or prior to such due date, it means the date on which the full amount of monies having been so received, notice to that effect is duly given to the Bondholders in accordance with Condition 19 (*Notices*).

"**Remaining Life to Maturity**" means, in respect of the relevant Bonds, the period from the relevant Optional U.S. Dollar Bond Redemption Date or, as the case may be, the Optional Euro Bond Redemption Date, the Optional Swedish Krona Bond Redemption Date, the Optional Norwegian Kroner Bond Redemption Date or the Optional Canadian Dollar Bond Redemption Date to the U.S. Dollar Bond Maturity Date or, as the case may be, the relevant Euro Bond Maturity Date, the Swedish Krona Bond Maturity Date, the Norwegian Kroner Bond Maturity Date or the Canadian Dollar Bond Maturity Date.

"**Swedish Bond Rate**" means, with respect to any Reference Date, the rate per annum equal to the equivalent yield to maturity as at such date of the direct obligations of Sweden (*statsobligationer*) with a fixed maturity most nearly equal to the Remaining Life to Maturity, provided that:

(a) if the Remaining Life to Maturity is not equal to the fixed maturity of a direct obligation of Sweden for which a weekly average yield is given, the Swedish Bond Rate shall be obtained by linear interpolation from the weekly average of direct obligations of Sweden for which such yields are given; and

(b) if the Remaining Life to Maturity is less than one (1) year, the weekly average yield on the actually traded direct obligations of Sweden adjusted to a fixed maturity of one year shall be used.

Purchases: Each of the Issuer, and the Guarantor may at any time purchase Bonds (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Any such Bonds held by the Issuer or the Guarantor will be excluded from the definition of "Outstanding Principal Amount" for the purpose of voting under any STID Proposal.

Cancellation: All Bonds purchased by or on behalf of the Issuer and the Guarantor shall be surrendered for cancellation, in the case of Bearer Bonds, by surrendering each such Bond together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Bonds, by surrendering the Certificate representing such Bonds to the Registrar and, in each case, if so surrendered, shall, together with all Bonds redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged.

9 Payments and Talons

(a) **Bearer Bonds:** Payments of principal and interest in respect of Bearer Bonds shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Bond), Bonds (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 9(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Bonds:**

(i) Payments of principal (which for the purposes of this Condition 9(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Bonds shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 9(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Bonds shall be paid to the person shown on the Register at the close of business Clearing System Business Day immediately prior to the date of payment (the "**Record Date**"). Payments of interest on each Registered Bond shall be made in the relevant currency upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, and shall be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

In this Condition 9(b):

"**Clearing System Business Day"** means Monday to Friday inclusive, except 25 December and 1 January of any year.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Bonds are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Bonds in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commission or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Bondholder or Couponholder. The Issuer and the Guarantor reserves the right at any time with the approval of the Bond Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Bonds, (iii) a Transfer Agent in relation to Registered Bonds, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Bonds may be listed in each case, as approved by the Bond Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Bonds denominated in U.S. dollars in the circumstances described in Condition 9(c) (*Payments in the United States*) above.

Notice of any such change or any change of any specified office shall promptly be given to the Bondholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Bonds which comprise Fixed Rate Bonds (other than Index-Linked Bonds), such Bonds should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 11 (*Prescription*).

(ii) Upon the due date for redemption of any Bearer Bond comprising a Floating Rate Bond or Index-Linked Bond, unmatured Coupons relating to such Bond (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Bond, any unexchanged Talon relating to such Bond (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Bond that is redeemable in instalments, all Receipts relating to such Bond having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Bond that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Bonds is presented for redemption without all unmatured Coupons, and where any Bearer Bond is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Bond is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Bond or Certificate representing it, as the case may be. Interest accrued on a Bond that only bears interest after its Maturity Date shall be payable on redemption of such Bond against presentation of the relevant Bond or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Bond, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 11 (*Prescription)*).

(h) **Non-Business Days:** If any date for payment in respect of any Bond, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

10 Taxation

All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Bonds will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Issuer or as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Bondholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Bonds in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to payment in respect of any Bond:

(i) the holder of which is liable for such taxes or duties in respect of such Bond by reason of such Bondholders having some connection with Sweden other than the mere holding of such Bond;

(ii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Bondholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or

(iii) by or on behalf of, a Bondholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(iv) any taxes which give rise to a tax credit that may be effectively used by the Bondholder.

Notwithstanding any other provision of these terms and conditions, any amounts to be paid on the Bonds by or on behalf of the Issuer and/or the Guarantor will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). None of the Issuer, the Guarantor nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking given in addition thereto or in substitution therefore.

11 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Bonds, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

12 Events of Default

The Events of Default will be set out in Schedule 4 (*Events of Default*) to the CTA.

Upon the Issuer becoming aware of the occurrence of an Event of Default, the Issuer will immediately notify the Security Trustee of that occurrence and of any steps being taken to remedy the same.

During an Enforcement Period, the whole of the Security shall become enforceable by the Security Trustee in accordance with the STID.

Upon the service of an Acceleration Notice by the Security Trustee in accordance with the STID, the Bond Trustee may at any time (in accordance with the provisions of the Bond Trust Deed and the STID) and shall upon the Bond Trustee being so directed or requested (i) by an Extraordinary Resolution (as defined in the Bond Trust Deed) of holders of the relevant Sub-Classes of Class A Bonds or, if there are no Class A Bonds outstanding, the Class B Bonds or (ii) in writing by holders of at least one fifth in outstanding nominal amount of the relevant Sub-Classes of Class A Bonds, or if there are no Class A Bonds outstanding, the Class B Bonds and subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing, and without further notice take such proceedings or other steps as it may think fit against the Issuer and enforce repayment of the Bonds at their Early Redemption Amount together (if applicable) with interest.

13 Meetings of Bondholders, Modification, Waiver and Substitution

(a) **Meeting and Voting of Bondholders:**

If the procedures of the relevant clearing systems through which the Bonds are cleared and/or relevant applicable laws and/or regulations permit the use of direct voting mechanics (as described below), no physical meetings will be required in respect of any Voting Matter and a Bondholder may only Vote in respect of any Voting Matter by means of a Block Voting Instruction. However, the Bond Trustee may, without the consent of the Issuer or the Bondholders, prescribe such further regulations regarding voting by the Bondholders in respect of all Voting Matters except STID Proposals (as defined below) as the Bond Trustee may in its sole discretion think fit, including the calling of one or more meetings of Bondholders in order to approve any resolution to be put to the Bondholders where the Bond Trustee, in its sole discretion, considers it to be appropriate to hold a meeting.

In respect of any STID Proposal and in accordance with the Trust Deed:

(i) The holders of Class A Bonds, or if there are no Class A Bonds outstanding, the holders of Class B Bonds (the "**Qualifying Bondholders**") may only vote on such STID Proposal by Electronic Consent or by having its Vote included in a Block Voting Instruction and each Qualifying Bondholder shall have one Vote in respect of each €1 (or its equivalent expressed in Euro on the basis of the Exchange Rate) of the Outstanding Principal Amount of Bonds held or represented by it;

(ii) provided Electronic Consent is not applicable, each Qualifying Bondholder must vote on or prior to the time specified by the Issuing and Paying Agent or, as the case may be, the Registrar and/or relevant clearing system in order to enable the Issuing and Paying Agent or, as the case may be, a Paying Agent or the Registrar to issue a Block Voting Instruction on the Voting Date, provided that if a Qualifying Bondholder does not vote in sufficient time to allow the Issuing and Paying Agent, or, as the case may be, a Paying Agent or the Registrar to issue a Block Voting Instruction in respect of its Bonds prior to the end of the Voting Period, the Votes of such Qualifying Bondholder may not be counted;

(iii) in respect of such STID Proposal, the Bond Trustee shall vote as the Secured Creditor Representative of the Bondholders in respect of each Sub-Class or Class of Bonds then outstanding by notifying the Security Trustee and the Issuer, in accordance with the STID promptly following the receipt by it of such Votes (and in any case not later than the Business Day following receipt of each such Vote), of each Vote comprised in a Block Voting Instruction received by it from a Paying Agent or the Registrar on or prior to the Voting Date (or, if earlier the relevant Voting Closure Date); and

(iv) any such STID Proposal duly approved by the Qualifying Secured Creditors in accordance with the STID shall be binding on all Bondholders, Receiptholders and Couponholders (subject as provided in the STID). The Issuer shall, following receipt by the Issuer of the result of any vote in respect of such STID Proposal, promptly notify the Bondholders in accordance with Condition 19 (Notices).

In respect of a STID Proposal that gives rise to an Entrenched Right in respect of which the Bondholders are an Affected Secured Creditor (an "**Entrenched Right STID Proposal**") and any Voting Matter which is not a STID Proposal (an "**Other Voting Matter**"):

(i) the Issuer or the Bond Trustee may at any time, and the Bond Trustee must, subject to its being indemnified and/or secured and/or prefunded to its satisfaction, if (a) it receives an Entrenched Right STID Proposal; or (b) directed to do so by Bondholders representing not less than 10 per cent. of the Principal Amount Outstanding of the Bonds, request that such Voting Matter be considered by the Bondholders. The Issuer or the Bond Trustee shall send a notice (a "**Voting Notice**") to the Bondholders of each affected Tranche of Bonds, specifying the Voting Date (which shall initially be set with at least 14 clear days' notice) and Voting Matter(s) including the terms of any resolution to be proposed;

(ii) each Bondholder shall have one Vote in respect of each €1 (or its equivalent expressed in Euro on the basis of the Exchange Rate) of Principal Amount Outstanding of the Bonds held or represented by it;

(iii) each Bondholder must vote prior to the close of business (London time) 48 hours prior to the Voting Date so that his Votes can be included in a Block Voting Instruction which needs to be deposited at least 24 hours before the Voting Date; and

(iv) on or before the Business Day immediately preceding the last day of the Decision Period, the Bond Trustee shall notify the Issuer and the Security Trustee in writing of whether or not the holders of each affected Sub-Class or Class of Bonds then outstanding have passed an Extraordinary Resolution approving the relevant Entrenched Right STID Proposal.

In order for an Extraordinary Resolution to be approved by the Bondholders (subject as provided below), two or more Bondholders representing 50 per cent. or more of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding, who for the time being are entitled to receive notice of an Other Voting Matter, need to participate in any initial Vote, provided that in respect of any Voting Matter the business of which includes any of the following matters (each of which, a "**Basic Terms Modification**" and which shall only be capable of being effected after having been approved by an Extraordinary Resolution) namely:

(i) to amend the dates of maturity or redemption of the Bonds, any Instalment Date or any date for payment of interest or Interest Amounts on the Bonds;

(ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Bonds;

(iii) to reduce the rate or rates of interest in respect of the Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Bonds;

(iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum;

(v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;

(vi) to vary the currency or currencies of payment or denomination of the Bonds;

(vii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass the Extraordinary Resolution; or

(viii) any modification to this definition,

two or more Bondholders representing 75 per cent. or more of the aggregate Principal Amount Outstanding of Bonds for the time being outstanding, who, for the time being are entitled to receive notice of such an Other Voting Matter, need to participate in any initial Vote.

The above percentage requirements of Bondholders who need to participate in a particular Other Voting Matter are referred to herein as the Extraordinary Quorum Requirements.

If, on a Voting Date, the Extraordinary Quorum Requirements are not satisfied for the transaction of any particular business then, subject and without prejudice to the transaction of the business (if any) for which the Extraordinary Quorum Requirements are satisfied, such Voting Date shall be postponed to the same day in the next week (or if such day is a public holiday the next succeeding business day) (an "**Adjourned Voting Date**") except where an Extraordinary Resolution is to be proposed in which case the Adjourned Voting Date shall be a day (being a business day) during the period, being not less than seven clear days nor more than 14 clear days, subsequent to such Voting Date, and approved by the Bond Trustee. On any Adjourned Voting Date, one or more Votes (whatever the Principal Amount Outstanding of the Bonds then outstanding so held or represented by them) shall (subject as provided below) form a quorum and shall have the power to pass any Extraordinary Resolution or Ordinary Resolution and to decide upon all matters which could properly have been dealt with through the original Vote had the requisite Extraordinary Quorum Requirements been met, provided that on any Adjourned Voting Date the Extraordinary Quorum Requirements for the transaction of business comprising any of the matters specified to be a Basic Terms Modification shall be two or more Qualifying Bondholders representing at least 25 per cent. of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding, who for the time being are entitled to receive notice of an Other Voting Matter, need to participate in such Vote.

Notice of any Adjourned Voting Date at which an Extraordinary Resolution is to be voted upon shall be given in the same manner as a Voting Notice but as if five clear days' notice were substituted for 14 clear days' notice discussed above (in respect of an Other Voting Matter) and such notice shall state the relevant quorum.

Any resolution approved by the Bondholders in accordance with the terms hereof shall be binding upon all the Bondholders whether or not voting and upon all relevant Couponholders and each of them shall be bound to give effect thereto accordingly and the approval of any such resolution shall be conclusive evidence that the circumstances justify the approval thereof. Notice of the result of the voting on any resolution duly approved by the Bondholders shall be published in accordance with Condition 19 (*Notices*) by the Issuing and Paying Agent or the Registrar, as applicable, on behalf of, and at the instruction of, the Issuer within seven days of such result being known, provided that the non-publication of such notice shall not invalidate such result.

If and whenever the Issuer has issued and has outstanding more than one Tranche of Bonds the foregoing provisions of this Condition 13 shall have effect subject to the following modifications:

(i) a resolution which in the opinion of the Bond Trustee affects only one Tranche of Bonds shall be deemed to have been duly approved if approved through a separate Vote of the holders of that Tranche of Bonds;

(ii) a resolution which in the opinion of the Bond Trustee affects holders of more than one Tranche of Bonds but does not give rise to a conflict of interest between the holders of any of the Tranches of Bonds so affected shall be deemed to have been duly approved if approved through a separate Vote of the holders of all the Tranches of the Bonds so affected;

(iii) a resolution which in the opinion of the Bond Trustee affects more than one Tranche of Bonds and gives or may give rise to a conflict of interest between the holders of one Tranche of Bonds so affected and the holders of another Tranche of Bonds shall be deemed to have been duly approved only if approved through separate Votes of the holders of each Tranche of Bonds;

(iv) in respect of all such approvals all the preceding provisions of this Condition shall apply *mutatis mutandis* as though references therein to Bonds and Bondholders were references to the Tranche of Bonds in question or to the holders of such Tranche of Bonds, as the case may be;

(v) no Extraordinary Resolution involving a Basic Terms Modification (other than where such Basic Terms Modification is of the kind specified in limb (i) of the definition thereof and where such Basic Terms Modification is passed by the holders of all affected Tranches of Bonds in accordance with (vi)) that is approved by the holders of one Tranche of Bonds shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Tranches of Bonds (to the extent that there are Bonds outstanding in each such other Tranche); and

(vi) an Extraordinary Resolution involving a Basic Terms Modification of the kind specified in limb (i) of the definition thereof may be approved by the holders of all Tranches of Bonds adversely affected by such Basic Terms Modification (but need not be approved by the holders of Tranches of Bonds which are not affected thereby).

At any time, the Bondholders holding all of the Bonds of any Series (the "**Appointing Bondholders**") may (provided that such Bondholders establish their holding to the satisfaction of the Bond Trustee (including, without limitation, by blocking their holdings in the relevant Clearing System)), by notice to the Bond Trustee designate a representative (a "**Bondholder Representative**") to exercise all the rights of the Appointing Bondholders to attend and vote at any meeting of the Bondholders or to vote on any Voting Matter (the "**Representative Rights**"). Such notice (an "**Appointing Notice**") must: (i) set out the identity and contact details of the Bondholder Representative; and (ii) be signed by the Appointing Bondholders and the Bondholder Representative. Alternatively, the Final Terms in respect of the Bondholders of a particular Series may specify the identity and contact details of the Bondholder Representative in respect of the Bonds of such Series.

The appointment of a Bondholder Representative may be terminated by notice to the Bond Trustee by Bondholders holding at least 25% of the Principal Amount Outstanding of Bonds of the relevant Series (provided that such Bondholders establish their holding to the satisfaction of the Bond Trustee (including, without limitation, by blocking their holdings in the relevant Clearing System)). Following such termination, Bondholders holding at least 75% of the Principal Amount Outstanding of Bonds of the relevant Series may (provided that such Bondholders establish their holding to the satisfaction of the Bond Trustee (including, without limitation, by blocking their holdings in the relevant Clearing System)) by notice to the Bond Trustee (such notice to contain the same information as an Appointing Notice *mutatis mutandis*) appoint a replacement Bondholder Representative in respect of such Series. Any such replacement Bondholder Representative shall be entitled to exercise the Representative Rights of the Bondholders holding all of the Bonds of the relevant Series.

For so long as a Bondholder Representative is appointed, the Bond Trustee shall rely on written instructions provided by the Bondholder Representative as to the exercise the Representative Rights of the Bondholders holding all of the Bonds of the relevant Series. The Bond Trustee shall be entitled to rely on a notice appointing a Bondholder Representative without further enquiry until it receives notice of the termination of the appointment of such Bondholder Representative in accordance with this Condition 13(a).

(b) **Modification, waiver and substitution:**

As set out in the Trust Deed and the STID (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders of any Sub-Class or (subject as provided below) any other Secured Creditor, concur with the Issuer or any other relevant parties in making (i) any modification to the Trust Deed, the Conditions, the Bonds, the Receipts, the Coupons or the Finance Documents if in the opinion of the Bond Trustee such modification is made to correct a manifest error or is of a formal, minor or technical nature; or (ii) any modification (other than in respect of a Basic Terms Modification) to the Trust Deed, the Conditions, the Bonds, the Receipts, the Coupons or any Finance Document if the Bond Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Bondholders of that Sub-Class then outstanding provided that to the extent such modification under (ii) above relates to an Entrenched Right, each of the Affected Secured Creditors has given its prior written consent or where any Bondholders are Affected Secured Creditors, the holders of each Tranche of Bonds affected thereby have sanctioned such modification.

The Bond Trustee is authorised to execute and deliver on behalf of the Bondholders all documentation required to implement such modification and such execution by the Bond Trustee shall bind each of the Bondholders of that Sub-Class as if such documentation had been duly executed by it.

As more fully set out in the Trust Deed and the STID (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders (subject as provided below) or any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Event of Default, from time to time and at any time but only if and insofar as in its opinion the interests of the holders of the Bonds then outstanding will not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Conditions or any Finance Document (subject always as provided in the STID) or other document to which the Bond Trustee is a party or in respect of which it holds security or determine that any event which would otherwise constitute an Issuer Event of Default shall not be treated as such for the purposes of the Trust Deed, provided that to the extent such event, matter or thing relates to an Entrenched Right, each of the Affected Secured Creditors has given its prior written consent and provided further that the Bond Trustee shall not exercise such powers in contravention of any express direction given by an Extraordinary Resolution or of a request in writing made by holders of not less than one-quarter in aggregate of the principal amount of the Class A Bonds then outstanding or, if there are no Class A Bonds outstanding, one-quarter in aggregate of the principal amount of the Class B Bonds then outstanding (but no such direction or request shall affect any waiver or authorisation previously given or made) or so as to authorise or waive any such proposed breach or breach relating to any Basic Terms Modification.

As more fully set forth in the Trust Deed (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders or any other Secured Creditor, also agree with the Issuer to the substitution of another corporation, being a holding company of the Issuer, any Subsidiary of such holding company or any Subsidiary of the Issuer, in place of the Issuer as principal debtor in respect of the Trust Deed and the Bonds.

14 Additional Right of Modification

Notwithstanding the provisions of Condition 13 (*Meetings of Bondholders, Modification, Waiver and Substitution*), the Bond Trustee shall be obliged, without any consent or sanction of the Bondholders, or, subject to Condition 14.5.3 below, any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to the Conditions or any Finance Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

14.1 for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:

14.1.1 the Issuer certifies in writing to the Bond Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

14.1.2 in the case of any modification to a Finance Document proposed by any of the Account Bank, the Cash Manager or any Liquidity Facility Provider in order: (x) to remain eligible to perform its role in such capacity in conformity with such criteria; and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(i) the Account Bank, the Cash Manager or the relevant Liquidity Facility Provider, as the case may be, certifies in writing to the Issuer or the Bond Trustee that such modification is necessary for the purposes described in Condition 14.1.2 (x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Bond Trustee that it has received the same from the Account Bank, the Cash Manager or the relevant Liquidity Facility Provider, as the case may be); and

(ii) either:

(a) the Account Bank, the Cash Manager or the relevant Liquidity Facility Provider, as the case may be, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Bond Trustee that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Series or Tranche of the Bonds by such Rating Agency and would not result in any Rating Agency placing any Bonds on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Bond Trustee; or

(b) the Issuer certifies in writing to the Bond Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in: (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Series or Tranche of the Bonds by such Rating Agency; or (y) such Rating Agency placing any Bonds on rating watch negative (or equivalent); and

(c) the party requesting such modification pays all costs and expenses (including legal fees) incurred by the Issuer and the Bond Trustee in connection with such modification;

14.2 for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 17 of the AIFMD, Article 51 of the AIFMR or Section 15G of the Securities Exchange Act of 1934, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to the CRR or the AIFMR or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Bond Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

14.3 for the purpose of enabling the Bonds to be (or to remain) listed on the relevant Stock Exchange, provided that the Issuer certifies to the Bond Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

14.4 for the purposes of enabling the Issuer to comply with the provisions of Rule 17g-5 of the Securities Exchange Act of 1934, as amended, provided that the Issuer certifies to the Bond Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect

14.5 for the purposes of enabling the Issuer to comply with the provisions of Rule 17g-5 of the Securities Exchange Act of 1934, as amended, provided that the Issuer certifies to the Bond Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

14.6 for the purpose of complying with any changes in the requirements of the Credit Rating Agencies Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the Credit Rating Agencies Regulation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Bond Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Issuer or the relevant party, as the case may be, pursuant to Conditions 14.1 to 14.5 above being a "**Modification Certificate**"), provided that:

14.6.1 at least 30 calendar days' prior written notice of any such proposed modification has been given to the Bond Trustee;

14.6.2 the Modification Certificate in relation to such modification shall be provided to the Bond Trustee both at the time the Bond Trustee is notified of the proposed modification and on the date that such modification takes effect; and

14.6.3 the consent of each Secured Creditor which has a right to consent to such modification pursuant to the provisions of the STID has been obtained,

and provided further that:

14.7 other than in the case of a modification pursuant to Condition 14.1.2(ii), either:

(a) the Issuer obtains from each of the Rating Agencies written confirmation (or certifies in the Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in: (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Tranche of the Bonds by such Rating Agency; or (y) such Rating Agency placing any Bonds on rating watch negative (or equivalent); or

(b) the Issuer certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in: (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Tranche of the Bonds by such Rating Agency; or (y) such Rating Agency placing any Bonds on rating watch negative (or equivalent); and

14.8 (I) the Issuer has provided at least 30 calendar days' notice to the Bondholders of each Tranche of Bonds of the proposed modification in accordance with Condition 19 (*Notices*) and by publication on Bloomberg on the "**Company News**" screen relating to the Bonds; and (II) Bondholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Tranche of Bonds then outstanding have not contacted the Bond Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Bonds may be held) within such notification period notifying the Bond Trustee that such Bondholders do not consent to the modification.

14.8.1 If Bondholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of any Tranche of Bonds then outstanding have notified the Bond Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Bonds may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Bondholders of any Tranche of Bonds then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Bondholders, Modification, Waiver and Substitution*).

14.8.2 Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Bond Trustee's satisfaction (having regard to prevailing market practices) of the relevant Bondholder's holding of the Bonds.

Other than where specifically provided in this Condition 14 (*Additional Right of Modification*) or any Finance Document:

14.9 when implementing any modification pursuant to this Condition 14 (*Additional Right of Modification*) (save to the extent the Bond Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Bond Trustee shall not consider the interests of the Bondholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant party, as the case may be, pursuant to this Condition 14 (*Additional Right of Modification*) and shall not be liable to the Bondholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

14.10 the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee would have the effect of: (i) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Bond Trustee in the Finance Documents and/or the Conditions.

Any such modification shall be binding on all Bondholders and shall be notified by the Issuer as soon as reasonably practicable to:

14.10.1 so long as any of the Bonds rated by the Rating Agencies remains outstanding, each Rating Agency;

14.10.2 the Secured Creditors; and

14.10.3 the Bondholders in accordance with Condition 19 (*Notices*).

15 Enforcement

No Bondholder, Receiptholder, Couponholder or other Secured Creditor is entitled to take any action against the Issuer or against any assets of the Issuer to enforce its rights in respect of the Bonds or to enforce any of the Security unless the Security Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. The Security Trustee shall, subject to its being indemnified and/or secured and/or pre-funded to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing: (a) at its discretion; or (b) upon being so directed by the Qualifying Secured Creditors in accordance with the STID, enforce the Security in accordance with the STID and the Security Documents.

None of the Bond Trustee, the Security Trustee, the Bondholders, the Receiptholders, the Couponholders or the other Secured Creditors may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding (except for the taking of any enforcement action under the STID including the appointment of a Receiver pursuant to the terms of the Security Documents and STID) or other proceeding under any similar law for so long as any Bonds are outstanding or otherwise than in accordance with the STID.

16 Indemnification of the Bond Trustee

The Trust Deed contains provisions for the indemnification of the Bond Trustee and for its relief from responsibility. The Bond Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Bond Trustee may rely without liability to Bondholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Bond Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Bond Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Bond Trustee and the Bondholders.

17 Replacement of Bonds, Certificates, Receipts, Coupons and Talons

If a Bond, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in Luxembourg (in the case of Bearer Bonds, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Bond, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Bonds, Certificates, Receipts, Coupons, Talons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Bonds, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

18 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them, the issue date, the issue price, the initial ISIN applied to them and the first Interest Accrual Period) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 18 and forming a single series with the Bonds.

19 Notices

Notices to the holders of Registered Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Bonds shall be valid if published in a leading, English language, newspaper published daily in Dublin (which is expected to be *The Irish Times*). If in the opinion of the Bond Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Bonds in accordance with this Condition 19 (*Notices*).

20 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

21 Governing Law and Jurisdiction

(a) **Governing Law:** The Trust Deed, the STID, the Bonds, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) that may arise out of or in connection with any Bonds, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Bonds, Receipts, Coupons or Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has, in the STID, irrevocably submitted to the jurisdiction of such courts.

(c) **Service of Process:** Each of the Issuer and the Guarantor has, in the STID, irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

CHAPTER 10
FORM OF FINAL TERMS

[**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**MiFID II product governance / Professional investors and ECPs only target market -** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

Ellevio AB (publ)
Legal entity identifier (LEI): [●]

Issue of **[Aggregate Nominal Amount of Sub-Class] [Title of Bonds]**
Guaranteed by Ellevio Holding 4 AB
under the **EUR 10,000,000,000 Multicurrency Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [●] 2020 [and the supplement(s) to it dated [●]] which [together] constitute[s] a Prospectus (the "**Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Bonds [described herein for the purposes of the Prospectus Regulation][93] and must be read in conjunction with the Prospectus in order to obtain all the relevant information. The Prospectus has been published on the website of Euronext Dublin (www.ise.ie).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") contained in the Bond Trust Deed dated 2 September 2016 and set forth in the Prospectus dated [2 September 2016 and the supplement to it dated 30 December 2016]/[18 December 2017 and the supplement

[93] Wording to be deleted where non-Prospectus Regulation Bonds are issued.

to it dated 26 January 2018] which are incorporated by reference in the Prospectus dated [●] 2020. This document constitutes the Final Terms of the Bonds described herein for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with the Prospectus dated [●] 2020 [and the base prospectus supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, (the "**[Base] Prospectus**") in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Prospectus dated [2 September 2016 and the supplement to it dated 30 December 2016]/[18 December 2017 and the supplement to it dated 26 January 2018]. The [Base] Prospectus [, the supplement(s) dated [●]] [and the Final Terms] [has/have] been published on the website of the Euronext Dublin at www.ise.ie and [is/are] available for viewing during normal business hours at 32 Molesworth Street, Dublin 2, Ireland (being the registered office of the Issuer).]

1	(i)	Issuer:	Ellevio AB (publ)
	(ii)	Guarantor:	Ellevio Holding 4 AB
2	(i)	Series Number:	[●]
	(ii)	Sub-Class Number:	[●]
	(iii)	[Sub-Class Number for the purposes of consolidation under Condition [1][b]]	[●]
	(iv)	[Date on which become consolidated under Condition [1][(b)]]	[Not applicable/The Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/the exchange of the Temporary Global Bond for the Permanent Global Bond, as referred to in paragraph [19] below [which is expected to occur on or about [●]]]
3		Specified Currency or Currencies:	[●]
4		Aggregate Nominal Amount:	[●]
	(i)	Series:	[●]
	(ii)	Sub-Class:	[●]
	(iii)	Tranche:	[●]
5		Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i)	Specified Denominations:	[●] [€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Bonds in definitive form will be issued with a denomination above [€199,000].]
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date	[[●]/Issue Date/Not Applicable]
8		Maturity Date:	[●]

9	Interest Basis:	[[●] per cent. Fixed Rate] [[●] month [LIBOR/EURIBOR/STIBOR/NIBOR]] +/– [●] per cent. Floating Rate] [Index-Linked]
10	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Bonds will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.] [Index-Linked Redemption]
11	Change of Interest Basis:	[For the period from (and including) the Interest Commencement Date, up to (but excluding) [●] paragraph [13/14] applies and for the period from (and including) [●], up to (and including) the Maturity Date, paragraph [13/14] below applies]/[Not Applicable]
12	Call Option:	[Call Option] [Not Applicable]
13	(i) Status:	Class [A / B]
	(ii) [Date [Board] approval for issuance of Bonds [and Guarantee] obtained:	[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Bond Provisions:	[Applicable/Not Applicable]
	(i) Rate[(s)] of Interest:	[[●] per cent. per annum payable in arrear on each Interest Payment Date]
	(ii) Interest Payment Date(s):	[●] in each year
	(iii) Screen Rate Determination:	

	– Reference Rate:	[●][LIBOR/EURIBOR/STIBOR/NIBOR] [*If using a reference rate other than LIBOR, EURIBOR, STIBOR or NIBOR, insert:* Amounts payable under the Bonds are calculated by reference to [*specify benchmark*], which is provided by [*administrator legal name*]. As at the date of these Final Terms, [*administrator legal name*] [appears][does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**"). [*Additional explanatory language to be included when the statement is negative:* As far as the Issuer is aware, [[*insert benchmark(s)*] [does/do] not fall within the scope of the BMR by virtue of Article 2 of that regulation] OR [the transitional provisions in Article 51 of the BMR apply], such that [insert names(s) of administrator(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	(iv) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(v) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(vi) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual][Actual/Actual (ISDA)][Actual/365 (Fixed)][Actual/365 (Sterling)] [Actual/360][30/360][360/360] [Bond Basis] [30E/360][Eurobond Basis][30E/360 (ISDA)]
	(vii) [Determination Date[s]:	[●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
	(viii) Reference Banks:	[●]
	(ix) [Ratings Step-up/Step-down:	[Applicable/Not Applicable]]
	[Step-up/Step-down Margin:	[●] per cent. per annum]]
15	Floating Rate Bond Provisions:	[Applicable/Not Applicable]
	(i) Interest Period(s):	[[●][, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]

(ii)	Specified Interest Payment Dates:	[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
(iii)	Interest Period Date:	[Not Applicable]/[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
(iv)	First Interest Payment Date:	[●]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
(vi)	Business Centre(s):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[●]
(ix)	Screen Rate Determination:	
– Reference Rate:		[[●] month [LIBOR/EURIBOR/STIBOR/NIBOR]]
– Interest Determination Date(s):		[●]
– Relevant Screen Page:		[●]
(x)	ISDA Determination:	
– Floating Rate Option:		[●]
– Designated Maturity:		[●]
– Reset Date:		[●]
(xi)	[Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation]
(xii)	Margin(s):	[+/-][●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
(xv)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual][Actual/Actual (ISDA)][Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360][30/360][360/360] [Bond Basis] [30E/360][Eurobond Basis][30E/360 (ISDA)]
(xvi)	[Ratings Step-up/Step-down:	[Applicable/Not Applicable]
[– Step-up/Step-down Margin:		[●] per cent. per annum]]

	(xvii)	Reference Banks	[●]
16	Index-Linked Bond Provisions:		[Applicable/Not Applicable]
	(i)	Index:	[Swedish Consumer Price Index]
	(ii)	Base Index Figure:	[●]
	(iii)	Screen Rate Determination:	
	– Reference Rate:		[●][LIBOR/EURIBOR/STIBOR/NIBOR]
	– Interest Determination Date(s):		[●]
	– Relevant Screen Page:		[●]
	– Relevant Time:		[●]
	(iv)	ISDA Determination:	
	– Floating Rate Option:		[●]
	– Designated Duration (if other than the relevant Interest Period):		[●]/Not Applicable
	– Reset Date:		[●]
	[– ISDA Definitions		[2000/2006]]
	(v)	Index Figure applicable:	[As determined in accordance with Condition 7(a) (*Definitions*); [3/8] months lag applies]
	(vi)	Interest Rate:	[[●] per cent. (as adjusted for indexation in accordance with Condition 7 (*Indexation*))]/[Fixed, calculated in accordance with paragraph 13 above]/[Floating, calculated in accordance with paragraph 14 above]]
	(vii)	Representative Amount:	[●]
	(viii)	Reference Banks:	[●]
	(ix)	Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank):	[Not Applicable/Calculation Agent]
	(x)	Provisions for determining Interest in the event of changes in disruptions, cessation of or fundamental changes to the lender:	Applicable – Condition 7(c) (*Changes in Circumstances Affecting the Index*) dated 7(e) (*Cessation of or Fundamental Changes to the Index*)
	(xi)	Interest Payment Dates:	[●]
	(xii)	First Interest Payment Date:	[●]
	(xiii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(xiv)	Business Centres:	[●]
	(xv)	Minimum Indexation Factor:	[Not Applicable/[●]]

(xvi)	Maximum Indexation Factor:	[Not Applicable/[●]]
(xvii)	Limited Indexation Month(s):	[●]
(xviii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual]360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]
(xix)	Determination Date(s):	[●]

PROVISIONS RELATING TO REDEMPTION

17	Call Option:	[Applicable in accordance with Condition 8 (*Redemption, Purchase and Options*)/Not Applicable]
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Bond:	[●] per Calculation Amount [Condition 6(g) (*Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*) applies] [Modified Redemption Amount]
[(A)	Reference Bond:	[●]]
[(B)	Quotation Time:	[●]]
[(C)	Redemption Margin:	[[●] per cent.]]
[(D)	Determination Date:	[●]]
[(E)	Reference Dealers:	[●]]
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	[[Not Applicable]/[●] per Calculation Amount]
(b)	Maximum Redemption Amount:	[[Not Applicable]/[●] per Calculation Amount]
(iv)	Notice period:	[●] days
(v)	Modified Redemption Amount	[[●] per Calculation Amount][Not Applicable]
	Final Redemption Amount of each Bond:	[●]/[Par] per Calculation Amount
(i)	Index:	[Swedish Consumer Price Index]
(ii)	Party responsible for calculating the Redemption Amount (if not the Agent Banks):	[Not Applicable]/[[●] as Calculation Agent]
(iii)	Provisions for determining Redemption Amount where calculated by reference to Index:	The Redemption Amount of each Bond shall be determined in accordance with Condition 8(h) (*Redemption at the Option of the Issuer*)

	(iv)	Determination Date(s):	[●]
	(v)	Provisions for determining Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	Applicable – Conditions 7(c) (*Changes in Circumstances Affecting the Index*) and 7(e) (*Cessation of or Fundamental Changes to the Index*)
	(vi)	Payment Date:	[●]
	(vii)	Minimum Redemption Amount:	[●] per Calculation Amount
	(viii)	Maximum Redemption Amount:	[●] per Calculation Amount
18		Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default:	[●]/[Par] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE BONDS

19	Form of Bonds:	**Bearer Bonds:** [Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond] [Temporary Global Bond exchangeable for Definitive Bonds on [●] days' notice] [Permanent Global Bond exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond] **Registered Bonds:** [Regulation S Global Bond (US$/€[●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]] [CDS]
20	New Global Bond:	[Yes]/[No]
21	Financial Centre(s):	[[Not Applicable]/[●]
22	Talons for future Coupons to be attached to Definitive Bonds (and dates on which such Talons mature):	[No/Yes. As the Bonds have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]
23	Bondholder Representative:	[Not Applicable]/[Yes. In accordance with Condition 13(a), the Bondholder Representative shall be [●] and the contact details of the Bondholder Representative are: [●]]

24	Security	As continuing security for the due and punctual fulfilment of the Secured Liabilities incurred to the Bondholders, the Issuer (in its capacity as Security Group Agent) hereby (on behalf of itself and each relevant Obligor) irrevocably and unconditionally pledges (with the priority as between the Secured Creditors as set out in the STID) to the Bondholders holding the Bonds described herein, represented by the Security Trustee, the Charged Property subject to Borrower Security under each Security Document governed by Swedish law, under and in accordance with the terms of each such Security Document.

THIRD-PARTY INFORMATION

[(*Relevant third-party information*) has been extracted from (source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Ellevio AB (publ):

By: ....

Duly authorised

Signed on behalf of Ellevio Holding 4 AB:

By: ....

Duly authorised

PART B – OTHER INFORMATION

1 **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	[●]
(ii)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Bonds to be admitted to the official list of Euronext Dublin and trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin with effect from [●].] [Application will be made by the Issuer (or on its behalf) for the Bonds to be admitted to the official list of Euronext Dublin and trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin with effect from [●].] [Other] [Not Applicable]
(iii)	Estimate of total expenses related to admission to trading:	[●]

2 **RATINGS**

Ratings:	[[The Bonds to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Bonds of this type issued under the Bond Programme generally]]: [S & P: [●]] [*Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*]

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer. Certain of the [Managers/Dealers] and their Affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its Affiliates in the ordinary course of business. Certain of the [Managers/Dealers] and their Affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Obligors, the Issuer and their respective Affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the [Managers/Dealers] and their Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Obligors, the Issuer or their respective Affiliates. Certain [Managers/Dealers] or their Affiliates that have a lending relationship with the Obligors and/or the Issuer routinely hedge their credit exposure to the Obligors and/or the Issuer consistent with their customary risk management policies. Typically, such [Managers/Dealers] and their Affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such positions could adversely affect future trading prices of the Bonds or whether a specified barrier or level is reached. The [Managers/Dealers] and their Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.]

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer:	[●] [See “Use of Proceeds” in [Base] Prospectus/*give details if reasons for the offer are different from what is disclosed*]

[If relevant in the applicable Final Terms, the following language shall be included].

[[Net proceeds from the issue of the Series [●] Bonds (the "**Green Bonds**") will be allocated to part of or the whole of the financing or refinancing of, and/or investment in, the Eligible Green Portfolio (as defined below) meeting the Eligibility Criteria (as defined below).

"**Eligible Green Projects and/or Assets**" means projects or assets with environmental and/or sustainability benefits and which meet the Eligibility Criteria.

"**Eligible Green Portfolio**" means a portfolio of one or more Eligible Green Projects and/or Assets.

"**Eligibility Criteria**" means the criteria prepared by the Issuer as set out in the Ellevio Green Bond Framework (available on the Issuer's website at: https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/).

CICERO Shades of Green has reviewed the Eligibility Criteria published as at the date of this Prospectus and has issued an opinion dated 6 November 2019 which confirmed that the Ellevio Green Bond Framework is in alignment with the Green Bond Principles published by ICMA (the "**External Review**"). The External Review is available on the Issuer's website at https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/.

Pending allocation of the net proceeds of an issue of Green Bonds for investment in the Eligible Green Portfolio, the Issuer will hold such net proceeds in a separate bank account (the “**Green Account**”), the balance of which shall be managed according to the Issuer’s liquidity and liability management process based on its financial policy. The Issuer will establish systems to monitor and account for the net proceeds for investment in the Eligible Green Portfolio meeting the Eligibility Criteria.

The Issuer is expected to issue a report on: (i) the Eligible Green Portfolio to which proceeds of Green Bonds have been allocated and the amounts allocated; (ii) the expected impact of the Eligible Green Portfolio on the environment; and (iii) the balance of unallocated cash and/or cash equivalent investments. Such report will be published annually on the Issuer’s website https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/.]

Estimated net proceeds:	[●]

5 [***Fixed Rate Bonds only*** – **YIELD**

Indication of yield:	[●] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 **USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

Use of proceeds of this offer:	[●]
Estimated net proceeds:	[●]
Estimated total expenses:	[●]

7 **OPERATIONAL INFORMATION**

ISIN:	[●]
Common Code:	[●]
[Insert here any other relevant codes such as CUSIP and CINS codes]	[●]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable]/[●]/[CDS]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]

Names and address of Calculation Agent (if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as a common safekeeper,)][include this text for registered bonds] and does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/[No. While the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Bonds are capable of meeting them, the Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as a common safekeeper,)][include this text for registered bonds]. Note that this does not necessarily mean that the Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

8 **DISTRIBUTION**

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated:	
(A) Names of Managers:	[Not Applicable]/[●]
(B) Stabilisation Manager(s) (if any):	[Not Applicable]/[●]
(iii) If non-syndicated, name of Dealer:	[Not Applicable]/[●]
(iv) US Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA C/TEFRA D/TEFRA not applicable]
(v) Additional Selling Restrictions	[Not Applicable]/[The Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]/[The Bonds may only be offered, sold or distributed by the Managers on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable]

CHAPTER 11
PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

Clearing System Accountholders

References in the Conditions of the Bonds to "Bondholder" are references to the bearer of the relevant Global Bond or the person shown in the records of the relevant clearing system as the holder of the Registered Global Bond.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system indicated in the applicable Final Terms including CDS Clearing and Depositary Services Inc. ("**CDS**"), as the case may be (each a "**Clearing System**"), as being entitled to an interest in a Global Bond or a Registered Global Bond (each an "**Accountholder**") must look solely to the relevant Clearing System for such Accountholder's share of each payment made by the Issuer to such Accountholder and in relation to all other rights arising under the Global Bond or Registered Global Bond. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Bond or Registered Global Bond will be determined by the respective rules and procedures of the relevant Clearing System. For so long as the relevant Bonds are represented by a Global Bond or Registered Global Bond, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Bonds and such obligations of the Issuer will be discharged by payment to the bearer of the Global Bond or the registered holder of the Registered Global Bond, as the case may be.

Amendment to Conditions

Global Bonds will contain provisions that apply to the Bonds which they represent, some of which modify the effect of the Conditions of the Bonds as set out in this Prospectus. The following is a summary of certain of those provisions:

- *Meeting*: The holder of a Global Bond or Registered Global Bond shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of a Global Bond or Registered Global Bond shall be treated as having one Vote in respect of each minimum denomination of Bonds for which such Global Bond or Registered Global Bond may be exchanged.

- *Cancellation*: Cancellation of any Bond represented by a Global Bond or Registered Global Bond that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Bond or Registered Global Bond.

- *Notices*: So long as any Bonds are represented by a Global Bond or Registered Global Bond and such Global Bond or Registered Global Bond is held on behalf of the relevant Clearing System, notices to the Bondholders may be given, subject always to listing requirements, by delivery of the relevant notice to the relevant Clearing System for communication by it to entitled Accountholders in substitution for publication as provided in the Conditions. Any such notice will be deemed given on the date it is delivered to the relevant Clearing System.

- *Payment*: For the purpose of any payments made in respect of a Global Bond, the relevant place of presentation shall be disregarded in the definition of "business day".

All payments in respect of any Bond represented by a Registered Global Bond will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business

Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive (except 25 December and 1 January).

CHAPTER 12
USE OF PROCEEDS

The proceeds from each issue of Bonds by the Issuer under the Bond Programme will be applied by it for the general corporate purposes of Ellevio. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

If, in respect of an issue of Bonds, there is a particular use of proceeds, this will be stated in the applicable Final Terms.

Where the applicable Final Terms denote a Series of Bonds as "Green Bonds" ("**Green Bonds**"), the allocation of net proceeds from such issue of Bonds will be to part of or the whole of the financing and/or refinancing of, and/or investment in, the Eligible Green Portfolio (as defined below) meeting the Eligibility Criteria (as defined below).

For the purposes of this Chapter:

"**Eligibility Criteria**" means the criteria prepared by the Issuer as set out in the Ellevio Green Bond Framework (available on the Issuer's website at: https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/).

"**Eligible Green Portfolio**" means a portfolio of one or more Eligible Green Projects and/or Assets.

"**Eligible Green Projects and/or Assets**" means projects or assets with environmental and/or sustainability benefits and which meet the Eligibility Criteria.

CICERO Shades of Green has reviewed the Eligibility Criteria published as at the date of this Prospectus and has issued an opinion dated 6 November 2019 which confirmed that the Ellevio Green Bond Framework is in alignment with the Green Bond Principles published by ICMA (the "**External Review**"). The External Review is available on the Issuer's website at https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/.

Pending allocation of the net proceeds of an issue of Green Bonds for investment in the Eligible Green Portfolio, the Issuer will hold such net proceeds in a separate bank account (the "**Green Account**"), the balance of which shall be managed according to the Issuer's liquidity and liability management process based on its financial policy. The Issuer will establish systems to monitor and account for the net proceeds for investment in the Eligible Green Portfolio meeting the Eligibility Criteria.

The Issuer is expected to issue a report on: (i) the Eligible Green Portfolio to which proceeds of Green Bonds have been allocated and the amounts allocated; (ii) the expected impact of the Eligible Green Portfolio on the environment; and (iii) the balance of unallocated cash and/or cash equivalent investments. Such report will be published annually on the Issuer's website at https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/.

CHAPTER 13
DESCRIPTION OF THE GUARANTOR

The Guarantor was incorporated in Sweden on 26 February 2015 (registered number 559005-2451) as a private limited liability company under the Swedish Companies Act (as amended). The registered office of the Guarantor is at Valhallavägen 203, 115 53 Stockholm. The telephone number of the Guarantor's registered office is +46 (0) 86 06 00 00.

Ownership

As at the date of this Prospectus, the issued share capital of the Guarantor comprises 50,000 ordinary shares of one Swedish Krona each, all of which are beneficially owned by Ellevio Holding 3 AB.

Business Activities and Subsidiaries

The Guarantor is a holding company with no material, direct business operations other than raising external funding for the Group through debt finance.

The Guarantor is the beneficial owner of the entire issued share capital of the Issuer.

The Guarantor will covenant to observe certain restrictions on its activities which are set out in the Trust Deed and the Conditions.

The Auditors of the Guarantor are Ernst & Young AB.

Corporate Governance

The following table sets out the directors of the Guarantor and their respective business addresses and occupations:

Name	Position	Position(s) Outside the Guarantor	Business Address
Sören Mellstig	Chairman of the Board of Directors	Chairman of the Board of Directors of Ellevio AB, CellaVision AB, Humana AB. Remeo AB, Delivery 1 AB and Impilo Holding AB.	Healthinvest Partners AB, Biblioteksgatan 29, 8 floor, 114 35 Stockholm
Anna Belfrage	Member of the Board of Directors	Member of the Board of Directors of Ellevio AB, Mycronic AB, Note AB, Serneke AB and Isofol AB.	Stora Nygatan 30, 211 37 Malmö
Lars Clausen	Member of the Board of Directors	Member of the Board of Directors of Ellevio AB and Energinet and Senior Advisor to OMERS Infrastructure and Qvartz.	Marianelundsvej 13, 3460 Birkeröd, Denmark

Name	Position	Position(s) Outside the Guarantor	Business Address
Göran Hägglund	Member of the Board of Directors	Member of the Board of Directors of Ellevio AB, Chairman of the Board Feelgood Svenska AB, Samtrafiken, Member of the Board of FRISQ, Forska! Sverige, Sparbankstiftelsen Alfa.	Källarpsgatan 19, 554 46 Jönköping
Michael Mc Nicholas	Member of the Board of Directors	Member of the Board of Directors of Ellevio AB. Managing Director Asset Management of Omers Infrastructure	Omers Infrastructure Ltd., The Leadenhall Building, Floor 29, 122 Leadenhall Street, London, EC3V 4AB
Sten Olsson	Member of the Board of Directors	Member of the Board of Directors of Ellevio AB. Chairman of the National Property Board. Member of the Board of Directors Sinoma Fastighets AB and Deputy Member of the Board of Directors in Kvarnholmen Utvecklings AB, Tornet Bostadsproduktion AB and CEO of Nyköping-Östgötalänken AB	Folksam, Bohusgatan 14, 106 60 Stockholm
Karin Jarl Månsson	Member of the Board of Directors	Member of the Board of Directors of the Board of Directors of Ellevio AB, System Verification and FC Rosengård and Head of Smart Infrastucture Accelerator Nordic and Baltic at Siemens.	Byahornsgränd 5 216 23 Malmö
Alastair Hall	Deputy Member of the Board of Directors	Deputy Member of the Board of Directors of Ellevio AB, Managing Director Asset Management of Omers Infrastructure	Omers Infrastructure Ltd., The Leadenhall Building, Floor 29, 122 Leadenhall Street, London, EC3V 4AB

Name	Position	Position(s) Outside the Guarantor	Business Address
Henrik Nordlander	Deputy Member of the Board of Directors	Deputy Member of the Board of Directors of Ellevio AB, Senior Portfolio Manager at AP3	Tredje AP fonden Vasagatan 7 111 91 Stockholm
Johan Temse	Deputy Member of the Board of Directors	Deputy Member of the Board of Directors of Ellevio AB, Head of Real Assets at AP1	Första AP-fonden, Regeringsgatan 28, 103 25 Stockholm
Birgitta Stenmark	Deputy Member of the Board of Directors	Deputy Member of the Board of Directors of Ellevio AB. Head of Alternative Investments Folksam.	Folksam, Bohusgatan 14, 106 60 Stockholm

Conflicts

There are no potential conflicts of interest between any duties to the Guarantor of its directors or the company secretaries and their private interests or other duties.

CHAPTER 14
DESCRIPTION OF THE HEDGE COUNTERPARTIES

1 BNP Paribas

BNP Paribas is a French multinational bank and financial services company with its registered office located at 16 boulevard des Italiens 75009 Paris, France, and its corporate website in English is http://www.bnpparibas.com/en.

BNP Paribas, together with its consolidated subsidiaries (the "BNP Paribas Group") is a global financial services provider, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialized and other financial activities throughout the world.

The BNP Paribas Group, one of Europe's leading providers of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It operates in 71 countries and has more than 201,000 employees, including more than 153,000 in Europe. BNP Paribas holds key positions in its two main businesses:

- **Retail Banking and Services, which includes:**
  - Domestic Markets comprising:
    - French Retail Banking (FRB),
    - BNL banca commerciale (BNL bc), Italian retail banking,
    - Belgian Retail Banking (BRB),
    - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
  - International Financial Services, comprising:
    - Europe-Mediterranean,
    - BancWest,
    - Personal Finance,
    - Insurance,
    - Wealth and Asset Management;
- **Corporate and Institutional Banking (CIB):**
    - Corporate Banking,
    - Global Markets,
    - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group.

At 30 June 2019, the BNP Paribas Group had consolidated assets of €2,373 billion (compared to €2,044 billion at 1 January 2019), consolidated loans and receivables due from customers of €794 billion (compared to €766 billion at 1 January 2019), consolidated items due to customers of €833 billion (compared to €797 billion at 1 January 2019) and shareholders' equity (Group share) of €104.1 billion (compared to €101.3 billion at 1 January 2019).

At 30 June 2019, pre-tax income was €6.1 billion (compared to €5.7 billion at the end of June 2018). Net income, attributable to equity holders, for the first half 2019 was €4.4 billion (compared to €3.9 billion for the first half 2018).

The BNP Paribas Group currently has Long Term Senior Preferred debt ratings of "A+" with stable outlook from S&P, "Aa3" with stable outlook from Moody's Investors Service, Inc. and "AA-" with stable outlook from Fitch Ratings, Ltd and "AA (low)" with stable outlook from DBRS.

The information contained in this section relates to and has been obtained from BNP Paribas. The information concerning BNP Paribas and the BNP Paribas Group contained herein is furnished solely to provide limited introductory information regarding BNP Paribas and the BNP Paribas Group and does not purport to be comprehensive.

For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to http://invest.bnpparibas.com/en.

2 Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce ("**CIBC**") is a diversified financial institution governed by the Bank Act (Canada) (the "**Bank Act**"). CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of CIBC is Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2.

CIBC is a leading Canadian-based global financial institution. As set out in the Bank Act, its corporate purpose is to act as a financial institution throughout Canada and can carry on business, conduct its affairs and exercise its powers in any jurisdiction outside Canada to the extent and in the manner that the laws of that jurisdiction permit. Through its four strategic business units – Canadian Personal and Small Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management and Capital Markets - CIBC provides a full range of financial products and services to 10 million personal banking, business, public sector and institutional clients in Canada, the United States and around the world.

As at 31 January 2020, CIBC had total assets of C$392.948 billion, total deposits of C$497.899 billion and common shareholders' equity of C$39.039 billion.

The short term senior unsecured and unguaranteed obligations of CIBC are, as at the date of this Prospectus, rated P-1 by Moody's, A-1 by Standard & Poor's USA and F1+ by Fitch and the long term senior unsecured and unguaranteed obligations of CIBC are rated Aa2 by Moody's, A+ by Standard & Poor's USA and AA- by Fitch.

The principal place of business of Canadian Imperial Bank of Commerce, London Branch ("**CIBC, London Branch**") in the United Kingdom is 150 Cheapside, London EC2V 6ET. CIBC, London Branch is engaged in commercial and investment banking to both Canadian and European clients.

CIBC is regulated by the Office of the Superintendent of Financial Institutions ("**OSFI**") in Canada and CIBC, London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

3 Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB)

Crédit Agricole Corporate and Investment Bank is a limited liability company incorporated in France as a "société anonyme" incorporated under, and governed by, the laws of France, whose registered office is at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France. Crédit Agricole Corporate and Investment Bank is registered at the Trade and Commercial Register of Nanterre (France) under the number 304 187 701.

Crédit Agricole CIB is the Corporate and Investment Banking arm of the Crédit Agricole Group, the world's #12 bank measured by Tier One Capital (The Banker, July 2019).

Crédit Agricole CIB offers its clients a large range of products and services in capital markets, investment banking, structured finance and corporate banking.

The Corporate and Investment Bank is structured around six major divisions:

- Client Coverage & International Network,
- International Trade & Transaction Banking,
- Global Investment Banking,
- Structured Finance,
- Fixed Income Markets,
- Debt Optimisation and Distribution.

The Bank provides support to clients in large international markets through its network with a presence in major countries in Europe, America, Asia Pacific and the Middle East.

Global Markets handles all sales and trading activities on the primary and secondary markets (rates, credit, foreign exchange, fixed-income, securitisation and treasury) for products designed for corporates, financial institutions and large issuers. These trading and sales entities are supported by dedicated research departments.

4 Danske Bank A/S

Danske Bank A/S ("Danske") was founded in Denmark and registered on 5 October 1871 and has, through the years, merged with a number of financial institutions. It is a commercial bank with limited liability and carries on business under the Danish Financial Business Act. Danske is registered with the Danish Business Authority.

The registered office of Danske is at 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark, with telephone number +45 33 44 00 00 and Danish corporate registration number 61126228.

Danske's shares are listed on the Nasdaq Copenhagen A/S and is part of the OMX C25 index. At year-end 2019 Danske had approximately 284,000 shareholders. According to the Danish Companies Act, shareholders must notify a company if their shareholding exceeds 5 per cent. of the company's share capital or higher percentages divisible by 5. One shareholder group has notified Danske that they hold or represent more than 5 per cent. of its share capital at the end of 2019:

- A.P. Møller and Chastine Mc-Kinney Møller Foundation, and companies of the A.P. Møller-Holding Group, Copenhagen, held greater than (directly and indirectly) 20 per cent.; and

As of 31 December 2019, the ten largest shareholders hold 41 per cent. of the shares. Shareholders by geography is divided as follows: 53 per cent. in Denmark, 18 per cent. in USA, nine per cent. in the UK, 15 per cent. in RoW and five per cent. in Other. At the same date, market capitalisation amounted to DKK 92 billion.

Danske is a Nordic universal bank with bridges to the rest of the world. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities.

The Group consists of a number of business units and support functions. The business units are segmented according to customers, legislation and products and services characteristics:

Personal Banking serves personal and private banking customers. The unit focuses on providing proactive advice to customers and making day-to-day banking simple and efficient through innovative digital solutions.

Business Banking serves small and medium-sized businesses through a large network of national finance centres, branches, contact centres and online channels. The unit offers leading solutions within financing, investing, cash management and risk management.

Corporates & Institutions serves large Nordic corporate and institutional clients in the Nordic countries and beyond. This wholesale division of the bank provides strategic advice, financial solutions and products within Capital Markets, Fixed Income, Currencies and Commodities, and Transaction Banking.

Wealth Management develops and sells asset and wealth management products and services that are marketed through Personal Banking and directly to businesses, institutional clients and third-party distributors. Danske Capital also supports the advisory and asset management activities of Personal Banking. The unit serves the Group's entire customer base and encompasses expertise from Futur Pension (previously Danica Pension), Danske Capital and Private Banking. Futur Pension carries out the Group’s activities in the life insurance and pensions market and serves both personal and business customers. Its products are marketed through a range of channels in the Group, primarily Personal Banking and Futur Pension’s own insurance brokers and advisers. Futur Pension offers unit-linked products that allow customers to select their own investment profiles and the return on savings depends on market trends.

5 Deutsche Bank AG, London Branch

Deutsche Bank Aktiengesellschaft (“Deutsche Bank” or the “Bank”) originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank has its registered office in Frankfurt am Main and maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main, and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo, Hong Kong and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, property finance companies, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the Deutsche Bank Group).

As of 31 March 2019, Deutsche Bank’s subscribed capital amounted to €5,291 million consisting of 2,066.8 million ordinary shares without par value on the basis of International Financial Reporting Standards (unaudited consolidated interim financial standards). The shares are fully paid up and in registered form. Deutsche Bank shares are sold in Germany and U.S.A. Deutsche Bank is authorized to conduct banking business and to provide financial services as set forth in the German Banking Act (“Kreditwesengesetz”) and, in the United Kingdom, by the Prudential Regulation Authority. It is subject to supervision by the European Central Bank, by the BaFin (Germany’s Federal Financial Supervisory Authority), by the Deutsche Bundesbank, Germany’s central bank, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority.

Deutsche Bank is a joint stock corporation with limited liability incorporated in the Federal Republic of Germany. It is registered in the Commercial Register of the District Court Frankfurt am Main, HRB No. 30 000;

with branch registration in England and Wales BR000005 and its registered address at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG, London Branch is a member firm of the London Stock Exchange. Details about the extent of Deutsche Bank's authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available on request.

6 DNB Bank ASA

DNB Bank ASA, as part of the DNB Group, is a public limited company (in Norwegian: allmennaksjeselskap) incorporated under the laws of the Kingdom of Norway on 10th September, 2002 with registration number 981 276 957. The registered office of the Issuer is at Dronning Eufemias gate 30, N-0021 Oslo, Norway.

The DNB Group is Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalisation. DNB offers a full range of financial services, including loans, savings, advisory services, real estate broking, insurance and pension products for retail and corporate customers and the public sector. DNB's bank branches in Norway, in-store postal and banking outlets, post office counters, Internet banking, mobile services and international offices ensure that we are present where our customers are. We are a major operator in a number of industries, for which we also have a Nordic or international strategy.

DNB Bank Group had total assets of NOK 2,915 billion and a share capital of NOK 15.8 billion, as of the unaudited Third Quarter Report 2019 as per 24.10.2019.

DNB ratio	2019 Q3 figures as below:
Cost/income ratio	38.8 %
Return on equity, annualised	10.9%
Leverage Ratio, Basel III	7.1 %

The senior long-term unsecured debt of DNB Bank ASA has been rated long term: AA- and short term: A-1+ (stable outlook) by Standard & Poor's Ratings Services and long term: Aa2 and short term: P-1 (stable outlook) by Moody's Investors Service. More information regarding DNB Bank ASA rating can be found here. DNB's common shares are listed on the stock exchange in Oslo, Oslo Børs, under the ticker "DNB".

Copies of the most recent financial statements may be downloaded from https://www.ir.dnb.no/press-and-reports/financial-reports, or by calling +47 915 04800.

7 HSBC Bank plc

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a company limited by shares in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered as a public limited company and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. As at the date of this Prospectus, the Group serves customers worldwide across 64 countries and territories in Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US$2,715bn at 31 December 2019, HSBC is one of the world's largest banking and financial services organisations.

The short term senior unsecured and unguaranteed obligations of HSBC Bank `plc are, as at the date of this Prospectus, rated P-1 by Moody's and A-1+ by Standard & Poor's and HSBC Bank plc has a short term issuer default rating of F1+ from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated Aa3 by Moody's and AA- by Standard & Poor's and HSBC Bank plc has a long term issuer default rating of A+ from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

8 ING Belgium SA/NV

ING Belgium SA/NV is a credit institution existing under the laws of the Kingdom of Belgium, with registered office at 1000 Brussels, Avenue Marnix 24, Belgium, registered with the Crossroad Bank for enterprises under number RLE 0403.200.393 (RLE Brussels).

ING Belgium SA/NV is one of the major commercial banks in Belgium, offering a full range of banking services to both retail and corporate clients, including a wide range of financial market products. ING Belgium’s activities can be divided into two segments. (i) Retail Banking: ING Belgium SA/NV is a universal direct bank that provides services to all types of customers, and apart from its branch network, ING Belgium SA/NV uses the internet and mobile channels as retail channels; and (ii) Wholesale Banking: large corporates and institutional investors are another core customer segment of ING Belgium, the Wholesale Banking in Belgium is fully integrated in terms of sectors and products into the global Wholesale Banking network which spans over 40 countries (more information on ING Wholesale Banking globally can be found on www.ingwb.com). The two segments are supported by Information Technology Services, Business Support. Product Management and Client Services.

ING Belgium SA/NV has a solid capital base, with a Tier 1-ratio of 14.28% and a total capital ratio of 18.27% (under Basel III, 3Q19). The senior long-term unsecured debt of ING Belgium SA/NV has been assigned ratings of A+ (stable outlook) by Standard & Poor’s Ratings Services, Aa3 (stable outlook) by Moody’s Investors Service and A+ (stable outlook) by Fitch Ratings. ING Belgium SA/NV is a full subsidiary of ING Group N.V. through ING Bank N.V.

9 Merrill Lynch International

Merrill Lynch International ("MLI") is a company incorporated in England and Wales and is authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority . MLI is a wholly owned subsidiary of ML UK Capital Holdings Limited and the ultimate parent of MLI is Bank of America Corporation. The registered address of MLI is 2 King Edward Street, London, EC1A 1HQ. MLI's principal activities are to provide a wide range of financial services globally for business originated in Europe, the Middle East and Africa, Asia Pacific and the Americas, to act as a broker dealer in financial instruments and to provide corporate finance advisory services. MLI also provides a number of post trade related services to third party clients, including settlement and clearing services to third party clients.

10 MUFG Securities EMEA plc

MUFG Securities EMEA plc (“**MUS(EMEA)**”) was incorporated in England and Wales on 11 February, 1983, pursuant to the Companies Act 1948 to 1985 as a company with liability limited by shares, and commenced business on 3 October, 1983. MUS(EMEA) was re-registered as a public limited company on 3 August, 1989. MUS(EMEA)’s registered office is located at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AJ, and its telephone number is 44 20-7628-5555. MUS(EMEA)’s registration number is 01698498. MUS(EMEA) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK.

Mitsubishi UFJ Securities Holdings Co., Ltd. ("**MUSHD**"), owns 100 per cent. of the shares in MUS(EMEA). Each of MUSHD and MUFG Bank, Ltd. is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc. ("**MUFG**").

MUS(EMEA) is a principal part of the securities and capital markets arm of MUFG and provides a wide range of services in the worldwide securities and derivatives businesses to governments, their monetary authorities and central banks, state authorities, supranational organisations and corporations. MUS(EMEA) is also engaged in market making and dealing in securities in the international securities markets, in swaps and various other derivative instruments and in the management and underwriting of issues of securities and securities investment.

MUS(EMEA) continues to promote and develop its international capital markets business, dealing in its main areas of activity: debt and equity securities, derivatives and structured products.

On 22 March 2018, MUS(EMEA) established a subsidiary, MUFG Securities (Europe) N.V.

11 National Australia Bank Limited (ABN 12 004 044 937)

National Australia Bank Limited (ABN 12 004 044 937) ("**NAB**") is a public limited company incorporated in the Commonwealth of Australia and operates under Australian legislation including the Corporations Act 2001 of Australia. Its registered office is Level 1, 800 Bourke Street, Docklands, Victoria 3008, Australia.

NAB is the holding company for the NAB Group (comprising NAB and its controlled entities), as well as being the main operating company. As at 30 September 2019, the NAB Group had total assets of A$847,124 million and total equity of A$55,604 million.

The NAB Group is a financial services organisation with more than 34,000 people, operating through a network of almost 900 locations, serving approximately 9 million customers and with over 577,000 shareholders. The majority of the NAB Group's financial services businesses operate in Australia and New Zealand, with branches currently located in Asia, the United Kingdom (UK) and the United States (US). The principal activities of the NAB Group are banking services, credit and access card facilities, leasing, housing and general finance, international banking, investment banking, wealth management services, funds management and custodian, trustee and nominee services.

Further information on NAB and the NAB Group, including its consolidated audited financial statements and accompanying notes thereto, may be accessed through www.nab.com.au/annualreports.

The short term senior unsecured and unguaranteed obligations of NAB are rated P-1 by Moody's, A-1+ by Standard & Poor's and F1+ by Fitch and the long term senior unsecured and unguaranteed obligations of NAB are rated Aa3 by Moody's, AA- by Standard & Poor's and AA- by Fitch.

The information in the preceding five paragraphs is valid solely as at 27 March 2020 and has been provided solely for use in this Prospectus. Except for the preceding five paragraphs, NAB and the NAB Group accept no responsibility for this Prospectus

12 NatWest Markets Plc

NatWest Markets Plc is incorporated in Scotland, with its registered office at 36 St Andrew Square, Edinburgh, EH2 2YB Scotland, and its principal office at 250 Bishopsgate, London, EC2M 4AA England. NatWest Markets Plc ("**NWM Plc**") is a wholly owned subsidiary of The Royal Bank of Scotland Group plc (the "**holding company"** or "**RBS Group**", which is intended to be renamed NatWest Group plc later in 2020). NWM Plc helps its customers manage their financial risks and achieve their short-term and long-term financial goals, while navigating changing markets and regulation. In February 2020, the RBS Group announced a new strategy that will require changes in the NWM Group's business, including significant reductions in capital allocated to the NWM Group, its cost base and complexity, over the medium to long term. The strategy also states that NWM Plc will be refocused to support a more integrated corporate and institutional customer offering for the RBS Group.

The "**NWM Group**" comprises NWM Plc and its subsidiary and associated undertakings, including NatWest Markets N.V. which was acquired on 29 November 2019. The "**RBS Group**" comprises the holding company and its subsidiary and associated undertakings, including the NWM Group.

As at 31 December 2019, the NWM Group had total assets of £266.1 billion and owners' equity of £9.9 billion and NWM Plc had a total capital ratio of 24.2% and a CET1 capital ratio of 17.3%. Further information relating to the NWM Group can be found in the NWM Group 2019 Annual Report and Accounts and other relevant filings or announcements, which can be found at https://investors.rbs.com/regulatory-news/company-announcements.aspx.

The long-term, unsecured and unsubordinated debt obligations of NWM Plc are rated A- by Standard & Poor's, A+ by Fitch and Baa2 by Moody's. NWM Plc's counterparty risk assessment is A3(cr) by Moody's.

NWM Plc has securities admitted to trading on the regulated market of the London Stock Exchange plc.

13 Nordea Bank AB Publ

Nordea Bank Abp ("**Nordea**") is the largest financial services group in the Nordic region and among the ten largest financial groups in Europe in terms of total market capitalisation, with around 11 million customers. Nordea offers banking and financial products and services to household and corporate customers, including financial institutions.

Nordea is a public limited liability company organised under the laws of Finland and is headquartered in Helsinki. Nordea as a commercial bank is subject to substantial regulation in all markets in which it operates. Nordea conducts business activities that are permitted to a deposit bank pursuant to the Finnish Act on Credit Institutions, and provides investment services and performs investment activities pursuant to the Finnish Act on Investment Services. Nordea's ordinary shares are listed on Nasdaq Nordic, the stock exchanges in Helsinki, Stockholm and Copenhagen.

14 Skandinaviska Enskilda Banken AB (publ)

Skandinaviska Enskilda Banken AB (publ) ("SEB") is a leading Nordic financial services group. As a relationship bank, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. As of 31 December 2019, the SEB group's total assets amounted to SEK 2,856bn while its assets under management totalled SEK 2,041bn. The SEB group has around 15,000 employees. More information about SEB may be obtained at www.sebgroup.com.

15 Société Générale

Société Générale is a French limited liability company (*société anonyme*) having the status of a bank and is registered in France in the Commercial Register under number 552 120 222. It has its registered office at 29 Boulevard Haussmann 75009 Paris (France) and its administrative office at Tours Société Générale, 17 Cours Valmy, 92972 Paris La Defense (France). Société Générale was incorporated by deed approved by the decree of 4 May 1864. As of 1 August 2019, Société Générale has a share capital of EUR 1,066,714,367.50 divided into 853,371,494 shares, each with a nominal value of EUR 1.25. Société Générale is authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and the Autorité des Marchés Financiers (AMF) in France to act as a credit institution and investment firm entitled to perform any banking activity or to provide any investment service except the operation of Multilateral Trading Facilities, under the provisions of the French Code Monétaire et Financier and is subject to limited regulation in the United Kingdom by the Financial Conduct Authority. The London Branch of Société Générale has its principal office at SG House, 41 Tower Hill, London EC3N 4SG and is registered with UK Companies House under number BR000021.

Société Générale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Its 149,000 employees based in 67 countries accompany more than 31 million clients throughout the world on a daily basis. Société Générale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- French Retail Banking, which encompasses the Société Générale, Crédit du Nord and Boursorama brands;
- International Retail Banking, Insurance and Financial Services to Corporates, with networks in Africa, Russia and Central and Eastern Europe; and
- Global Banking and Investor Solutions.

16 Swedbank AB (publ)

Swedbank is a public limited liability bank company (Sw: Bankaktiebolag) incorporated under the laws of the Kingdom of Sweden and headquartered in Stockholm. It has its registered office at SE-105 34 Stockholm, with its head office at Landsvägen 40, 172 63 Sundbyberg and its telephone number is +46 (0)8 5859 0000. It has been registered in the Swedish Companies Registration Office in Sundsvall under registration number 502017-7753. Swedbank's shares are listed on NASDAQ OMX Stockholm. Swedbank was incorporated on 24 April 1942. Swedbank operates under the Swedish Banking and Financing Business Act (2004:297).

As of 28 January 2020, the Group served a total of 7.3 million private customers and 618,000 corporate customers in 12 countries, primarily in its principal markets of Sweden, Estonia, Latvia and Lithuania. This includes customers reached through 58 associated independent savings banks that collaborate with Swedbank.

The purpose of the Group is to conduct banking business and financing operations, and operations naturally connected therewith. The Group offers a broad range of products and services, including retail banking, corporate and investment banking, asset management and insurance products, and the majority of the Group's income in 2019 derived from its Swedish banking services. As of 28 January 2020, the Group had 14,797 full-time employees.

The Group has a history dating back to 1820 when the first savings bank was founded in Sweden. In the early 1990s, each of Sparbanken Sverige and Föreningsbanken was merged with a number of regional savings banks and regional agricultural co-operative banks, respectively. In 1997, Sparbanken Sverige and Föreningsbanken merged to form FöreningsSparbanken. FöreningsSparbanken changed its name to Swedbank in 2006. Swedbank expanded its operations into the Baltic countries (Estonia, Latvia and Lithuania) in 1996 when it acquired a 12.5 per cent. stake in Eesti Hoiupank, a bank that merged with Hansabank in 1998. In 1999, Swedbank acquired additional shares, resulting in a 50 per cent. ownership of the shares in Hansabank and, in 2005, acquired all outstanding shares in Hansabank (now Swedbank). The Group consists of four business segments: Swedish Banking, Baltic Banking, Large Corporates & Institutions and Group Functions & Other.

The largest shareholders in Swedbank as of 31 January 2020 capital and votes are:

- Sparbanksgruppen – Members 10.92%
- Folksam 7.07%
- Swedbank Robur Funds 4.78%
- Alecta Pension Insurance 4.56%
- AMF - Insurance and funds 4.44%
- Savings bank foundations – excl. Sparbanksgruppen 3.44%
- Norges Bank 3.09%
- BlackRock 3.05%
- Vanguard 2.74%
- Capital Group 1.93%

10 largest shareholders 46.01%

Total number of shareholders 369,444

CHAPTER 15
DESCRIPTION OF THE LIQUIDITY FACILITY PROVIDERS

1 BNP Paribas

BNP Paribas is a French multinational bank and financial services company with its registered office located at 16 boulevard des Italiens 75009 Paris, France, and its corporate website in English is http://www.bnpparibas.com/en.

BNP Paribas, together with its consolidated subsidiaries (the "BNP Paribas Group") is a global financial services provider, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialized and other financial activities throughout the world.

The BNP Paribas Group, one of Europe's leading providers of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It operates in 71 countries and has more than 201,000 employees, including more than 153,000 in Europe. BNP Paribas holds key positions in its two main businesses:

- **Retail Banking and Services, which includes:**
  - Domestic Markets comprising:
    - French Retail Banking (FRB),
    - BNL banca commerciale (BNL bc), Italian retail banking,
    - Belgian Retail Banking (BRB),
    - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
  - International Financial Services, comprising:
    - Europe-Mediterranean,
    - BancWest,
    - Personal Finance,
    - Insurance,
    - Wealth and Asset Management;
- **Corporate and Institutional Banking (CIB):**
    - Corporate Banking,
    - Global Markets,
    - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group.

At 30 June 2019, the BNP Paribas Group had consolidated assets of €2,373 billion (compared to €2,044 billion at 1 January 2019), consolidated loans and receivables due from customers of €794 billion (compared to €766 billion at 1 January 2019), consolidated items due to customers of €833 billion (compared to €797 billion at 1 January 2019) and shareholders' equity (Group share) of €104.1 billion (compared to €101.3 billion at 1 January 2019).

At 30 June 2019, pre-tax income was €6.1 billion (compared to €5.7 billion at the end of June 2018). Net income, attributable to equity holders, for the first half 2019 was €4.4 billion (compared to €3.9 billion for the first half 2018).

The BNP Paribas Group currently has Long Term Senior Preferred debt ratings of "A+" with stable outlook from S&P, "Aa3" with stable outlook from Moody's Investors Service, Inc. and "AA-" with stable outlook from Fitch Ratings, Ltd and "AA (low)" with stable outlook from DBRS.

The information contained in this section relates to and has been obtained from BNP Paribas. The information concerning BNP Paribas and the BNP Paribas Group contained herein is furnished solely to provide limited introductory information regarding BNP Paribas and the BNP Paribas Group and does not purport to be comprehensive.

For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to http://invest.bnpparibas.com/en.

2 Canadian Imperial Bank of Commerce, London Branch

Canadian Imperial Bank of Commerce ("**CIBC**") is a diversified financial institution governed by the Bank Act (Canada) (the "**Bank Act**"). CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of CIBC is Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2.

CIBC is a leading Canadian-based global financial institution. As set out in the Bank Act, its corporate purpose is to act as a financial institution throughout Canada and can carry on business, conduct its affairs and exercise its powers in any jurisdiction outside Canada to the extent and in the manner that the laws of that jurisdiction permit. Through its four strategic business units – Canadian Personal and Small Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management and Capital Markets - CIBC provides a full range of financial products and services to 10 million personal banking, business, public sector and institutional clients in Canada, the United States and around the world.

As at 31 January 2020, CIBC had total assets of C$392.948 billion, total deposits of C$497.899 billion and common shareholders' equity of C$39.039 billion.

The short term senior unsecured and unguaranteed obligations of CIBC are, as at the date of this Prospectus, rated P-1 by Moody's, A-1 by Standard & Poor's USA and F1+ by Fitch and the long term senior unsecured and unguaranteed obligations of CIBC are rated Aa2 by Moody's, A+ by Standard & Poor's USA and AA- by Fitch.

The principal place of business of Canadian Imperial Bank of Commerce, London Branch ("**CIBC, London Branch**") in the United Kingdom is 150 Cheapside, London EC2V 6ET. CIBC, London Branch is engaged in commercial and investment banking to both Canadian and European clients.

CIBC is regulated by the Office of the Superintendent of Financial Institutions ("**OSFI**") in Canada and CIBC, London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

3 Danske Bank A/S

Danske Bank A/S ("Danske") was founded in Denmark and registered on 5 October 1871 and has, through the years, merged with a number of financial institutions. It is a commercial bank with limited liability and carries on business under the Danish Financial Business Act. Danske is registered with the Danish Business Authority.

The registered office of Danske is at 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark, with telephone number +45 33 44 00 00 and Danish corporate registration number 61126228.

Danske's shares are listed on the Nasdaq Copenhagen A/S and is part of the OMX C25 index. At year-end 2019 Danske had approximately 284,000 shareholders. According to the Danish Companies Act, shareholders must notify a company if their shareholding exceeds 5 per cent. of the company's share capital or higher percentages divisible by 5. One shareholder group has notified Danske that they hold or represent more than 5 per cent. of its share capital at the end of 2019:

- A.P. Møller and Chastine Mc-Kinney Møller Foundation, and companies of the A.P. Møller-Holding Group, Copenhagen, held greater than (directly and indirectly) 20 per cent.; and

As of 31 December 2019, the ten largest shareholders hold 41 per cent. of the shares. Shareholders by geography is divided as follows: 53 per cent. in Denmark, 18 per cent. in USA, nine per cent. in the UK, 15 per cent. in RoW and five per cent. in Other. At the same date, market capitalisation amounted to DKK 92 billion.

Danske is a Nordic universal bank with bridges to the rest of the world. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities.

The Group consists of a number of business units and support functions. The business units are segmented according to customers, legislation and products and services characteristics:

Personal Banking serves personal and private banking customers. The unit focuses on providing proactive advice to customers and making day-to-day banking simple and efficient through innovative digital solutions.

Business Banking serves small and medium-sized businesses through a large network of national finance centres, branches, contact centres and online channels. The unit offers leading solutions within financing, investing, cash management and risk management.

Corporates & Institutions serves large Nordic corporate and institutional clients in the Nordic countries and beyond. This wholesale division of the bank provides strategic advice, financial solutions and products within Capital Markets, Fixed Income, Currencies and Commodities, and Transaction Banking.

Wealth Management develops and sells asset and wealth management products and services that are marketed through Personal Banking and directly to businesses, institutional clients and third-party distributors. Danske Capital also supports the advisory and asset management activities of Personal Banking. The unit serves the Group's entire customer base and encompasses expertise from Futur Pension (previously Danica Pension), Danske Capital and Private Banking. Futur Pension carries out the Group's activities in the life insurance and pensions market and serves both personal and business customers. Its products are marketed through a range of channels in the Group, primarily Personal Banking and Futur Pension's own insurance brokers and advisers. Futur Pension offers unit-linked products that allow customers to select their own investment profiles and the return on savings depends on market trends.

4 DNB Bank ASA

DNB Bank ASA, as part of the DNB Group, is a public limited company (in Norwegian: allmennaksjeselskap) incorporated under the laws of the Kingdom of Norway on 10th September, 2002 with registration number 981 276 957. The registered office of the Issuer is at Dronning Eufemias gate 30, N-0021 Oslo, Norway.

The DNB Group is Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalisation. DNB offers a full range of financial services, including loans, savings, advisory services, real estate broking, insurance and pension products for retail and corporate customers and the public sector. DNB's bank branches in Norway, in-store postal and banking outlets, post office counters, Internet banking, mobile services and international offices ensure that we are present where our customers are. We are a major operator in a number of industries, for which we also have a Nordic or international strategy.

DNB Bank Group had total assets of NOK 2,915 billion and a share capital of NOK 15.8 billion, as of the unaudited Third Quarter Report 2019 as per 24.10.2019.

DNB ratio	2019 Q3 figures as below:
Cost/income ratio	38.8 %
Return on equity, annualised	10.9%
Leverage Ratio, Basel III	7.1 %

The senior long-term unsecured debt of DNB Bank ASA has been rated long term: AA- and short term: A-1+ (stable outlook) by Standard & Poor's Ratings Services and long term: Aa2 and short term: P-1 (stable outlook) by Moody's Investors Service. More information regarding DNB Bank ASA rating can be found here. DNB's common shares are listed on the stock exchange in Oslo, Oslo Børs, under the ticker "DNB".

Copies of the most recent financial statements may be downloaded from https://www.ir.dnb.no/press-and-reports/financial-reports, or by calling +47 915 04800.

5 ING Belgium SA/NV

ING Belgium SA/NV is a credit institution existing under the laws of the Kingdom of Belgium, with registered office at 1000 Brussels, Avenue Marnix 24, Belgium, registered with the Crossroad Bank for enterprises under number RLE 0403.200.393 (RLE Brussels).

ING Belgium SA/NV is one of the major commercial banks in Belgium, offering a full range of banking services to both retail and corporate clients, including a wide range of financial market products. ING Belgium's activities can be divided into two segments. (i) Retail Banking: ING Belgium SA/NV is a universal direct bank that provides services to all types of customers, and apart from its branch network, ING Belgium SA/NV uses the internet and mobile channels as retail channels; and (ii) Wholesale Banking: large corporates and institutional investors are another core customer segment of ING Belgium, the Wholesale Banking in Belgium is fully integrated in terms of sectors and products into the global Wholesale Banking network which spans over 40 countries (more information on ING Wholesale Banking globally can be found on www.ingwb.com). The two segments are supported by Information Technology Services, Business Support. Product Management and Client Services.

ING Belgium SA/NV has a solid capital base, with a Tier 1-ratio of 14.28% and a total capital ratio of 18.27% (under Basel III, 3Q19). The senior long-term unsecured debt of ING Belgium SA/NV has been assigned ratings of A+ (stable outlook) by Standard & Poor's Ratings Services, Aa3 (stable outlook) by Moody's Investors Service and A+ (stable outlook) by Fitch Ratings. ING Belgium SA/NV is a full subsidiary of ING Group N.V. through ING Bank N.V.

6 National Australia Bank Limited (ABN 12 004 044 937)

National Australia Bank Limited (ABN 12 004 044 937) ("**NAB**") is a public limited company incorporated in the Commonwealth of Australia and operates under Australian legislation including the Corporations Act 2001 of Australia. Its registered office is Level 1, 800 Bourke Street, Docklands, Victoria 3008, Australia.

NAB is the holding company for the NAB Group (comprising NAB and its controlled entities), as well as being the main operating company. As at 30 September 2019, the NAB Group had total assets of A$847,124 million and total equity of A$55,604 million.

The NAB Group is a financial services organisation with more than 34,000 people, operating through a network of almost 900 locations, serving approximately 9 million customers and with over 577,000 shareholders. The majority of the NAB Group's financial services businesses operate in Australia and New Zealand, with branches currently located in Asia, the United Kingdom (UK) and the United States (US). The principal activities of the NAB Group are banking services, credit and access card facilities, leasing, housing and general finance, international banking, investment banking, wealth management services, funds management and custodian, trustee and nominee services.

Further information on NAB and the NAB Group, including its consolidated audited financial statements and accompanying notes thereto, may be accessed through www.nab.com.au/annualreports.

The short term senior unsecured and unguaranteed obligations of NAB are rated P-1 by Moody's, A-1+ by Standard & Poor's and F1+ by Fitch and the long term senior unsecured and unguaranteed obligations of NAB are rated Aa3 by Moody's, AA- by Standard & Poor's and AA- by Fitch.

The information in the preceding five paragraphs is valid solely as 27 March 2020 and has been provided solely for use in this Prospectus. Except for the preceding five paragraphs, NAB and the NAB Group accept no responsibility for this Prospectus.

7 NatWest Markets N.V.

NatWest Markets N.V. is incorporated in the Netherlands, with its address being Claude Debussylaan 94, 1082MD Amsterdam. On 29 November 2019, NatWest Markets N.V. ("**NWM N.V.**") became a wholly owned subsidiary of NatWest Markets Plc ("**NWM Plc**"). The "**NWM Group**" comprises NWM Plc and its subsidiary and associated undertakings. The Royal Bank of Scotland Group plc (which is intended to be renamed NatWest Group plc later in 2020) is the ultimate holding company. The "**RBS Group**" comprises the ultimate holding company and its subsidiary and associated undertakings, including the NWM Group.

The main businesses of NWM N.V., a licensed bank, are lending and financial instruments transactions with corporate and financial institutions, serving the RBS Group's customers in the European Economic Area. NWM N.V. helps its customers manage their financial risks and achieve their short-term and long-term financial goals, while navigating changing markets and regulation. In February 2020, the RBS Group announced a new strategy that will require changes in the NWM Group's business, including significant reductions in capital allocated to the NWM Group, its cost base and complexity, over the medium to long term. The strategy also states that the NWM Group will be refocused to support a more integrated corporate and institutional customer offering for the RBS Group.As at 31 December 2019, NWM N.V. had total assets of €14.949 billion and owners' equity of €2.208 billion, and a total capital ratio of 29.9% and a CET1 capital ratio of 23.1%. Further information relating to NWM N.V. and the NWM Group respectively can be found in the NWM N.V. 2019 Annual Report and Accounts, the NWM Group 2019 Annual Report and Accounts and other relevant filings or announcements, which can be found at https://investors.rbs.com/regulatory-news/company-announcements.aspx.

The long-term, unsecured and unsubordinated debt obligations of NWM N.V. are rated A- by Standard & Poor's, A+ by Fitch and Baa2 by Moody's. NWM N.V.'s counterparty risk assessment is A3(cr) by Moody's.

NWM N.V. has securities admitted to trading on the regulated market of the Luxembourg Stock Exchange.

8 Nordea Bank AB Publ

Nordea Bank Abp (”**Nordea**”) is the largest financial services group in the Nordic region and among the ten largest financial groups in Europe in terms of total market capitalisation, with around 11 million customers. Nordea offers banking and financial products and services to household and corporate customers, including financial institutions.

9 Nordea is a public limited liability company organised under the laws of Finland and is headquartered in Helsinki. Nordea as a commercial bank is subject to substantial regulation in all markets in which it operates. Nordea conducts business activities that are permitted to a deposit bank pursuant to the Finnish Act on Credit Institutions, and provides investment services and performs investment activities pursuant to the Finnish Act on Investment Services. Nordea's ordinary shares are listed on Nasdaq Nordic, the stock exchanges in Helsinki, Stockholm and Copenhagen.**Royal Bank of Canada**

Royal Bank of Canada (referred to in this section as "Royal Bank") is a Schedule I bank under the Bank Act (Canada), which constitutes its charter and governs its operations. Royal Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec, H3B 3A9, Canada. Royal Bank is the parent company of RBC Capital Markets, LLC.

Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 85,000+ employees who bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 34 other countries.

Royal Bank had, on a consolidated basis, as at October 31, 2019, total assets of C$1,428.9 billion (approximately US$1,084.5 billion[94]), equity attributable to shareholders of C$83.5 billion (approximately US$63.4 billion1) and total deposits of C$886 billion (approximately US$672.5 billion[85]). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank's audited Consolidated Financial Statements included in Royal Bank's Annual Report for the fiscal year ended October 31, 2019.

The senior long-term debt[95] of Royal Bank has been assigned ratings of A (stable outlook) by S&P Global Ratings, A2 (stable outlook) by Moody's Investors Service and AA (stable outlook) by Fitch Ratings. The legacy senior long-term debt[96] of Royal Bank has been assigned ratings of AA- (stable outlook) by S&P Global Ratings, Aa2 (stable outlook) by Moody's Investors Service and AA (stable outlook) by Fitch Ratings. Royal Bank's common shares are listed on the Toronto Stock Exchange, the New York Stock Exchange and the Swiss Exchange under the trading symbol "RY." Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Prospectus is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of

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[94] As at October 31, 2019: C$1.00 = US$0.75

[95] Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Canadian Bank Recapitalization (Bail-in) regime.

[96] Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Bail-in regime.

Canada, by writing to 200 Bay Street South Tower, Toronto, Ontario, M5J 2J5, Canada, or by calling (416) 955-7802, or by visiting rbc.com/investorrelations[97].

The delivery of this Prospectus does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

10 Skandinaviska Enskilda Banken AB (publ)

Skandinaviska Enskilda Banken AB (publ) ("SEB") is a leading Nordic financial services group. As a relationship bank, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. As of 31 December 2019, the SEB group's total assets amounted to SEK 2,856bn while its assets under management totalled SEK 2,041bn. The SEB group has around 15,000 employees. More information about SEB may be obtained at www.sebgroup.com.

11 Swedbank AB (publ)

Swedbank is a public limited liability bank company (Sw: Bankaktiebolag) incorporated under the laws of the Kingdom of Sweden and headquartered in Stockholm. It has its registered office at SE-105 34 Stockholm, with its head office at Landsvägen 40, 172 63 Sundbyberg and its telephone number is +46 (0)8 5859 0000. It has been registered in the Swedish Companies Registration Office in Sundsvall under registration number 502017-7753. Swedbank's shares are listed on NASDAQ OMX Stockholm. Swedbank was incorporated on 24 April 1942. Swedbank operates under the Swedish Banking and Financing Business Act (2004:297).

As of 28 January 2020, the Group served a total of 7.3 million private customers and 618,000 corporate customers in 12 countries, primarily in its principal markets of Sweden, Estonia, Latvia and Lithuania. This includes customers reached through 58 associated independent savings banks that collaborate with Swedbank.

The purpose of the Group is to conduct banking business and financing operations, and operations naturally connected therewith. The Group offers a broad range of products and services, including retail banking, corporate and investment banking, asset management and insurance products, and the majority of the Group's income in 2019 derived from its Swedish banking services. As of 28 January 2020, the Group had 14,797 full-time employees.

The Group has a history dating back to 1820 when the first savings bank was founded in Sweden. In the early 1990s, each of Sparbanken Sverige and Föreningsbanken was merged with a number of regional savings banks and regional agricultural co-operative banks, respectively. In 1997, Sparbanken Sverige and Föreningsbanken merged to form FöreningsSparbanken. FöreningsSparbanken changed its name to Swedbank in 2006. Swedbank expanded its operations into the Baltic countries (Estonia, Latvia and Lithuania) in 1996 when it acquired a 12.5 per cent. stake in Eesti Hoiupank, a bank that merged with Hansabank in 1998. In 1999, Swedbank acquired additional shares, resulting in a 50 per cent. ownership of the shares in Hansabank and, in 2005, acquired all outstanding shares in Hansabank (now Swedbank). The Group consists of four business segments: Swedish Banking, Baltic Banking, Large Corporates & Institutions and Group Functions & Other.

The largest shareholders in Swedbank as of 31 January 2020 capital and votes are:

- Sparbanksgruppen – Members 10.92%

[97] This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Prospectus.

- Folksam 7.07%
- Swedbank Robur Funds 4.78%
- Alecta Pension Insurance 4.56%
- AMF - Insurance and funds 4.44%
- Savings bank foundations – excl. Sparbanksgruppen 3.44%
- Norges Bank 3.09%
- BlackRock 3.05%
- Vanguard 2.74%
- Capital Group 1.93%

10 largest shareholders 46.01%

Total number of shareholders 369,444

CHAPTER 16
SUMMARY OF THE FINANCE DOCUMENTS AND THE BOND PROGRAMME DOCUMENTS

The following is a summary of certain provisions of the Finance Documents as described in this Prospectus. Investors may also view copies of certain of the Finance Documents which are summarised in this section on the website www.ellevio.se/financialinformation (including the Common Terms Agreement, the STID and the Master Definitions Agreement).

Common Documents

General Overview

The Secured Creditors all benefit from common terms under their relevant document and a common security package granted by the Issuer and the Parent. It is a requirement of the CTA that any future provider of any Authorised Credit Facility must accede to and be bound by the terms of the CTA (see "*Common Terms Agreement*" below) and the intercreditor arrangements contained in the STID (see "*Security Trust and Intercreditor Deed*" below).

The CTA sets out the common terms applicable to each Authorised Credit Facility into which the Issuer has entered. Save for certain limited exceptions (for example, U.S. representations), no Finance Party can have additional representations or covenants beyond the common terms deemed to be incorporated by reference into their Authorised Credit Facility through their execution of, or accession to, the CTA. All Events of Default are contained in the CTA and apply to each Authorised Credit Facility.

Under the CTA, the Issuer is permitted to provide the benefit of additional representations, covenants, trigger events or events of default to any creditor in connection with an Authorised Credit Facility so long as these are also provided to all Finance Parties on the same basis by deemed incorporation in the CTA. Pursuant to this exception, the Issuer and the Guarantor entered into the Deed Poll as an Authorised Credit Facility on or about 25 January 2018 to provide certain additional covenants, trigger events and events of default, which are deemed incorporated into the CTA.

The STID regulates among other things: (a) the claims of the Secured Creditors; (b) the exercise and enforcement of rights by the Secured Creditors; and (c) the giving of instructions, consents and waivers and, in particular, the basis on which votes of the Secured Creditors will be counted.

With the exception of the Swedish Security Agreements which are governed by Swedish law, all agreements listed below and non-contractual obligations arising out of or in connection with them are governed by English law and subject to the exclusive jurisdiction of the English courts.

These summaries are brief and only touch in very general terms on the main provisions of the documents listed below. Consequently, investors are strongly recommended to obtain copies of the documents themselves. Recipients of this Prospectus should visit the website listed above in order to download and read copies of the documents incorporated by reference.

Common Terms Agreement

General

The Common Terms Agreement sets out the representations, covenants, Trigger Events and Events of Default (at Schedules 1 to 4 respectively) which apply to each Authorised Credit Facility.

It is a requirement of the CTA that future providers of Authorised Credit Facilities accede to the CTA, the MDA and the STID. The CTA contains certain indemnities of the Obligors to the Finance Parties in respect of losses caused, *inter alia*, by Events of Default.

On each date on which any other new Authorised Credit Facility is issued or entered into under the CTA, each Obligor will make certain representations.

On the date of each Utilisation Request, on each Utilisation Date and on the first day of each interest period each Obligor shall repeat certain representations (the "**Repeating Representations**"). An Obligor acceding to an Authorised Credit Facility shall make the Repeating Representations on the date of such accession.

Covenants

By entering into the CTA, the Security Group is bound by the covenants found in Schedule 2 (*Security Group Covenants*) of the CTA. These covenants remain binding on the Security Group for so long as any of the Secured Debt remains outstanding.

The Security Group Covenants are positive, negative, informational and financial in nature. They include the following undertakings by the Issuer and/or the Security Group.

Financial Covenants

The Issuer shall ensure that, on each Calculation Date commencing on 31 December 2016:

(a) the Senior Interest Cover Ratio in respect of the Relevant Period shall not be less than the Default Ratio;

(b) the Senior Leverage Ratio in respect of the Relevant Period shall not be less than the Default Ratio; and

(c) the Total Leverage Ratio in respect of the Relevant Period shall not be greater than the Default Ratio.

Pursuant to the Deed Poll, the Issuer shall ensure that on each Calculation Date, the Total Interest Cover Ratio in respect of the Total Relevant Period shall not be less than the Total Default Ratio (the "**New Financial Covenant**").

Information Covenants

Financial statements

The Security Group Agent undertakes to supply the Security Trustee, each Facility Agent, each Class A PP Noteholder, each Class B PP Noteholder, the Bond Trustee and the Hedge Counterparties (each an "**Information Covenant Agent**") in sufficient copies for all the Finance Parties:

(a) at any time no Material Subsidiary or Obligor (other than the Issuer or the Parent) exists, the audited Annual Financial Statements of the Issuer, and, at any time a Material Subsidiary or Obligor (other than the Issuer or the Parent) exists, the audited Annual Financial Statements of the Parent for that Financial Year, as soon as they are available, but in any event within 180 days after the end of each Financial Year; and

(b) at any time no Material Subsidiary or Obligor (other than the Issuer or the Parent) exists, the unaudited, Semi-Annual Financial Statements of the Issuer and, at any time a Material Subsidiary (other than the Issuer or the Parent) exists, the unaudited consolidated, Semi-Annual Financial Statements of the Parent for that half-year, as soon they are available, but in any event within 90 days of the end of the first financial half-year of each of its Financial Years.

Requirements as to financial statements

(a) The Security Group Agent shall procure that each set of Financial Statements supplied by it includes a cashflow statement, a profit and loss account and a balance sheet. In addition the Security Group Agent shall procure that each set of its Annual Financial Statements shall be audited by the Auditors. Each set of its Annual Financial Statements:

(i) shall give a true and fair view of (in the case of Annual Financial Statements for any Financial Year) or, in the any other case, fairly represent its financial condition and operations as at the date they were drawn up;

(ii) shall be prepared using the Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the Financial Statements for the Financial Year ended 31 December 2015 for that Obligor unless, in relation to any other set of Financial Statements, the Security Group Agent notifies each Information Covenant Agent that there has been a change in the Accounting Principles or the Accounting Principles and its Auditors (or, if appropriate, the Auditors of the Obligor) deliver to the Security Trustee:

I a description of any change necessary for those financial statements to reflect the Accounting Principles or accounting practices upon which the last Financial Statements was prepared; and

II sufficient information, in form and substance as may be reasonably required by the Security Trustee, to enable the Secured Creditors to determine whether the Default Ratios and Lock-Up Tests have been satisfied.

(b) If the Security Group Agent notifies (among others) the Security Trustee of a change in the Accounting Principles or the accounting practices in relation to any set of financial statements, then the Security Group Agent and the Security Trustee shall enter into negotiations in good faith with a view to agreeing any amendments to the Finance Documents which are necessary as a result of that change. To the extent practicable, those amendments will be such as to ensure that the changes do not result in any material alteration in the commercial effect of the obligations in the Finance Documents.

Provision and contents of Compliance Certificate

(a) With each set of Financial Statements, the Security Group Agent shall supply each Information Covenant Agent with each set of Financial Statements in respect of any period ending on or after the First Calculation Date.

(b) The Compliance Certificate shall set out (in reasonable detail):

(i) the Senior Interest Cover Ratio, the Senior Leverage Ratio, the Total Leverage Ratio and Lock-Up Tests and, in each case, calculations thereof;

(ii) a list of all Material Subsidiaries (other than the Obligors) and set out computations which determine the classification of these companies as Material Subsidiaries and computations as to compliance with paragraph 28 (Guarantors) of part 3, Schedule 2 of the CTA;

(iii) reasonable detail of any Permitted Acquisition, Permitted Disposal, Permitted Distribution or Permitted Additional Financial Indebtedness made or incurred after the delivery of the immediately preceding Compliance Certificate;

(iv) a certification as to compliance with the Hedging Policy;

(v) the then applicable Rating; and

(vi) details of any Certified Storm Event occurring after the delivery of the immediately preceding Compliance Certificate.

(c) Each Compliance Certificate shall be signed by two directors of the Security Group Agent and certify, to the best of the Security Group Agent's knowledge and belief, that:

(i) the information contained in the Compliance Certificate is accurate in all material respects; and

(ii) no Default or Trigger Event has occurred or is continuing, or, if a Default of Trigger Event has occurred and is continuing, the steps which are taken to remedy such Default or Trigger Event (as the case may be).

(d) Whilst an Event of Default is continuing, if any Information Covenant Agent wishes to discuss the financial position of any member of the Group with the Auditors, such Information Covenant Agent may notify the Security Group Agent, stating the questions or issues which they wish to discuss with the Auditors. In this event, the Security Group Agent must ensure that the Auditors are authorised (at the expense of the Security Group Agent):

(i) to discuss the financial position of each member of the Group with the relevant Information Covenant Agent on request from that Information Covenant Agent; and

(ii) to disclose to the relevant Information Covenant Agent for the Finance Parties any information which that Information Covenant Agent may reasonably request.

Presentations

No more than once in each Financial Year the Security Group Agent must give a presentation upon reasonable notice and at a reasonable time to the Secured Creditors about the on-going business and financial performance of the Security Group. A presentation under this paragraph may:

(a) be delivered by the Security Group Agent in London or Stockholm; and/or

(b) be held by way of conference call,

at the Security Group Agent's sole discretion.

Investor Report

The Security Group Agent shall, with each set of Financial Statements, supply to each Information Covenant Agent in sufficient copies for all of the Secured Creditors (other than the Bondholders), an Investor Report. Each Investor Report must include:

(a) Default Ratios and calculations thereof in reasonable detail;

(b) a general update of the status of the business;

(c) confirmation of the amount of any Restricted Payment made since the date of the previous Investor Report; and

(d) confirmation that:

(i) the Investor Report is accurate in all material respects; and

(ii) no Default or Trigger Event has occurred and is continuing, or if a Default or Trigger Event has occurred and is continuing, steps (which shall be specified) are being taken to remedy such Default or Trigger Event.

Year-end

No Obligor nor any member of the Security Group may change its Financial Year-end if:

(a) such change could reasonably be expected to have a Material Adverse Effect;

(b) each Information Covenant Agent has not received, at the cost and expense of such member of the Security Group, such information as it reasonably deems necessary or expedient to enable it to make an accurate comparison between any financial statements previously received; and

(c) following such change:

(i) the results of the Lock-Up Tests will be worse than those shown in the Compliance Certificate delivered immediately prior to the date of such change; and

(ii) the basis for the calculation of the financial ratios by reference to the Relevant Periods will be amended in such a way as adversely affects the interests of the Secured Creditors.

Additional Information Covenants added pursuant to the Deed Poll

Pursuant to the Deed Poll, the following additional information covenants were deemed incorporated into the CTA:

(a) Each set of financial statements shall be prepared using the Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the Financial Statements for the Financial Year ended 31 December 2015 for that Obligor unless, in relation to any other set of Financial Statements, the Security Group Agent: (I) notifies each Information Covenant Agent that there has been a change in the Accounting Principles or the accounting practices and its Auditors (or, if appropriate, the Auditors of the Obligor) and (II) delivers to the Security Trustee sufficient information, in form and substance as may be reasonably required by the Security Trustee, to enable the Secured Creditors to determine whether the Total Lock-Up Tests have been satisfied.

(b) Each Compliance Certificate shall set out (in reasonable detail) the Total Interest Cover Ratio and the Total Lock-Up Tests and, in each case, calculations thereof.

(c) Each Investor Report must include the Total Default Ratio and calculations thereof in reasonable detail.

(d) No Obligor nor any member of the Security Group may change its Financial Year if following such change:

(i) the results of the Total Lock-Up Tests will be worse than those shown in the Compliance Certificate delivered immediately prior to the date of such change; and

(ii) the basis for the calculation of the financial ratios by reference to the Total Relevant Periods will be amended in such a way as adversely affects the interests of the Secured Creditors.

Information: miscellaneous

So far as permitted by any applicable law, regulation, order, or any binding confidentiality obligations, the Security Group Agent shall supply to the Information Covenant Agents:

(a) as soon as reasonably practicable after becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened in writing or pending against any Obligor, which are reasonably likely to be adversely determined, and if adversely determined, are reasonably likely to have a Material Adverse Effect;

(b) promptly on request, such information as the Security Trustee may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Security Documents;

(c) promptly, details of the loss or modification of any Concession or any material Authorisation which could have a Material Adverse Effect or any formal communication from the Regulatory Authority regarding any potential or threatened loss or modification of a Concession or any material Authorisation which could have a Material Adverse Effect;

(d) promptly, any formal communication from the Regulatory Authority regarding (i) any change to any Regulatory Consent for any Concession or any material Authorisation or (ii) any corrective actions plan required by the Regulatory Authority to be carried out, which, in each case, is reasonably likely to be made and if made would be reasonably likely to have a Material Adverse Effect;

(e) details of any violation of any Sanctions, as soon as reasonably practicable following such violation provided that the Issuer (or relevant member of the Group) shall be permitted, prior to notification, to first notify the relevant body, agency, regulatory authority or equivalent organisation (each, a "**Regulator**") which regulates such relevant Sanctions (such notification to be made as soon as reasonably practicable taking into account any disclosure obligations under applicable law or regulation). To the extent that such Regulator imposes confidentiality restrictions, the Issuer (or the relevant member of the Group) shall not be required to notify the Security Trustee to the extent it would contravene such confidentiality restrictions, provided that the Issuer (or the relevant member of the Group) shall use reasonable endeavours to remove such restrictions;

(f) promptly upon receipt by the Security Group Agent, details of any Rating or change in any Rating; and/ or

(g) such material information regarding the financial condition, business and operations of any member of the Security Group as is reasonably requested by the Security Trustee (on the instructions of the Qualifying Secured Creditors holding at least 20 per cent. of the Qualifying Senior Debt, provided that, at any time when no Event of Default has occurred and is subsisting, a maximum of one such request for information may be made in any 12-month period.

The provision of any information under this paragraph is, in each case, subject in each case to any binding duty of confidentiality and any applicable legal or regulatory restrictions or restrictions imposed by any Regulatory Authority, provided that the relevant Obligor shall use its reasonable endeavours to obtain the consent of the Regulatory Authority to disclose such information on the basis that it shall be kept confidential by any recipient for so long as such information remains confidential or commercially sensitive.

Notification of default or Trigger Event

Each Obligor shall notify the Security Trustee of any Default or Trigger Event (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided to the Security Trustee by another Obligor).

"Know your customer" checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of the CTA;

(ii) any change in the status of an Obligor or the composition of the direct or indirect shareholders of an Obligor after the date of the CTA; or

(iii) a proposed assignment or transfer by a Secured Creditor of any of its rights and/or obligations under any Finance Document to a party that is not a Secured Creditor prior to such assignment or transfer,

obliges any Authorised Credit Provider or its agent (or in the case of paragraph (iii) above, any prospective new Authorised Credit Provider) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of any Authorised Credit Provider or its agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the relevant Authorised Credit Provider's agent (for itself or on behalf of any prospective new Authorised Credit Provider) or any Authorised Credit Provider (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Authorised Credit Provider) in order for the Authorised Credit Provider's agent, such Authorised Credit Provider or, in the case of the event described in paragraph (iii) above, any prospective new Authorised Credit Provider to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Secured Creditor shall promptly supply, or procure the supply of, such documentation and other evidence as is reasonably requested by its agent (for itself) in order for such agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(c) The Security Group Agent shall, by not less than 10 Business Days' prior written notice to the Secured Creditor, notify the Secured Creditor of its intention to request that a member of the Security Group becomes an Additional Obligor pursuant to Clause 1.5 (*Obligors*) of the CTA.

(d) Following the giving of any notice pursuant to the paragraph (c) above, if the accession of such Additional Obligor obliges any Secured Creditor to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Security Group Agent shall promptly upon the request of such Secured Creditor supply, or procure the supply of, such documentation and other evidence as is reasonably requested by such Secured Creditor or any Secured Creditor (for itself or on behalf of any prospective new Secured Creditor) in order for the Secured Creditor or any prospective new Secured Creditor to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to the CTA as an Additional Obligor.

No Personal liability

No director, officer or employee of any Obligor or any of its Subsidiaries shall be personally liable for any statement made by or on behalf of the relevant member of the Security Group in any certificate or document delivered to any Secured Creditors pursuant to the Finance Documents or any misrepresentation by any Obligor, member of the Security Group or any of their Subsidiaries, unless such statement or misrepresentation was attributable to the gross negligence or wilful misconduct of such director, officer or employee. Such director, officer or employee will be entitled to enforce the provisions of this covenant for the purposes of Clause 21.4 (*Third party rights*) of the CTA.

General Covenants

Authorisations and compliance with laws

Authorisations

Each Obligor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, and upon request supply certified copies to the Security Trustee of any material Authorisation required under any law or regulation of a Relevant Jurisdiction to:

(a) enable it to perform its obligations under the Finance Documents;

(b) subject to the Legal Reservations and, in the case of the Security Documents, the Perfection Requirements, ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document; and

(c) carry on the Permitted Business,

in each case, where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

Compliance with laws

Each Obligor shall (and the Security Group Agent shall ensure that each member of the Security Group shall) comply in all respects with all laws and regulations to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

Environmental Compliance

Each Obligor shall (and the Security Group Agent shall ensure that each member of the Security Group will):

(a) comply with Environmental Laws;

(b) obtain, maintain and ensure compliance with all requisite Environmental Permits; and

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

Environmental claims

Each Obligor shall (and the Security Group Agent shall ensure that each member of the Security Group shall), promptly upon becoming aware of the same, inform the Security Trustee and the Secured Creditor Representative of any Environmental Claim against any member of the Security Group which is current, pending or threatened in writing and any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Security Group, where the claim is reasonably likely to be adversely determined and, if adversely determined against that member of the Security Group has, or is reasonably likely to have, a Material Adverse Effect.

Anti-corruption law

(a) No Obligor shall (and the Issuer shall ensure that no other member of the Group will) directly or indirectly use any part of the proceeds of the Authorised Credit Facilities for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

(b) Each Obligor shall (and the Security Group Agent shall ensure that each other member of the Group will) conduct its businesses in compliance with applicable anti-corruption laws, and maintain policies and procedures designed to promote and achieve compliance with such laws.

Taxation

(a) Each Obligor shall (and the Security Group Agent shall ensure that each member of the Security Group will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith,

(ii) adequate reserves are being maintained for those Taxes and the costs required to contest them; and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not have, or is not reasonably likely to have, a Material Adverse Effect.

(b) No member of the Security Group may change its residence for Tax purposes.

(c) No Obligor shall enter into arrangements with any other company or person which results in any Obligor becoming a member of any VAT Group.

Restrictions on business focus

Merger

No Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group will) enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than a Permitted Transaction or any disposal permitted pursuant to paragraph 15 (*Disposals*) of Part 3, Schedule 2 of the CTA.

Change of business

The Security Group Agent shall procure that no member of the Security Group shall carry on any business other than the Permitted Business.

Acquisitions

Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group will):

(a) acquire a company or any shares or a business or undertaking (or, in each case, any interest in any of them); or

(b) incorporate a company.

This paragraph does not apply to an acquisition of a company of shares, securities or a business or undertaking (or, in any case, any interest of them) or the incorporation of a company which is a Permitted Acquisition of Permitted Transaction.

Joint Ventures

Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group will):

(a) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(b) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).

This paragraph does not apply to any acquisition of (or agreement to acquire) any interest in a Joint Venture or transfer of assets (or agreement to transfer assets) to a Joint Venture or loan made to or guarantee given in respect of the obligations of a Joint Venture if such transaction is a Permitted Acquisition, a Permitted Disposal, a Permitted Loan or to a Permitted Joint Venture.

Holding Companies

Except as may arise under or in connection with the Finance Documents, the Parent shall not trade, carry on any business, own any assets or incur any liabilities except for:

(a) the provision of administrative services to other members of the Security Group of a type customarily provided by a Holding Company to its Subsidiaries and any liabilities incurred in connection therewith and any liabilities under any employment, service or consultancy agreements with any director or senior management or under any insurance agreements for any member of the Security Group;

(b) ownership of shares in its Subsidiaries;

(c) intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and Cash Equivalent Investments;

(d) in respect of assets, liabilities and the performance of obligations contemplated under the Finance Documents to which it is a party and Taxes, professional fees and administration costs in the ordinary course of business as a Holding Company and any liabilities arising by operation of law;

(e) in connection with:

(i) the making or receipt of payments in respect of any Permitted Distribution;

(ii) the making or receipt of payments in respect of any New Shareholder Injection;

(iii) any Permitted Loan; and

(f) the issuance of any Permitted Share Issue.

Restrictions on dealing with assets and Security

Preservation of assets

Each Obligor shall (and the Security Group Agent shall ensure that each other member of the Security Group shall) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary in the conduct of the Permitted Business where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

Pari passu ranking

Subject to the Legal Reservations and, in the case of the Security Documents, the Perfection Requirements each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Secured Creditor against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

Negative pledge

(a) Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall) create or permit to subsist any Security over any of its assets.

(b) No Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall):

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Security Group;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

This paragraph does not apply to any Security or (as the case may be) Quasi-Security, which is Permitted Security or a Permitted Transaction.

Disposals

Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset. This paragraph does not apply to any sale, lease, transfer or other disposal which is a Permitted Disposal, a Permitted Transaction or a Permitted Distribution.

Arm's length basis

Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall) enter into any transaction with any person except on arm's length terms. This paragraph does not apply to transactions of the following nature:

(a) any transactions in respect of Subordinated Liabilities or Subordinated Intragroup Liabilities;

(b) intra-group loans permitted under paragraph 17 (*Loans or credit*) of Part 3 (*General Covenants*) of Schedule 2 of the CTA;

(c) intra-group acquisitions permitted under paragraph 9 *(Acquisitions)* of Part 3 *(General Covenants)* of Schedule 2 of the CTA;

(d) intra-group disposals permitted under paragraph 15 *(Disposals)* of Part 3 *(General Covenants)* of Schedule 2 of the CTA;

(e) fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents;

(f) any Permitted Transaction or Permitted Distribution; or

(g) any Debt Purchase Transaction which is permitted in any Authorised Credit Facility; and

(h) transactions between members of the Group which are permitted by the terms of the Common Documents.

Restrictions on movement of cash

Loans or credit

Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall) be a creditor in respect of any Financial Indebtedness. This paragraph does not apply to a Permitted Loan or a Permitted Transaction.

No guarantees or indemnities

Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall) incur or allow to remain outstanding any guarantee in respect of any obligation of any person. This paragraph does not apply to a guarantee which is a Permitted Guarantee or Permitted Transaction.

Distributions

Except as permitted, neither the Parent nor the Security Group Agent shall (and the Security Group Agent shall ensure that no other member of the Security Group shall):

(a) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(b) repay or distribute any dividend or share premium reserve;

(c) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so;

(d) repay or prepay any principal amount (or capitalised interest) outstanding in respect of Subordinated Liabilities or Subordinated Intragroup Liabilities;

(e) pay any interest, fee or charge accrued or any other amounts due or payable in respect of Subordinated Liabilities or Subordinated Intragroup Liabilities;

(f) purchase, redeem, defease or discharge any amount outstanding in respect of Subordinated Liabilities or Subordinated Intragroup Liabilities;

(g) make any loan to or to the order of any direct or indirect shareholder of the Parent or any Holding Company of the Parent; or

(h) pay (or allow any other member of the Security Group to pay) any management, advisory or other fee or payment to or to the order of any of the Investors or any Affiliate of any Investor or any other direct or indirect shareholders (or any of their Affiliates) of the Parent,

This paragraph does not apply to a Permitted Distribution or a Permitted Transaction (other than one referred to in paragraph (c) of the definition of that term).

Maturity concentration

From the date falling 24 months after the Closing Date, no Obligor may incur (other than in respect of drawings under Class A Capex Facility, Class B Capex Facility or WC Facility) any Financial Indebtedness or change the scheduled maturity date (other than, for the avoidance of doubt, pursuant to any mandatory prepayment covenant or undertaking otherwise permitted) if as a result of doing so there would fall due in any period of 36 months, an aggregate principal amount (including accretions by indexation of the notional amount under any Hedging Agreement and excluding other scheduled payments (other than any mandatory breaks) under any Hedging Agreement which has not crystallised) in excess of 50 per cent. of Class A Net Debt at the relevant time.

Financial Indebtedness

Except as permitted, no Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall) incur or allow to remain outstanding any Financial Indebtedness. This paragraph does not apply to Financial Indebtedness which is Permitted Financial Indebtedness or a Permitted Transaction.

Share capital

No Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group shall) issue any shares except pursuant to a Permitted Share Issue or a Permitted Transaction.

Miscellaneous

Insurance

Each Obligor shall (and the Security Group Agent shall ensure that each other member of the Security Group shall) maintain insurances on and in relation to its business and assets with reputable independent insurance companies or underwriters against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

Access

If an Event of Default is continuing, each Obligor shall (and the Security Group Agent shall ensure that each member of the Security Group shall), to the extent it is able to do so under existing contractual arrangements and applicable law, permit the Security Trustee and/or accountants or other professional advisers and contractors of the Security Trustee access during normal business hours and on reasonable notice to:

(a) the premises, assets, books, accounts and records of each member of the Security Group; and

(b) meet and discuss matters with senior management of the Security Group and its Auditors.

Intellectual Property

Each Obligor shall (and the Security Group Agent shall ensure that each member of the Security Group shall):

(a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant member of the Security Group;

(b) use reasonable endeavours to prevent any infringement in any material respect of such Intellectual Property;

(c) make registrations and pay all registration fees and taxes necessary to maintain such Intellectual Property in full force and effect and record its interest in that Intellectual Property;

(d) not use or permit such Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of the relevant member of the Security Group to use such property; and

(e) not discontinue the use of such Intellectual Property,

where failure to do so, in the case of paragraphs (i), (ii) and (iii) above, or, in the case of paragraphs (iv) and (v) above, such use, permission to use, omission or discontinuation, is reasonably likely to have a Material Adverse Effect.

Failure to comply with any part of this covenant will not result in a breach to the extent that any dealing with Intellectual Property which would otherwise be a breach is contemplated by the definition of "Permitted Transaction".

Amendments

No Obligor shall and the Security Group Agent shall ensure that no other member of the Security Group shall amend, vary, novate, supplement, supersede, waive or terminate any term of a Finance Document other than in accordance with the provisions of the STID and its own terms.

Treasury Transactions

(a) No Obligor shall (and the Security Group Agent shall procure that no other member of the Security Group shall) enter into any Treasury Transaction, other than any hedging arrangements entered into in accordance with the Hedging Policy.

(b) Each member of the Security Group shall comply with the Hedging Policy.

Guarantors

Subject to the Agreed Security Principles, the Issuer shall ensure that within 30 days of the date of delivery of each Compliance Certificate in accordance with Clause 3 (*Provision and contents of Compliance Certificate*) of Part 2 (*Information Covenants*) of Schedule 2 (*Security Group Covenants*) of the CTA (or, if earlier, the latest date for delivery of the relevant Compliance Certificate under such provision), the aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of the Guarantors and the Issuer, the aggregate gross assets and the aggregate turnover of the Guarantors and the Issuer (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any member of the Security Group) represent not less than 85 per cent. of Consolidated EBITDA, consolidated gross assets and consolidated turnover of the Security Group (tested by reference to the most recent Financial Statements delivered pursuant to paragraph 1 (*Financial statements*) of Part 2 (*Information Covenants*) of Schedule 2 (*Security Group Covenants*) of the CTA.

Subject to the Agreed Security Principles, the Issuer shall accede to the Common Documents as a Guarantor in accordance with the STID on or prior to the date on which any company (other than the Issuer but including an Additional Holdco or Finco) first becomes a borrower, issuer or an additional borrower entitled to borrow any Secured Debt in accordance with the relevant terms of one or more Authorised Credit Facilities and accedes to the STID as an Additional Obligor.

Centre of main interests and establishments

Each Obligor shall procure that, for the purposes of The Council of the European Union Regulation No. 1346\2000 on Insolvency Proceedings (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation and it has no "establishment" as that term is used in Article 2(h) of the Regulation in any other jurisdiction.

Further assurance

(a) Subject to the Agreed Security Principles, each Obligor shall (and the Security Group Agent shall ensure that each other member of the Security Group shall) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage, pledge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Borrower Security) or for the exercise of any rights, powers and remedies of the Security Trustee or the Secured Creditors provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Security Trustee or the Secured Creditors, Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents; and/or

(iii) following the occurrence of an Event of Default to facilitate the realisation of the assets which are, or are intended to be, the subject of the Borrower Security.

(b) Subject to the Agreed Security Principles, each Obligor shall (and the Security Group Agent shall ensure that each other member of the Security Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Secured Creditors by or pursuant to the Secured Creditors.

Transfers of Concessions

Notwithstanding any other term of the CTA, no Obligor shall sell, lease, transfer or otherwise dispose of any Concession, except for: (i) any Permitted Disposal, (ii) any sale, lease, transfer or disposal to another Obligor, (iii) any merger of a Concession with another Concession held by an Obligor; or (iv) any disposal (including a termination) of a Concession in the ordinary course of business of the relevant Obligor.

Sanctions

In relation to Sanctions:

(a) The Issuer and the Parent shall maintain in effect and enforce policies and procedures designed to ensure compliance by it and its Subsidiaries with applicable Sanctions.

(b) The Issuer shall not request a Utilisation, nor use, and shall procure that no member of the Group and its or their respective directors, officers, employees and agents shall use, the proceeds of any Utilisation:

(i) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such action is prohibited by, or would itself cause any member of the Security Group to be in breach of Sanctions; or

(ii) in any manner that would result in the violation of any Sanctions applicable to any Party hereto.

(c) The Security Group Agent shall, and shall procure that each other member of the Group shall, ensure that:

(i) no person that is a Sanctioned Person shall have any legal or beneficial interest in any funds repaid or remitted by the Issuer to any Authorised Credit Provider in connection with the Authorised Credit Facilities; and

(ii) it shall not use any funds paid to it by a Sanctioned Person (other than deriving from such person prior to it being a Sanctioned Person) for the purpose of discharging amounts owing to an Authorised Credit Provider in respect of the Authorised Credit Facilities.

(d) The Security Group Agent shall, and shall procure that each member of the Group shall, implement and maintain appropriate safeguards designed to prevent any action that would be contrary to this covenant.

(e) The Security Group Agent shall, and shall procure that each other member of the Group shall, promptly upon becoming aware of the same, supply to the Security Trustee details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions.

(f) The undertakings contained in this covenant shall only be complied with by a Person (as such term is defined in paragraph 28.1 (*Sanctions*) of Part 1 (*General*) of Schedule 1 (*Security Group Representations*) of the CTA) or (as applicable) be applied for the benefit of a Restricted Secured Creditor to the extent that they do not result in (i) any violation of or conflict with or liability under EU Regulation (EC) 2271/96; (ii) violation of or conflict with or liability under section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*) (in conjunction with section 4 and sections 19 paragraph 3 no.1 a) of the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*) or a similar anti-boycott statute by that Person (as such term is defined in paragraph 28.1 (*Sanctions*) of Part 1 (*General*) of Schedule 1 (*Security Group Representations*) of the CTA) or that Restricted Secured Creditor (as applicable). In connection with any amendment, waiver, determination or direction relating to any part of this paragraph of which a Restricted Secured Creditor does not have the benefit, the Outstanding Principal Amount of Qualifying Senior Debt owed to that Restricted Secured Creditor will be excluded for the purpose of determining whether the consent of the Majority Secured Creditors has been obtained or whether the determination or direction by the Majority Secured Creditors has been made.

Independent director

Each of the Issuer and the Parent shall have at least one independent director at all times.

Secured Debt

If, in respect of any Relevant Period,

(a) Consolidated EBITDA is increased as a result of any Debt Purchase Transaction under any Authorised Credit Facility Agreement by a member of the Security Group; or

(b) Net Finance Charges are decreased as a result of any Debt Purchase Transaction under any Authorised Credit Facility Agreement by a member of the Security Group,

then the relevant member of the Security Group to whom Secured Debt is owed as a result of the Debt Purchase Transaction may not dispose of such Secured Debt until the date falling 12 months after the Calculation Date in respect of which the increase in Consolidated EBITDA and/or decrease in Net Finance Charges (as applicable) was calculated.

Amendments to constitutional documents

No Obligor may change its constitutional documents without the Security Trustee's consent if such change would be reasonably likely to have a Material Adverse Effect or otherwise materially prejudice the security interests created by the Security Documents (provided that any amendment to increase the authorised share capital of an Obligor shall be deemed not to have a Material Adverse Effect or to be otherwise materially prejudicial to the security interests created by the Security Documents).

Additional General Covenants added pursuant to the Deed Poll

Pursuant to the Deed Poll, the following additional general covenants were deemed incorporated into the CTA:

(a) The Issuer and the Parent shall not incur any Class B LF Permitted Additional Financial Indebtedness (other than in respect of Permitted Refinancing Debt and/or where the Financial Indebtedness is to be used to fund Capital Expenditure) unless it has delivered to the Security Trustee a certificate signed by a director of the Issuer confirming that no Total Lock-Up Event would occur as a result of the incurrence of such Class B LF Permitted Additional Financial Indebtedness.

(b) The Issuer and the Parent shall not incur any Class B Permitted Additional Financial Indebtedness (other than in respect of Permitted Refinancing Debt and/or where the Financial Indebtedness is to be used to fund Capital Expenditure) unless it has delivered to the Security Trustee a certificate signed by a director of the Issuer confirming that no Total Lock-Up Event would occur as a result of the incurrence of such Class B Permitted Additional Financial Indebtedness.

(c) The Issuer and the Parent shall not acquire any company or shares in any company or Joint Venture, the principal business of which falls within paragraph (a), (b) or (c) of the definition of "Permitted Business" if a Total Lock-Up Event is continuing on the closing date for the acquisition or would occur as a result of the acquisition.

Trigger Events

The CTA also sets out certain Trigger Events. The specific Trigger Events and the consequences which flow from the occurrence of those events are set out below.

(a) *Class A Liquidity Required Amount*

The sum of the amount available under a Class A Liquidity Facility Agreement at any time and any amount credited to a Class A Debt Service Reserve Account is, in aggregate, less than the Class A Liquidity Required Amount.

(b) *Class B Liquidity Required Amount*

The sum of the amount available under a Class B Liquidity Facility Agreement at any time and any amount credited to the Class B Debt Service Reserve Account is, in aggregate, less than the Class B Liquidity Required Amount.

(c) *Financial ratios*

(i) A Compliance Certificate, delivered in accordance with the terms of the Finance Documents, certifies that the Lock-Up Tests have not been satisfied in respect of the most recent Calculation Date.

(ii) Pursuant to the Deed Poll and its incorporation into the CTA, a Compliance Certificate, delivered in accordance with the terms of the Finance Documents, certifies that the Total Lock-Up Tests have not been satisfied in respect of the most recent Calculation Date.

(d) *Liquidity for Capital Expenditure and Working Capital*

If, as at any Calculation Date, the aggregate of:

(i) the Issuer's operating cashflows available or forecast to be available to meet its Capital Expenditure and working capital requirements for the next 12 months; and

(ii) amounts available to be drawn in the next 12 month period under the relevant Class A Capex Facility, Class B Capex Facility and the WC Facility,

is less than the aggregate of the forecast Capital Expenditure and working capital requirements projected for the next 12 months.

(e) *Amendment of Concession*

The Regulatory Authority gives the Issuer notice of any actual modification of a Concession which has, or would reasonably be expected to have, a Material Adverse Effect or result in:

(i) the Senior Interest Cover Ratio being less than the Default Ratio;

(ii) the Senior Leverage Ratio being greater than the Default Ratio; or

(iii) the Total Leverage Ratio being greater than the Default Ratio.

(f) *Redemption of electricity system*

The Issuer receives written notice from the Regulatory Authority or a competent court of law, pursuant to which the Swedish government shall be entitled to redeem (Sw. *inlösen*) the entire electricity system of the Issuer in accordance with the Swedish Act on the Special Administration of Certain Electrical Facilities (Sw. *lag (2004:875) om särskild förvaltning av vissa elektriska anläggningar*) and where such redemption is reasonably likely to occur and would have, or would reasonably be expected to have a Material Adverse Effect, until such time as the compensation received from such redemption is sufficient to fully repay the Secured Debt and will be applied by the Issuer in prepayment of the Secured Debt promptly upon receipt.

(g) *Adverse Legislation*

Any government bill (Sw. *proposition*) is presented to the Swedish Parliament (Sw. *Riksdagen*) which is likely to be approved by the Swedish Parliament and, if approved and enacted or otherwise brought into force as law or regulation, would or would reasonably be expected to have a Material Adverse Effect or result in:

(i) the Senior Interest Cover Ratio being less than the Default Ratio;

(ii) the Senior Leverage Ratio being greater than the Default Ratio; or

(iii) the Total Leverage Ratio being greater than the Default Ratio.

(h) *Drawdown on Class A Liquidity Facility*

There is a drawdown (other than a Standby Drawing) under a Class A Liquidity Facility or drawing from a Class A Debt Service Reserve Account, respectively, or a Class A Liquidity Standby Account, if the withdrawal of such amount is for the purposes of making scheduled debt service payments on the Class A Debt.

(i) *Drawdown on Class B Liquidity Facility*

There is a drawdown (other than a Standby Drawing) under a Class B Liquidity Facility or drawing from a Class B Debt Service Reserve Account, respectively, or a Class B Liquidity Standby Account, if the withdrawal of such amount is for the purposes of making scheduled debt service payments on the Class B Debt.

(j) *Event of Default*

The occurrence of an Event of Default which is continuing.

(k) *Rating downgrade*

The Issuer (or the Class A Rated Debt issued by the Issuer) no longer retain(s) an Investment Grade rating or there is no Rating.

(l) *Super Senior Hedging Agreements*

(i) on any Calculation Date, the aggregate original notional amount of any Super Senior Hedging Agreements is greater than 10 per cent. of the aggregate principal amount of Secured Debt outstanding as at the most recent Calculation Date;

(ii) on any Calculation Date, the aggregate mark to market value of any Super Senior Hedging Agreements is greater than 8 per cent. of the aggregate principal amount of Secured Debt outstanding as at the most recent Calculation Date; or

(iii) on any Calculation Date, the aggregate amount of all accretions by indexation to the aggregate original notional amount of any Super Senior Hedging Agreements the hedge payments of which are made by reference to inflation is greater than 6 per cent. of the aggregate principal amount of Secured Debt outstanding as at the most recent Calculation Date.

(m) *Auditor qualification*

The Auditors qualify the audited annual consolidated financial statements of the Issuer or (if the consolidated annual financial statements of the Parent are to be provided in accordance with paragraph 1.1(ii) of Part 2 (*Information Covenants*) of Schedule 2 (*Security Group Covenants*) of the CTA) the Parent, and such qualification has, or is reasonably likely to have, a Material Adverse Effect.

The occurrence of a Trigger Event gives rise to consequences including: a block on Restricted Payments, requirements for the Security Group to provide the Security Trustee with written proposals (including any proposed communication with the Regulatory Authority if related to the amendment of Concessions) for a remedy and a specified timeframe and, in any event, requirements for meetings to be held between the Security Trustee and the Security Group and representatives of the Secured Creditors if requested by the Security Trustee (acting reasonably) in order to discuss the ramifications of the Trigger Event and plan for a remedy and an obligation on the Security Group to provide further information to the Security Trustee as reasonably requested regarding a Trigger Event provided that the relevant Obligor shall use its reasonable obligations to obtain the consent of any Regulatory Authority to disclosure such information if no longer confidential or commercially sensitive.

Trigger Event Remedies

At any time when an Obligor believes that a Trigger Event has been remedied by virtue of the events or actions as set out in Part 3 (*Trigger Event Remedies*) Schedule 3 (*Trigger Events*) of the CTA, it must serve notice on the Security Trustee (signed by two directors) to that effect. The Security Trustee must, provided the notice requests the same, respond within 10 days (or such longer period as it may reasonably agree with the relevant Obligor (as the case may be)) confirming that the relevant Trigger Event has, in its reasonable opinion, been remedied or setting out its reasons for believing that such Trigger Event has not been remedied (in which case, such event will continue to be a Trigger Event until such time as the Security Trustee is reasonably satisfied that the Trigger Event has been remedied).

Events of Default

The CTA contains (including but not limited to) the following events of default (other than paragraph (p) (*Equity Cure*)) which together constitute the "**Events of Default**" under each Finance Document other than any Liquidity Facility Agreement and any Hedging Agreement (subject, in some cases, to agreed exceptions, materiality qualifications, reservations of law and grace periods), each one being an "**Event of Default**":

(a) *Non Payment*

An Obligor does not pay on the due date any amount payable by it under the Finance Documents at the place at and in the currency in which it is expressed to be payable unless: (a) its failure to pay is caused by administrative or technical error or a Disruption Event; and (b) payment is made within three Business Days of the due date.

(b) *Breach of Financial Covenant*

Any requirement of Part 1 (*Financial condition*) of Schedule 2 (*Security Group Covenants*) of the CTA is not satisfied, provided that no Event of Default under this paragraph will occur if the breach is remedied in the manner and within the time periods specified in paragraph 16 (*Equity Cure*) of Schedule 4 (*Events of Default*) of the CTA.

(c) *Other Obligations*

An Obligor does not comply with any provision of the Finance Documents (other than those referred to in: (i) paragraph 1 (*Non-payment*) of Schedule 4 of the CTA; and (ii) Part 1 (*Financial Covenants*) of Schedule 2 (*Security Group Covenants*) of the CTA).

No Event of Default under paragraph 3.1 of Schedule 4 (*Events of Default*) of the CTA will occur if the failure to comply is capable of remedy and is remedied within 20 Business Days of the earlier of (i) the Security Trustee giving notice to the Security Group Agent or relevant Obligor and (ii) the Security Group Agent or an Obligor becoming aware of the failure to comply.

(d) *Misrepresentation*

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

Other than in respect of a breach of paragraphs 17 (*Anti-corruption law*) and 28 (*Sanctions*) of 1 (*General*) of Schedule 1 (*Security Group Representations*) of the CTA, no Event of Default under paragraph 4.1 of Schedule 4 (*Events of Default*) of the CTA will occur if the event or circumstance giving rise to the breach is capable of remedy and is remedied within 20 Business Days of the earlier of (i) the Security Trustee giving notice to the Security Group Agent or relevant Obligor and (ii) the Security Group Agent or an Obligor becoming aware of the event or circumstance.

(e) *Cross default*

Any Financial Indebtedness (other than any financial accommodation pursuant to a Finance Document) of any member of the Security Group is not paid when due nor within any originally applicable grace period.

Any Financial Indebtedness of any member of the Security Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

Any creditor of any member of the Security Group becomes entitled to declare any Financial Indebtedness of any member of the Security Group due and payable prior to its specified maturity as a result of an event of default (however described).

No Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs 5.1 to 5.3 of Schedule 4 (*Event of Default*) of the CTA is less than SEK400,000,000 (or its equivalent in any other currency or currencies).

For the purpose of this paragraph, "Financial Indebtedness" does not include any Subordinated Liabilities or Subordinated Intragroup Liabilities of any member of the Security Group.

(f) *Insolvency*

Any Obligor or member of the Security Group is unable or admits inability to pay its debts as they fall due, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more classes of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

The paragraph above shall not apply if the relevant indebtedness arises in connection with any Subordinated Liabilities (as defined in the STID) or Subordinated Intragroup Liabilities (as defined in the STID).

A moratorium is declared in respect of any indebtedness of any Obligor or member of the Security Group.

(g) *Insolvency Proceedings*

Any corporate action, legal proceedings or other formal procedure or formal step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or member of the Security Group;

(ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor or member of the Security Group other than a composition, compromise, assignment or arrangement with respect to any Subordinated Liabilities or Subordinated Intragroup Liabilities;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or member of the Security Group; or

(iv) enforcement of any Security over any assets of any Obligor or member of the Security Group having an aggregate value of SEK200,000,000 (or its equivalent in other currency) or more,

or any analogous procedure is taken in any jurisdiction.

The above shall not apply:

- any winding-up petition which is: (A) being contested in good faith by any Obligor or (B) frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement;
- any step or procedure contemplated by paragraph (b) of the definition of "Permitted Transaction"; or
- in respect of any such action, legal proceedings or step over or relating to assets, the aggregate value of which does not exceed SEK250,000,000.

(h) *Creditors' process*

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Obligor having an aggregate value of SEK200,000,000 (or its equivalent in any currency) or more and is not discharged within 30 days.

(i) *Unlawfulness and Invalidity*

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or (subject to the Legal Reservations and the Perfection Requirements) any Borrower Security created or expressed to be created or evidenced by the Security Documents ceases to be effective or any subordination created under the STID is or becomes unlawful, in each case, in any respect which is material and adverse to the interests of the Secured Creditors under the Finance Documents (and, in relation to an obligation under a Common Document, which is material and adverse to the interests of the Secured Creditors taken as a whole).

Any Finance Document ceases to be in full force and effect (other than in accordance with its terms) or any Borrower Security or any subordination created under the STID ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective in any respect which is adverse to the interests of the Secured Creditors under the Finance Documents.

Any material obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations and, in the case of the Security Documents, the Perfection Requirements) or cease to be legal, valid, binding or enforceable and the cessation, individually or cumulatively, materially adversely affects the interests of the Secured Creditors under the Finance Documents (and, in relation to an obligation under a Common Document, which is material and adverse to the interests of the Secured Creditors taken as a whole).

No Event of Default under paragraph 9.1 or 9.3 of Schedule 4 (*Events of Default*) of the CTA will occur if the failure to comply is capable of remedy and is remedied within 20 Business Days of the earlier of: (i) the Security Trustee giving notice to the relevant party and (ii) the relevant party becoming aware of the failure to comply.

(j) *Cessation of Business*

Any Obligor or member of the Security Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except as a result of a Permitted Disposal or a Permitted Transaction.

(k) *Change of ownership*

After the Closing Date, the Parent ceases to own at least the same percentage of shares in the Issuer as on the Closing Date, except as a result of a disposal which is a Permitted Transaction.

(l) *Expropriation*

The authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets where such action has a Material Adverse Effect.

The paragraph above shall not apply to any expropriation or attachment which is discharged within 30 days.

(m) *Repudiation and Rescission of Agreements*

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Borrower Security or evidences an intention to rescind or repudiate a Common Document or any Borrower Security which is material and adverse to the interests of the Secured Creditors under the

Finance Documents (and, in relation to an obligation under a Finance Document, which is material and adverse to the interests of the Secured Creditors taken as a whole).

Any party to the STID (other than a Finance Party or an Obligor):

(i) rescinds or purports to rescind or repudiates or purports to repudiate any of those agreements or instruments in whole or in part; or

(ii) fails to comply with the provisions of, or does not perform its obligations under, the STID,

where such rescission, repudiation, non-compliance or non-performance, as the case may be, has or is likely to have a material adverse effect on the interests of the Authorised Credit Providers under the Finance Documents.

Any representation or warranty given by any party to the STID (other than a Finance Party or an Obligor) is incorrect in any material aspect.

It shall not be an Event of Default under paragraphs 13.2 and 13.3 of Schedule 4 (*Events of Default*) of the CTA if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Security Trustee giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

(n) *Litigation*

Any litigation, arbitration, administrative, governmental, regulatory or other proceedings are commenced in relation to the Finance Documents or the transactions contemplated in the Finance Documents or against any Obligor which is reasonably likely to be adversely determined and, if so determined, is reasonably likely to have a Material Adverse Effect.

(o) *Authorisations*

Any Authorisation required for the Permitted Business is breached, cancelled, revoked or terminated without being replaced (if replacement is required) on comparable or more favourable terms (taking into account changes in the applicable regulatory regime since the Closing Date) or on terms which are not materially prejudicial to the Authorised Credit Providers and (other than in respect of the termination, cancellation or revocation of a Concession, unless in the ordinary course of business), such breach, termination, cancellation or revocation is reasonably likely to have a Material Adverse Effect.

(p) *Equity Cure*

The Common Terms Agreement also provides the right to Ellevio to provide or procure additional equity in order to remedy or prevent a breach of the ratios outlined in paragraph (b) above (the "**Equity Cure Right**"). The Obligors may not elect to exercise the Equity Cure Right: (a) more than three times over any period of five calendar years; and (b) in respect of consecutive Calculation Dates. The application of any additional equity shall:

(a) in relation to the Senior Interest Cover Ratio, be:

(i) added to the Funds from Operations for that Relevant Period; and

(ii) included in the calculation of Funds from Operations on the subsequent Calculation Date;

(b) in relation to the Senior Leverage Ratio and the Total Leverage Ratio, be subtracted from Class A Net Debt and Total Net Debt for that Relevant Period; and in each case, shall be applied in prepayment or redemption to reduce outstanding amounts including accrued interest under any Class A Debt (excluding in each case make-whole amounts) and to meet any swap break costs which may become due to the Hedge Counterparties should one or more Hedging Transactions be terminated in accordance with paragraph 24 of Schedule 7 (*Hedging Policy*) of the CTA in connection with the exercise by the Obligors of an Equity Cure Right, and shall be applied, in each case, in the order of application determined by the Issuer in its sole discretion. The Obligors may not elect to exercise the Equity Cure Right:

(a) more than three times over any period of five calendar years; or

(b) in respect of consecutive Calculation Dates.

(q) *New Financial Covenant*

Any requirement of the New Financial Covenant is not satisfied *provided that* no Event of Default under this paragraph will occur if the breach is remedied in the manner and within the periods specified in the following paragraph (r) (*Total Equity Cure*).

(r) *Total Equity Cure*

Pursuant to the Deed Poll and its incorporation into the CTA, the Issuer has a right (the "**Total Equity Cure Right**") to prevent or cure the breach in paragraph (q) (*New Financial Covenant*) above by providing or procuring additional equity in an amount sufficient to cure or prevent such a breach less any equity cure amount applied pursuant to paragraph (p) (*Equity Cure*) above (the "**Total Equity Cure Amount**"). The Obligors may elect to exercise the Total Equity Cure Right no more than three times over a period of five years. The Obligors are not permitted to exercise the Total Equity Cure Right in respect of consecutive Calculation Dates.

The application of the Total Equity Cure Amount shall, in relation to the Total Interest Cover Ratio, be:

(a) (added to the Total Funds from Operations for that Total Relevant Period; and

(b) included in the calculation of Total Funds from Operations on the subsequent Calculation Date;

and in each case, shall be applied in prepayment or redemption to reduce outstanding amounts including accrued interest under any Class A Debt or any Class B Debt (excluding in each case make-whole amounts) and to meet any swap break costs which may become due to the Hedge Counterparties should one or more Hedging Transactions be terminated in accordance with paragraph 24 of Schedule 7 (*Hedging Policy*) to the CTA in connection with the exercise by the Obligors of an Total Equity Cure Right, and shall be applied, in each case, in the order of application determined by the Issuer in its sole discretion provided that the Issuer may not prepay or redeem any outstanding amounts under any Class B Debt before the prepayment or redemption of Class A Debt.

Upon the exercise of the Total Equity Cure Right, the Issuer is required to re-calculate the Total Interest Cover Ratio. If it is found that due to the application of the Total Equity Cure Amount, the breach has been prevented or cured, it is deemed that New Financial Covenant was complied with from the date of the Compliance Certificate that demonstrated such breach for that period.

Hedging Policy

The Obligors and members of the Security Group agree to be bound by a hedging policy set out in Schedule 7 to the CTA (the "**Hedging Policy**") the purpose of which is to limit the exposure of the Security Group to fluctuations in interest rates, currencies and inflation. The Hedging Policy is broadly divided into principles of general application, principles applying to currency hedges, principles relating to interest rate hedging, principles relating to pre-hedges, underhedged positions and overhedged positions, principles relating to Hedge Counterparties and individual Hedging Agreements.

General Principles

The Hedging Policy allows any Obligor or member of the Security Group to enter into Treasury Transactions to which the Hedging Policy will not apply in order to manage risk inherent in its business or funding on a prudent basis. Where such Treasury Transaction(s) is not entered into by way of a Hedging Agreement, it is unsecured and the hedge counterparty does not accede to the STID, provided that:

(a) the aggregate notional amount of such Treasury Transactions does not exceed SEK1 billion (Indexed); and

(b) no such Treasury Transaction shall have a tenor of more than 4 years.

The Hedging Policy will be reviewed from time to time by the Obligors and Security Group and may be amended as appropriate, including in order to meet the requirements of the Rating Agencies from time to time or to reflect derivatives-related regulatory requirements in accordance with the provisions of the STID.

Additionally, no amendment, waiver, modification or termination (in whole or part) of any Hedging Agreement requires the consent of any party other than the affected Hedge Counterparty, provided that: (a) such amendment, waiver, modification or termination (as the case may be) does not result in any Obligor or member of the Security Group breaching the Hedging Policy; and (b) no additional consent would be required under the STID.

Subject to the Entrenched Rights, no amendment, waiver, modification or termination (in whole or in part) of the Hedging Policy necessary to meet the requirements of the Rating Agencies from time to time or to reflect derivatives-related regulatory requirements (but for the avoidance of doubt, not including amendments, waivers, modifications or terminations of hedging limits, termination events and events of default, howsoever described), requires the consent of any party other than the relevant Borrower. In the event that the relevant Borrower is required to make any such change to the Hedging Policy, the Security Trustee shall be required (at the cost of the relevant Borrower) to execute such documents as are reasonably necessary to give effect to such change to the Hedging Policy.

Currency risk principles

The Hedging Policy prohibits Obligors or members of the Security Group from bearing unhedged currency risk in respect of interest payable to expected legal maturity and the repayment of principle under any foreign currency denominated debt instrument, provided that at any time up to 5 per cent. of the Relevant Debt may not be currency hedged for a period not exceeding 45 days

If, at any time, (i) the aggregate notional amount of Class A Hedging Transactions that are foreign exchange transactions exceeds 100 per cent. of the total outstanding principal amount of foreign currency denominated Relevant Debt which is Class A Debt; or (ii) the aggregate notional amount of Class B Hedging Transactions that are foreign exchange transactions exceeds 100 per cent. of the total outstanding principal amount of such foreign currency denominated Relevant Debt which is Class B Debt (each a "**Currency Overhedged Position**"), then the relevant Obligor or member of the Security Group must, within 30 days of becoming aware of such Currency Overhedged Position, reduce and/or procure the reduction of the notional amount of such Hedging Transactions (which may be achieved by terminating one or more of such Hedging Transactions (in whole or in part) so that it is in compliance with the parameters in this paragraph. For the avoidance of doubt, a Currency Overhedged Position may not be reduced by entering into one or more Offsetting Transactions.

Interest rate risk principles

The Hedging Policy places an obligation on Ellevio to hedge the interest rate risk in relation to all outstanding Relevant Debt, ensuring that:

(a) where less than 75 per cent. of (X) the Relevant Debt which is Class A Debt: (i) is fixed rate; (ii) is index-linked; or (iii) effectively bears a fixed or index-linked rate pursuant to a Class A Hedging Agreement (after taking into account any Offsetting Transactions) or (Y) all Relevant Debt is fixed rate, index-linked or effectively fixed rate or index-linked pursuant to a Hedging Agreement (an "**Underhedged Position**"), then the relevant Obligor or member of the Security Group shall increase or procure the increase of the notional amount of the Hedging Transactions so that it is over 75 per cent. within 45 days of becoming aware of the Underhedged Position; and

(b) at all times, the aggregate notional amount of (i) Class A Hedging Transactions that are interest rate or inflation-linked transactions exceeds 110 per cent. of the total outstanding principal amount of the Relevant Debt which is Class A Debt (after taking into account any Offsetting Transactions); or (ii) all Hedging Transactions that are interest rate or inflation-linked transactions exceeds 110 per cent. of the total outstanding principal amount of all Relevant Debt (each an "**Overhedged Position**"), the relevant Obligor or member of the Security Group must reduce and/or procure the reduction of the notional amount of Hedging Transactions below the 110 per cent. threshold within 30 days of becoming aware of the Overhedged Position.

For the avoidance of doubt, the Security Group is not obliged to enter into interest rate or inflation-linked Hedging Transactions in respect of Class B Debt.

Principles relating to Overhedged Positions, Underhedged Positions and Pre-hedges

Subject to the terms of each individual Hedging Agreement, each Obligor and member of the Security Group will manage the Underhedged Position, Overhedged Position or Currency Overhedged Position (as applicable) in its absolute discretion provided that, prior to the date on which any Overhedged Position or Currency Overhedged Position is remedied, the relevant Obligor or member of the Security Group will ensure that it has sufficient funds to meet any swap termination amounts or break costs which may become due to the Hedge Counterparties should one or more Hedging Transactions be terminated.

Each Obligor and member of the Security Group will, in addition, be permitted to enter into derivative instruments such as forward starting interest rate swap transactions and/or inflation rate swap transactions with an effective date no later than 24 months from the date of entry into such Treasury Transactions, in respect of Financial Indebtedness which is projected to be incurred within 24 months from the date of entry into such Treasury Transactions (the "**Pre-hedges**"). Subject to no Event of Default having occurred, the notional amount in respect of any Pre-hedge shall only count towards the determination of an Overhedged Position or Underhedged Position in respect of any day to the extent such day occurs on or after the effective date in respect of the relevant Pre-hedge. The Hedge Counterparties' termination rights shall apply equally to Pre-hedges. In addition, such Pre-hedges will contain provisions to the effect that such Pre-hedges must be terminated if the projected Financial Indebtedness is either not incurred or is incurred and the pre-hedging is no longer required..

Principles relating to Hedge Counterparties

The Hedging Policy restricts Hedge Counterparties, or institutions giving parent guarantees, to those that have a rating of no less than BBB or higher by S&P or Fitch or Baa2 or higher by Moody's at the time of entering into a Hedging Agreement. No party shall have any obligation to take any action (or to cease to take any action) if a Hedge Counterparty subsequently ceases to satisfy the criteria set out in the Hedging Policy with respect to any Rating.

Hedge Counterparties may transfer their obligations to an Affiliate, provided that such Affiliate complies with the above ratings criteria and accedes to the Finance Documents in accordance with the STID.

Principles relating to Hedging Agreements

All Hedging Agreements entered into pursuant to the Hedging Policy must be entered into in the form of a 2002 ISDA Master Agreement unless otherwise agreed by the Security Trustee.

Hedging Transactions in respect of Super Senior Hedging Transactions, Class A Hedging Transactions and Class B Hedging Transactions will be entered into under separate ISDA Master Agreements between any relevant Obligor and the relevant Hedge Counterparties

An Early Termination Date may only be designated by a Hedge Counterparty where certain events occur and continue, including various Events of Default, the exercise of rights under a break clause or breaches of certain obligations under a Hedging Agreement itself. No Event of Default (as defined in the ISDA Master Agreement) shall apply in relation to Ellevio and no Termination Event (as defined in the ISDA Master Agreement) in respect of which the Hedge Counterparty would have a right to terminate the relevant Hedging Agreement shall apply.

Each Hedge Counterparty has been required to acknowledge in the relevant Hedging Agreement that the relevant Hedging Agreement will be subject to the provisions of the Common Terms Agreement and the STID and that all amounts payable or expressed to be payable by the relevant Obligor or member of the Security Group under or in connection with such Hedging Agreement shall only be recoverable (and all rights of the relevant Hedge Counterparty under such Hedging Agreement shall only be exercisable) subject to and in accordance with the STID or the Common Documents, as applicable.

Any Obligor or member of the Security Group will be entitled to enter into Treasury Transactions with Hedge Counterparties that contain break clauses or that grant the relevant Obligor or member of the Security Group and/or the relevant Hedge Counterparty a break clause or right of optional early termination (other than any optional early termination rights governed by the Hedging Policy), if as at the date on which it enters into such Treasury Transactions:

(a) the aggregate notional amount of all such Treasury Transactions with break clauses or optional early termination does not exceed 10 per cent. of the outstanding principal amount of the Secured Debt; and

(b) the aggregate notional amount of such Treasury Transactions with break clauses or optional early termination coming due within a rolling two-year period does not exceed 5 per cent. of the outstanding principal amount of the Secured Debt.

Any Obligor or member of the Security Group will be entitled to enter into Super Senior Hedging Agreements with Hedge Counterparties that rank super senior to the Relevant Debt.

Cash Management

Operating Accounts

The CTA requires the Obligors to open and maintain one or more Operating Accounts with the Account Bank which will be subject to the Security.

At all times prior to any Standstill Period, the Cash Manager for the Security Group shall be the Issuer or the respective holder of the Operating Account.

During and following any Standstill Period, the Cash Manager shall be the Standstill Cash Manager.

The Cash Manager will act as such in respect of the accounts held by any of the relevant Obligors, and shall be authorised by such Obligors and the Security Trustee to operate all such accounts pending (other than with respect to the Standstill Cash Manager) the removal of the Cash Manager by reason of the occurrence of an Event of Default or any other agreed trigger for removal.

The Cash Manager (other than the Standstill Cash Manager) shall ensure that all of its revenues (other than a Class A Standby Drawing or Class B Standby Drawing, as applicable) will be paid into an Operating Account in its name or into the Class A Debt Service Reserve Account or Class B Debt Service Reserve Account, as applicable, and will use the funds standing to the credit of such relevant Operating Account and the relevant Class A Debt Service Reserve Account or Class B Debt Service Reserve Account to make payments permitted pursuant to the Finance Documents.

Each Operating Account shall be the sole current account of the relevant Obligor through which (subject to the terms of the Finance Documents) all operating expenditure, Capital Expenditure, payments in respect of Financial Indebtedness or any Taxes incurred by it shall be cleared.

Prior to the termination of a Standstill, payments to Secured Creditors will be made out of moneys standing to the credit of the Operating Accounts (subject to certain exceptions), in accordance with the Pre-Enforcement Priority of Payments as set out below.

Liquidity Facility

The Cash Manager shall determine the amount of any anticipated Class A Liquidity Shortfall on the next Determination Date after taking into account the balance standing to the credit of the Operating Accounts and relevant Class A Debt Service Reserve Accounts which will be available to the Obligors on the next Interest Payment Date.

If, after application of the balance standing to the credit of the Operating Accounts and Class A Debt Service Reserve Accounts (if any), there will be a positive Class A Liquidity Shortfall, the relevant Obligor (or the Cash Manager on its behalf) shall deliver a Class A LF Notice of Drawing to the Class A LF Agent in accordance with the Class A Liquidity Facility Agreement in respect of such Class A Liquidity Shortfall.

At the time any Class A LF Notice of Drawing is delivered by the relevant Obligor (or the Cash Manager on its behalf) to the Class A LF Agent in respect of an Interest Payment Date, that Obligor shall notify the Security Trustee of the amount of any applicable Class A Liquidity Shortfall in respect of such Interest Payment Date.

The amount of the Liquidity Loan Drawing (as defined in the relevant Liquidity Facility Agreement) shall immediately be credited to the relevant Operating Accounts and applied towards payment of the relevant items listed in sub-paragraphs (a) to (g) of the Pre-Enforcement Priority of Payments (excluding in respect of paragraph (d) therein)(excluding any termination payments, principal exchange amounts or other pay-as-you-go payments and all other unscheduled amounts payable to any Hedge Counterparty).

During a Standstill, the Standstill Cash Manager shall exercise those rights and perform those obligations of the Cash Manager under the Class A Liquidity Facility Agreement.

Pre-Enforcement Priority of Payments

Prior to the delivery of an Acceleration Notice, payments owed by an Obligor to Secured Creditors will be made, on each Payment Date (or in the case of paragraphs (a) and (b) below, on any day on which such amounts are due and payable), out of moneys standing to the credit of the Operating Account of that Obligor in the following order, without double counting:

(a) *first*, *pro rata* and *pari passu*, according to the respective amounts thereof in or towards satisfaction of the costs, fees, expenses and any other amounts (including by way of indemnities) payable by any Obligor to:

(i) the Security Trustee or any Receiver under any Finance Document; and

(ii) the Bond Trustee under any Finance Document;

(b) *second*, *pro rata* and *pari passu*, according to the respective amounts thereof in or towards satisfaction of the fees, costs, charges, liabilities, expenses and other remuneration and indemnity payments (if any) and any other amounts payable by any Obligor to:

(i) the Agents under the Agency Agreement;

(ii) the other Facility Agents;

(iii) the Account Bank under the Account Bank Agreement;

(iv) the Standstill Cash Manager; and

(v) each Secured Creditor Representative;

(c) *third*, *pro rata* and *pari passu*, in or towards satisfaction of all amounts due by an Obligor to any Class A LF Provider and a Class A LF Agent and arranger under each Class A Liquidity Facility Agreement (other than in respect of any Class A Subordinated Liquidity Payments and any amounts payable in accordance with the foregoing provisions);

(d) *fourth*, *pro rata* and *pari passu*, in or towards satisfaction of all amounts due by an Obligor to any Class B LF Provider and a Class B LF Agent and arranger under each Class B Liquidity Facility Agreement (other than in respect of any Class B Subordinated Liquidity Payments and any amounts payable in accordance with the foregoing provisions);

(e) *fifth*, *pro rata* and *pari passu*, according to the respective amounts thereof all scheduled amounts, scheduled termination payments, accretion or other pay-as-you-go payments payable to each Super Senior Hedge Counterparty under any Super Senior Hedging Agreements (other than in respect of Subordinated Hedge Amounts);

(f) *sixth*, *pro rata* and *pari passu*, according to the respective amounts thereof, in or towards satisfaction of:

(i) all amounts of interest, underwriting and commitment commissions payable under any Initial Authorised Credit Facilities;

(ii) all amounts of interest payable under any Class A Bonds;

(iii) all unscheduled amounts which are payable to each Super Senior Hedge Counterparty under any Super Senior Hedging Agreement (other than in respect of Subordinated Hedge Amounts and any amounts payable in accordance with the foregoing provisions);

(iv) all scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Class A Hedge Counterparty under any Class A Hedging Agreement (other than Subordinated Hedge Amounts);

(v) all amounts of interest payable under any Class A Institutional Loan;

(vi) all amounts of interest payable under any Class A PP Notes; and

(vii) all amounts of interest payable under any Class A Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions;

(g) *seventh*, *pro rata* and *pari passu*, in or towards satisfaction of:

(i) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Initial Authorised Credit Facilities;

(ii) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A Bonds;

(iii) all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or any unscheduled sums due and payable by the Issuer to each Class A Hedge Counterparty under, and any other amounts due to a Class A Hedge Counterparty under or in connection with, any Class A Hedging Agreement (other than Subordinated Hedge Amounts);

(iv) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A Institutional Loan;

(v) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A PP Notes (including any amounts due or overdue in respect of any swap breakage amounts due under each Class A PP Note Purchase Agreement) and any amounts due or overdue pursuant to a Class A PP Note Swap Indemnity Letter; and

(vi) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions;

(h) *eighth*, in or *towards* satisfaction of all amounts in respect of any Make-Whole Amount under any Class A Debt;

(i) *ninth*, *pro rata* and *pari passu,* in or towards satisfaction of:

(i) all amounts of interest, underwriting and commitment commissions payable under any Class B Senior Term Facilities and any amounts payable in accordance with the foregoing provisions;

(ii) all amounts of interest payable under any Class B Capex Facility;

(iii) all amounts of interest payable under any Class B Bonds;

(iv) all scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Class B Hedge Counterparty under any Class B Hedging Agreement (other than Subordinated Hedge Amounts and any amounts payable in accordance with the foregoing provisions);

(v) all amounts of interest payable under any Class B Institutional Loan;

(vi) all amounts of interest payable under any Class B PP Notes; and

(vii) all amounts of interest payable under any Class B Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions;

(j) *tenth*, *pro rata* and *pari passu*, in or towards satisfaction of:

(i) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Senior Term Facilities;

(ii) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Capex Facility;

(iii) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Bonds;

(iv) all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or any unscheduled sums due and payable by the Issuer to each Class B Hedge Counterparty under, and any other amounts due to a Class B Hedge Counterparty under or in connection with, any Class B Hedging Agreement (other than Subordinated Hedge Amounts);

(v) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Institutional Loan;

(vi) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B PP Notes (including any amounts due or overdue in respect of any swap breakage amounts due under each Class B PP Note Purchase Agreement) and any amounts due or overdue pursuant to a Class B PP Note Swap Indemnity Letter; and

(vii) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions; and

(k) *eleventh*, in or towards satisfaction of all amounts in respect of any Make-Whole Amount *under* any Class B Debt; and

(l) *twelfth*, *pro rata* and *pari passu*, in or towards satisfaction of all Class A Subordinated Liquidity Payments due under each Class A Liquidity Facility Agreement and all Class B Subordinated Liquidity Payments due under each Class B Liquidity Facility Agreement;

(m) *thirteenth*, *pro rata* and *pari passu*, in or towards satisfaction of any Subordinated Hedge Amounts due or overdue to a Hedge Counterparty; and

(n) *fourteenth*, any surplus shall be available to each Obligor entitled thereto to deal with as it sees fit.

Standstill Cash Manager

The CTA sets out provisions relating to the appointment of a Standstill Cash Manager to replace the Cash Manager following the commencement of a Standstill Period and for so long as such Standstill Period continues, provided that no Enforcement Action (other than a Permitted Share Pledge Acceleration) has occurred.

The Standstill Cash Manager will act as Standstill Cash Manager in accordance with the CTA, the STID, the Liquidity Facility Agreement and the Account Bank Agreement.

Governing law

The CTA and all non-contractual obligations arising out of or in connection with it are governed by English law.

Security Trust and Intercreditor Deed

General

The intercreditor arrangements among the members of the Security Group (the "**Intercreditor Arrangements**") are contained in the STID. Other than in respect of intra-group and shareholder loans, unsecured creditors are not and will not become parties to the intercreditor arrangements and will have unfettered, independent rights of action in respect of their debts. However, the aggregate amount of certain unsecured Financial Indebtedness is restricted under the CTA. Subject to accession to the STID, MDA and the CTA, other Authorised Credit Providers may, in the future, become Secured Creditors.

The purpose of the Intercreditor Arrangements is to regulate, among other things: (i) the claims of the Secured Creditors and their ranking in point of payment after the delivery of an Acceleration Notice; (ii) the exercise, acceleration and enforcement of rights by the Secured Creditors; (iii) the rights of the Secured Creditors to instruct the Security Trustee; and (iv) the giving of consents and waivers and the making of modifications to, among others, the Common Terms Agreement, the Security Documents, the Account Bank Agreement and the Master Definitions Agreement (the "**Common Documents**"). The Intercreditor Arrangements provide for the subordination and postponement of all claims relating to Financial Indebtedness of: (i) any member of the Security Group owed to another member of the Security Group; and (ii) certain other Financial Indebtedness of members of the Security Group.

Guarantee

The STID contains provisions through which any present or future members of the Security Group jointly and severally guarantee the obligations of each other member of the Security Group. The Guarantee extends to, among other things, the obligation to make any payment due under the Common Documents punctually and for the full amount. It also requires the Security Group to indemnify the Security Trustee (and the Secured Creditors for whom it acts) for any loss suffered if any guaranteed obligations become unenforceable, invalid, illegal or ineffective. The Guarantee extends for so long as there are any sums outstanding under the Common Documents.

As more fully set out in the STID, each Guarantor (which includes the Parent and the Issuer or any other entity which subsequently grants a Guarantee) jointly, severally, irrevocably and unconditionally guarantees the performance of the obligations of each Obligor until such time as all of the Obligors' obligations in respect of the Secured Liabilities have been discharged in full.

Modifications, Consents, Waivers and Voting Procedures

The STID contains provisions which enable the Security Trustee to exercise its discretion, without the consent of the Secured Creditors, to concur in making any modification, or giving any consent or granting any waiver under or in respect of any Common Document if: (i) in the opinion of the Security Trustee, it is required to correct a manifest error, or it is of a formal, minor, administrative or technical nature; or (ii) such modification, consent or waiver is not, in the opinion of the Security Trustee, materially prejudicial to the interests of any of the Qualifying Secured Creditors (where "**materially prejudicial**" means that such modification, consent or waiver could have a material adverse effect on the ability of the Obligors to repay the Secured Liabilities) referred to in the STID as "**Discretion Matters**". Where the Security Trustee is not willing or able to exercise its discretion, approval from relevant Qualifying Secured Creditors is required. Consents, waivers or modifications may, depending on their nature, constitute Ordinary Voting Matters (which require a simple majority to pass a resolution) or Extraordinary Voting Matters (which require not less than 66.67 per cent. of votes cast to pass a resolution). In addition, it may constitute an Entrenched Right in respect of one or more Secured Creditors with the result that the consent of such Secured Creditors will need to be obtained. The STID contains the detailed provisions regarding the quorum required for the approval of such matters (which, for example, in relation to an Ordinary Voting Matter, is one or more Participating Qualifying Secured Creditors representing not less than 20 per cent. of the Outstanding Principal Amount of all Qualifying Senior Debt), the time periods in which approvals need to be given (which, for example, in relation to an Ordinary Voting Matter, is 15 Business Days) and the percentage thresholds required to approve the different matters (which, for example, in relation to an Ordinary Voting Matter, is a simple majority of the Voted Qualifying Debt). Such quorums, time periods and percentage thresholds vary depending on the nature of the different matters. Other than in the case of the Hedge Counterparties, where the minimum quorum and voting majorities under any Authorised Credit Facility (other than the Hedging Agreements) are met, the entire Outstanding Principal Amount of such Authorised Credit Facility shall be aggregated by the Security Trustee with the votes cast for or against (as applicable) by the other Qualifying Secured Creditors. Where the minimum quorum and voting majorities specified in the relevant Authorised Credit Facility are not met, votes in respect of the relevant Authorised Credit Facility will be divided between votes cast in favour and votes cast against, on a "euro-for-euro" basis in respect of the Qualifying Senior Debt then owed to the Participating Qualifying Secured Creditors that vote on a proposed resolution within the Decision Period.

In the case of Bondholders voting on an STID Proposal, votes will be counted on a euro-for-euro basis either for or against the STID Proposal according to the vote unless holders of 25 per cent. or more of the Outstanding Principal Amount of such Sub-Class of Bonds cast a vote and 75 per cent. of the Outstanding Principal Amount of the Bonds of such Sub-Class which so voted, voted the same way then the entire Outstanding Principal Amount of such Sub-Class of Bonds will count as having voted in such way in respect of Quorum Requirements and the requisite majority. Where 25 per cent. or more of the Outstanding Principal Amount of such Sub-Class of Bonds cast a vote but less than 75 per cent. of the Outstanding Principal Amount of the Bonds of such Sub-Class which so voted vote the same way, the entire Outstanding Principal Amount of such Series of Bonds will count as having voted in such way in respect of Quorum Requirements but not the requisite majority. Bondholders will be able to participate in such approval processes by means of an electronic voting procedure, details of which are set out in the Trust Deed (and is briefly described in "– Trust Deed" below).

In the case of Qualifying Authorised Credit Facilities (other than Qualifying Hedging Transactions, the Qualifying Bonds and the Qualifying PP Notes), if the minimum quorum and voting majorities under any Qualifying Authorised Credit Facility (other than Qualifying Hedging Transactions, the Qualifying Bonds and the Qualifying PP Notes) are met, the entire Outstanding Principal Amount of such Qualifying Authorised Credit Facility shall be aggregated by the Security Trustee with the votes cast for or against (as applicable) by the relevant Qualifying Secured Creditors (including the Bondholders). Where the minimum quorum and voting majorities specified in the relevant Qualifying Authorised Credit Facility (other than Qualifying Hedging Transactions, the Qualifying Bonds and the Qualifying PP Notes) are not met, votes in respect of the relevant Qualified Authorised Credit Facility will be divided between votes cast in favour and votes cast against, on a Krona-for-Krona basis in respect of the Qualifying Senior Debt then owed to the Participating Qualifying Secured Creditors that vote on a proposed resolution within the Decision Period. Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other Qualifying Secured Creditors.

In the case of PP Noteholders, if the minimum quorum and voting majorities specified in the relevant PP Note Purchase Agreement are met, only a single vote by reference to the entire Outstanding Principal Amount of such Series of PP Notes will be counted for the applicable proposal (and for the applicable Quorum Requirement). If the minimum quorum and voting majorities are not met, votes in respect of the relevant Series of PP Notes will be divided between votes cast in favour and votes cast against, on a Krona-for-Krona basis in respect of such PP Notes that vote on a proposed resolution within the Decision Period. Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other Qualifying Secured Creditors (and will be counted for the applicable Quorum Requirement).

In the case of Hedge Counterparties, voting in respect of any Qualifying Hedging Transaction will be made by each Qualifying Hedge Counterparty in respect of:

(A) in relation to any Qualifying Hedging Transaction in respect of which an Early Termination Date (as defined in the relevant Hedging Agreement) has been designated, the Equivalent Amount in respect of the amount (if any) outstanding to the relevant Qualifying Hedge Counterparty following such termination (as calculated in accordance with the terms of the relevant Hedging Agreement);

(B) if the Qualifying Hedge Counterparty is otherwise entitled under the relevant Hedging Agreement and the STID to designate an Early Termination Date (as defined in the relevant Hedging Agreement), the Equivalent Amount as calculated by the Qualifying Hedge Counterparty and notified in writing by the Qualifying Hedge Counterparty to the Security Trustee (representing the mark to market value of any Qualifying Hedging Transactions) of the amount (if any) which would be payable to the relevant Qualifying Hedge Counterparty if any Early Termination Date (as defined in the relevant Hedging Agreement) was designated on the date falling two Business Days after the commencement of the relevant Decision Period. Only such mark to market value will be counted towards the Quorum Requirement. In respect of each Qualifying Hedge Counterparty, a single vote by reference to the aggregate of the mark to market value of all such Qualifying Hedging Transactions arising under the Hedging Agreements of such Qualifying Hedge Counterparty will be counted for or against the applicable STID Proposal or Direction Notice; or

(C) prior to the taking of any Enforcement Action in relation to any vote:

  (A) on whether to take any Enforcement Action; or

  (B) to terminate any Standstill,

the Equivalent Amount as calculated by the Qualifying Hedge Counterparty and notified in writing by the Qualifying Hedge Counterparty to the Security Trustee (representing the mark to market value of any Qualifying Hedging Transactions) of the amount (if any) which would be payable to the relevant Qualifying Hedge Counterparty if any Early Termination Date (as defined in the relevant Hedging Agreement) was designated on the date falling two Business Days after the commencement of the relevant Decision Period. Only such mark to market value will be counted towards the Quorum Requirement. In respect of each Qualifying Hedge Counterparty, a single vote by reference to the aggregate of the mark to market value of all such Qualifying Hedging Transactions arising under the Hedging Agreements of such Qualifying Hedge Counterparty will be counted for or against the applicable STID Proposal or Direction Notice. There are also provisions which enable instructions to be given to the Security Trustee by the required percentage of Qualifying Secured Creditors in relation to a number of matters, including whether to enforce the security following an Event of Default and whether to deliver an Acceleration Notice. The required percentage of Participating Qualifying Secured Creditors differs depending on the nature of the instruction and also may vary over time. For example, the initial quorum in relation to a decision on whether to enforce the security would be Participating Qualifying Secured Creditors representing not less than 20 per cent. of the Outstanding Principal Amount of all Qualifying Senior Debt and a simple majority of the Voted Qualifying Debt will be required to pass the resolution.

Standstill and Enforcement Action

If any Secured Debt is outstanding, then immediately upon notification to the Security Trustee of an Event of Default, a Standstill Period will commence. During such a period, none of the Secured Creditors will be entitled to give any instructions to the Security Trustee to take any Enforcement Action (but without prejudice to the ability of the Secured Creditors to demand scheduled payments). Any money received by the Issuer or credited to the Accounts will be applied in accordance with Schedule 8 (*Cash Management*) to the CTA and, upon application in the discharge of the Secured Liabilities, in accordance with the Pre-Enforcement Priority of Payments.

A Standstill Period shall terminate on:

(a) the date on which any steps are taken to commence Insolvency Proceedings in relation to any Obligor other than proceedings that are commenced by the Security Trustee or which are frivolous or vexatious and are discharged, stayed or dismissed within 20 Business Days of commencement or, if earlier, the date on which such Insolvency Proceedings are advertised;

(b) the date which Participating Qualifying Secured Creditors in respect of 66.67 per cent. or more of the aggregate Outstanding Principal Amount of the Qualifying Senior Debt vote to terminate the Standstill Period; or

(c) the date of any waiver granted in accordance with the STID or the date of remedy of the Event of Default giving rise to the Standstill.

If a Standstill Period has not been terminated within 12 months, the Standstill Period will be automatically extended for a further 120 days unless terminated in accordance with paragraphs (a) to (c) above or by a vote in favour of termination by the Participating Qualifying Secured Creditors holding 50 per cent. or more of the aggregate Outstanding Principal Amount of Qualifying Senior Debt. If no termination occurs, the Standstill Period will be automatically extended for a further 60 days and can be terminated in accordance with paragraphs (a) to (c) above, or by a vote in favour of termination by the Participating Qualifying Secured Creditors holding 33.33 per cent. or more of the aggregate Outstanding Principal Amount of Qualifying Senior Debt. If no termination occurs following the automatic 60-day extension above, it can be can be terminated in accordance with paragraphs (a) to (c) above, or by a vote in favour of termination by the Participating Qualifying Secured Creditors holding 10 per cent. or more of the aggregate Outstanding Principal Amount of Qualifying Senior Debt.

Upon termination of a Standstill Period, an Enforcement Period will begin. During an Enforcement Period, any Secured Creditor will be entitled to direct the Issuer Security Trustee to take Enforcement Action, deliver an Acceleration Notice and exercise all rights which may be available to it under any Finance Document. Any proceeds raised during this process will be applied according to the Issuer Post-Enforcement Priority of Payments, described below.

Distressed Disposals

On the occurrence of a Distressed Disposal, the Security Trustee may, without any consent from any Secured Creditor or Obligor, release any Security as is required to effect the disposal in accordance with the STID. The net proceeds of disposal are to be paid to the Security Trustee for application in accordance with the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments

Following the delivery of an Acceleration Notice the Secured Creditors claims will rank according to the Post-Enforcement Priority of Payments. Obligations appearing in any one item are to rank *pari passu* and pro rata with each other. All Available Enforcement Proceeds shall be applied by or on behalf of the Security Trustee or, as the case may be, any Receiver, in or towards satisfaction of any amounts due according to Post-Enforcement Priority of Payments contained in the STID.

If there are insufficient funds to discharge in full amounts due and payable all items which rank *pari passu* with each other shall be discharged to the extent there are sufficient funds to do so and on a pro rata basis, according to the respective amounts.

Any amount referred to in the Post-Enforcement Priority of Payments which constitutes Secured Liabilities includes any amount payable to any other Obligor under the Guarantees.

The Post-Enforcement Priority of Payments is as follows:

(a) *first*, *pro rata* and *pari passu*, according to the respective amounts thereof in or towards satisfaction of the costs, fees, expenses and any other amounts (including by way of indemnities) payable by any Obligor to:

(i) the Security Trustee or any Receiver under any Finance Document; and

(ii) the Bond Trustee under any Finance Document;

(b) *second*, *pro rata* and *pari passu*, according to the respective amounts thereof in or towards satisfaction of the fees, costs, charges, liabilities, expenses and other remuneration and indemnity payments (if any) and any other amounts payable by any Obligor to:

(i) the Agents under the Agency Agreement;

(ii) the other Facility Agents;

(iii) the Account Bank under the Account Bank Agreement;

(iv) the Standstill Cash Manager; and

(v) each Secured Creditor Representative;

(c) *third*, *pro rata* and *pari passu*, in or towards satisfaction of, all amounts due by an Obligor to any Class A LF Provider and a Class A LF Agent and arranger under each Class A Liquidity Facility Agreement (other than in respect of any Class A Subordinated Liquidity Payments and any amounts payable in accordance with the foregoing provisions);

(d) *fourth*, *pro rata* and *pari passu*, in or towards satisfaction of all amounts due by an Obligor to any Class B LF Provider and a Class B LF Agent and arranger under each Class B Liquidity Facility Agreement (other than in respect of any Class B Subordinated Liquidity Payments and any amounts payable in accordance with the foregoing provisions);

(e) *fifth*, *pro rata* and *pari passu*, according to the respective amounts thereof all scheduled amounts, scheduled termination payments, accretion or other pay-as-you-go payments payable to each Super Senior Hedge Counterparty under any Super Senior Hedging Agreements (other than in respect of Subordinated Hedge Amounts);

(f) *sixth*, *pro rata* and *pari passu*, according to the respective amounts thereof, in or towards satisfaction of:

(i) all amounts of interest, underwriting and commitment commissions payable under any Initial Authorised Credit Facilities;

(ii) all amounts of interest payable under any Class A Bonds;

(iii) all unscheduled amounts which are payable to each Super Senior Hedge Counterparty under any Super Senior Hedging Agreement (other than in respect of Subordinated Hedge Amounts and any amounts payable in accordance with the foregoing provisions);

(iv) all scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Class A Hedge Counterparty under any Class A Hedging Agreement (other than Subordinated Hedge Amounts);

(v) all amounts of interest payable under any Class A Institutional Loan;

(vi) all amounts of interest payable under any Class A PP Notes; and

(vii) all amounts of interest payable under any Class A Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions;

(g) *seventh*, *pro rata* and *pari passu*, in or towards satisfaction of:

(i) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Initial Authorised Credit Facilities;

(ii) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A Bonds;

(iii) all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or any unscheduled sums due and payable by the Issuer to each Class A Hedge Counterparty under, and any other amounts due to a Class A Hedge Counterparty under or in connection with, any Class A Hedging Agreement (other than Subordinated Hedge Amounts);

(iv) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A Institutional Loan;

(v) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A PP Notes (including any amounts due or overdue in respect of any swap breakage amounts due under each Class A PP Note Purchase Agreement) and any amounts due or overdue pursuant to a Class A PP Note Swap Indemnity Letter; and

(vi) all amounts of principal due or overdue in respect of Class A Debt outstanding under any Class A Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions;

(h) *eighth*, in or towards satisfaction of all amounts in respect of any Make-Whole Amount under any Class A Debt;

(i) *ninth*, *pro rata* and *pari passu,* in or towards satisfaction of:

(i) all amounts of interest, underwriting and commitment commissions payable under any Class B Senior Term Facilities and any amounts payable in accordance with the foregoing provisions;

(ii) all amounts of interest payable under any Class B Capex Facility;

(iii) all amounts of interest payable under any Class B Bonds;

(iv) all scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Class B Hedge Counterparty under any Class B Hedging Agreement (other than Subordinated Hedge Amounts and any amounts payable in accordance with the foregoing provisions);

(v) all amounts of interest payable under any Class B Institutional Loan;

(vi) all amounts of interest payable under any Class B PP Notes; and

(vii) all amounts of interest payable under any Class B Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions;

(j) *tenth*, *pro rata* and *pari passu*, in or towards satisfaction of:

(i) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Senior Term Facilities;

(ii) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Capex Facility;

(iii) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Bonds;

(iv) all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or any unscheduled sums due and payable by the Issuer to each Class B Hedge Counterparty under, and any other amounts due to a Class B Hedge Counterparty under or in connection with, any Class B Hedging Agreement (other than Subordinated Hedge Amounts);

(v) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Institutional Loan;

(vi) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B PP Notes (including any amounts due or overdue in respect of any swap breakage amounts due under each Class B PP Note Purchase Agreement) and any amounts due or overdue pursuant to a Class B PP Note Swap Indemnity Letter; and

(vii) all amounts of principal due or overdue in respect of Class B Debt outstanding under any Class B Permitted Additional Financial Indebtedness other than amounts payable in accordance with the foregoing provisions; and

(k) *eleventh*, in or towards satisfaction of all amounts in respect of any Make-Whole Amount under any Class B Debt; and

(l) *twelfth*, *pro rata* and *pari passu*, in or towards satisfaction of all Class A Subordinated Liquidity Payments due under each Class A Liquidity Facility Agreement and all Class B Subordinated Liquidity Payments due under each Class B Liquidity Facility Agreement;

(m) *thirteenth*, *pro rata and pari passu*, in or towards satisfaction of any Subordinated Hedge Amounts due or overdue to a Hedge Counterparty; and

(n) *fourteenth*, any surplus shall be available to each Obligor entitled thereto to deal with as it sees fit.

Governing law

The STID and all non-contractual obligations arising out of or in connection with it are governed by English law.

Trust Deed

Ellevio and the Bond Trustee have entered into a Trust Deed (the "**Trust Deed**") pursuant to which the Bonds are constituted. The Trust Deed includes the form of the Bonds and contains a covenant from Ellevio to the Bond Trustee to pay all amounts due under the Bonds. The Bond Trustee holds the benefit of that covenant on trust for itself and the Bondholders in accordance with their respective interests. The Trust Deed contains a number of covenants given by Ellevio including being obliged to use its reasonable endeavours to maintain a listing for listed Bonds while they remain outstanding.

Electronic Consent

Where the terms of the resolution proposed by Ellevio or the Bond Trustee (as the case may be) have been notified to the Bondholders through the relevant clearing system(s), each of Ellevio and the Bond Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents. Such consents shall be communicated through the electronic communications systems of the relevant clearing system(s) to the Issuing and Paying Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding.

Electronic Consent may only be used in relation to a resolution proposed by Ellevio or the Bond Trustee which is not then the subject of a meeting that has been validly convened in accordance with the Trust Deed, unless that meeting is or shall be cancelled or dissolved.

For a description of Bondholder voting mechanics in other circumstances including in respect of a STID Proposal, see Condition 13 (*Meetings of Bondholders, Modification, Waiver and Substitution*) in this Prospectus.

Governing law

The Trust Deed and all non-contractual obligations arising out of or in connection with it are governed by English law.

Security Documents

Swedish Law Security Agreements

Ellevio – security over real property mortgage certificates

Ellevio has entered into a Swedish law governed security agreement regarding real property mortgage certificates with the Security Trustee, with the obligations set forth thereunder which became effective on 31 August 2016. Under this security agreement, Ellevio granted security over real property mortgage certificates in a total aggregate amount of SEK460,534,000 issued in certain properties owned by it in favour of the Security Trustee (for itself and for the Secured Creditors). This security agreement secures all present and future obligations and liabilities (whether actual or contingent or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document to which such Obligor is a party.

Ellevio – security over business mortgage certificates

Ellevio has entered into a Swedish law governed security agreement regarding business mortgage certificates with the Security Trustee. The obligations set forth thereunder became effective on 31 August 2016. Under this security agreement, Ellevio granted security over business mortgage certificates in a total aggregate amount of SEK136,300,000 issued by it in favour of the Security Trustee (for itself and for the Secured Creditors). This security agreement secures all present and future obligations and liabilities (whether actual or contingent or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document to which such Obligor is a party.

The Parent – security over shares in the Issuer

The Parent has entered into a Swedish law governed security agreement regarding the shares in Ellevio with the Security Trustee. The obligations set forth thereunder became effective on 31 August 2016. Under this security agreement, the Parent has granted security over all shares in its wholly owned subsidiary, Ellevio, in favour of the Security Trustee (for itself and for the Secured Creditors). This security agreement secures the Parent's obligations all present and future obligations and liabilities (whether actual or contingent or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document to which such Obligor is a party.

The Parent – security over intragroup loans owing by Ellevio

The Parent has entered into a Swedish law governed security agreement regarding certain intragroup loans with the Security Trustee. The obligations set forth thereunder became effective on 31 August 2016. Under this security agreement, the Parent has granted security with delayed perfection over certain intragroup loans granted by the Parent to the Issuer, in favour of the Security Trustee (for itself and for the Secured Creditors). This security agreement secures all present and future obligations and liabilities (whether actual or contingent or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document to which such Obligor is a party.

Governing law

The Security Documents described above are governed by Swedish law.

English Law Security Documents

Assignment of Rights

The Obligors have entered into an English law governed Security Agreement in favour of the Security Trustee (for itself and for the Secured Creditors) in connection with the Finance Documents.

Under the English law governed Security Documents, the Obligors have, among other things, assigned by way of security with full title guarantee and as security for the payment of the Secured Liabilities, all of the agreements to which they are a party and the Related Rights.

Each Obligor has, among other things as security for the payment of all Secured Liabilities, charged in favour of the Security Trustee for itself and on behalf of the other Secured Creditors by way of first fixed charge, all the agreements to which it is a party and the Related Rights.

Assigned Agreements

The agreements assigned by way of security consist of Ellevio's right, title and interest from time to time in and to the Finance Documents to which it is party which are governed by English law and any of the following in relation to a Security Asset:

(a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Security Asset;

(b) any moneys or proceeds paid or payable deriving from that Security Asset;

(c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Security Asset;

(d) any awards or judgments in favour of an Assignor in relation to that Security Asset; and

(e) any other assets deriving from, or relating to, that Security Asset.

Enforcement of the English Security Agreement

Under the English Security Agreement, the security created thereunder is enforceable upon the commencement of, and at any time during, an Enforcement Period. In accordance with the STID, such period begins upon the termination of a Standstill (other than pursuant to the granting of a waiver of the underlying default in accordance with the STID) until the earlier of the date on which all Secured Liabilities are discharged and the date on which the Security Trustee (acting in accordance with the instructions of the relevant Secured Creditors pursuant to the STID) notifies Ellevio that the Enforcement Period has ended.

During such period, the Security Trustee shall, if instructed by any Secured Creditor, enforce all or any part of the Security in any manner it sees fit (to the fullest extent permitted under applicable law), acting in accordance with the STID. Any proceeds received by the Security Trustee or by any receiver appointed by it pursuant to the Security Agreement must be applied by the Security Trustee towards satisfaction of the respective secured liabilities in the order of the Post-Enforcement Priority of Payments, subject to the payment of any claims having priority to the security under the Security Agreement and to the rights of the Security Trustee and any receiver appointed in respect thereof and subject to the STID.

Discharge of Security

Subject to the STID, the Security shall be discharged when: (i) discharged in full and provided that none of the relevant Secured Creditors are under any further actual or contingent obligation to make advances or provide other financial accommodation under any of the Finance Documents; (ii) upon the occurrence of a Permitted Disposal or a Permitted Transaction, and at the costs of the relevant Obligor to execute on behalf of itself, each Secured Creditor and every other relevant party all necessary releases of any Security in relation to such Permitted Transaction or Permitted Disposal by such Obligor.

At that point, the Security Trustee and each Secured Creditor shall, in the sole discretion of the Security Trustee, execute and do all such things as may be necessary to release the security created by the Security Agreement and to reassign to the relevant Obligor the assigned property thereunder.

Governing law

The Security Documents described above, and all non-contractual obligations arising out of or in connection with the documents are governed by English law.

Initial Authorised Credit Facilities Agreement

Ellevio, the Initial ACF Agent and the Initial ACF Arrangers, among others entered into the Initial Authorised Credit Facilities Agreement on the Signing Date as amended and restated on 18 January 2019.

Under the IACFA, a SEK 7,500,000,000 revolving credit facility (the "**Revolving Credit Facility**") and an ancillary facility (an "**Ancillary Facility**") was made available to Ellevio.

Ellevio used or may use the proceeds of the Revolving Credit Facility:

(a) to enable Ellevio to refinance existing indebtedness owed under the IACFA before it was amended on 18 January 2019 (the "Existing Indebtedness") (including any related hedging);

(b) the financing or refinancing of Capital Expenditure of the Security Group (including expenditure relating to any Certified Storm Event) to the extent such Capital Expenditure will accrue to the RAV of the Security Group or will generate regulated income under the applicable regulatory regime at the time of the relevant Utilisation;

(c) the financing of Permitted Acquisitions as described in paragraphs (d) and (f) of the definition thereof (and excluding any Permitted Acquisition constituting a Hostile Takeover);

(d) costs and expenses incurred (on an arm's length basis) in connection with any Permitted Acquisition pursuant to paragraph (c) above; and

(e) the refinancing of any existing Financial Indebtedness of the relevant target company or business acquired in any Permitted Acquisition referenced in paragraph (c) above.

Ellevio may apply any utilisation of any Ancillary Facility towards general corporate purposes and the working capital requirements of the Security Group.

Facility A1, Facility A2, Facility A3, the Capex Facility and the WC Facility originally provided under the IACFA (before it was amended on 18 January 2019) were repaid and replaced with the Revolving Credit Facility upon the amendment of the IACFA on 18 January 2019.

As at the date of this Prospectus, there is no Capex Facility or WC Facility in place (other than, for the avoidance of doubt, the Revolving Credit Facility).

Ellevio makes representations and warranties, covenants and undertakings to the Initial ACF Arrangers, the Original Initial ACF Lenders and the Initial ACF Agent on the terms set out in or otherwise permitted by the CTA. All utilisations under the Initial Authorised Credit Facility are subject to all representations and warranties in the CTA being true in all material respects.

The Trigger Events under the CTA also apply under the Initial Authorised Credit Facilities Agreement as discussed above.

The Events of Default under the CTA also apply under the Initial Authorised Credit Facilities Agreement, as set out above.

The rights and obligations of the parties under the Initial Authorised Credit Facilities Agreement are subject to the STID. The occurrence of an Event of Default is not a draw-stop in respect of any Rollover Loan.

Subject to the CTA and the STID, Ellevio may, by the Security Group Agent giving not less than five Business Days' prior notice (or such shorter period as the Majority Lenders may agree) to the Initial ACF Agent, prepay amounts outstanding under the Term Facilities, the Capex Facility or the WC Facility in a minimum amount of SEK10,000,000. The Security Group Agent must confirm to the Initial ACF Agent that it has sufficient working capital facilities following any prepayment under the WC Facility and overdraft facility.

Ellevio will be required to repay in full any lender upon the occurrence of either a change of control or a disposal of all or substantially all of the assets of the Group if, during the 30 Business Day period after receipt of notice of the occurrence of such event, such lender confirms to the Security Group Agent that it wishes to cancel its commitments and be repaid.

Governing law

The Initial Authorised Credit Facilities Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

Class A Liquidity Facility Agreement

Ellevio entered into the Class A Liquidity Facility Agreement on the Signing Date.

Under the terms of the Class A Liquidity Facility Agreement, the Class A LF Providers make available a five-year committed multicurrency revolving credit facility (which may be renewed) in an aggregate amount specified in the Class A Liquidity Facility Agreement for the purpose of covering any funding shortfall where it is unable to service amounts payable in respect of the Finance Documents and certain other payments due to the Secured Creditors, including amounts due under certain hedging agreements.

Each Class A LF Provider must have a long term rating equal to or higher than the Minimum Long-Term Rating. Each Class A LF Provider will be a Secured Creditor and a party to the STID, the Common Terms Agreement and the Master Definitions Agreement.

The Class A Liquidity Facility will not be available to be drawn if a LF Event of Default has occurred and is continuing. Following delivery of an Acceleration Notice, the Initial Class A LF Agent may, by notice in writing to the affected (copied to the other LF Borrowers (as defined in the Class A Liquidity Facility Agreement)) and the Security Trustee, declare all outstanding drawings immediately due and payable and/or cancel the commitments of each Class A LF Provider.

The Class A Liquidity Facility Agreement provides that if: (i) at any time the rating of any Class A LF Provider falls below the Minimum Long-Term Rating; or (ii) the relevant Class A LF Provider does not agree to renew its commitment under the Class A LF prior to the expiry of the relevant availability period:

(a) the Cash Manager will use all reasonable endeavours to replace the relevant Class A LF Provider with a successor Class A LF Provider, a substitute Class A LF Provider or, in the case of (i) above only, a guarantor of such Class A LF Provider with the Minimum Long-Term Rating; and

(b) (if a replacement is not made within the relevant time period specified in the Class A Liquidity Facility Agreement) Ellevio (or the Cash Manager on their behalf) will be entitled to require such Class A LF Provider to pay into the relevant Class A Liquidity Standby Account the full amount of the relevant Class A LF Provider's undrawn commitment.

Governing law

The Class A Liquidity Facility Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

Class B Liquidity Facility Agreement

Ellevio entered into the Class B Liquidity Facility Agreement on 19 January 2018.

Under the terms of the Class B Liquidity Facility Agreement, the Class B LF Providers make available a five-year committed multicurrency revolving credit facility (which may be renewed) in an aggregate amount specified in the Class B Liquidity Facility Agreement for the purpose of covering any funding shortfall where it is unable to service amounts payable in respect of the Finance Documents and certain other payments due to the Secured Creditors, including amounts due under certain hedging agreements.

Each Class B LF Provider must have a long term rating equal to or higher than the Minimum Long-Term Rating. Each Class B LF Provider will be a Secured Creditor and a party to the STID, the Common Terms Agreement and the Master Definitions Agreement.

The Class B Liquidity Facility will not be available to be drawn if a LF Event of Default has occurred and is continuing. Following delivery of an Acceleration Notice, the Initial Class B LF Agent may, by notice in writing to the affected (copied to the other LF Borrowers (as defined in the Class B Liquidity Facility Agreement)) and the Security Trustee, declare all outstanding drawings immediately due and payable and/or cancel the commitments of each Class B LF Provider.

The Class B Liquidity Facility Agreement provides that if: (i) at any time the rating of any Class B LF Provider falls below the Minimum Long-Term Rating; or (ii) the relevant Class B LF Provider does not agree to renew its commitment under the Class B LF prior to the expiry of the relevant availability period:

(a) the Cash Manager will use all reasonable endeavours to replace the relevant Class B LF Provider with a successor Class B LF Provider, a substitute Class B LF Provider or, in the case of (i) above only, a guarantor of such Class B LF Provider with the Minimum Long-Term Rating; and

(b) (if a replacement is not made within the relevant time period specified in the Class B Liquidity Facility Agreement) Ellevio (or the Cash Manager on their behalf) will be entitled to require such Class B LF Provider to pay into the relevant Class B Liquidity Standby Account the full amount of the relevant Class B LF Provider's undrawn commitment.

Governing law

The Class B Liquidity Facility Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

Hedging Agreements

Members of the Security Group may enter into various interest rate, inflation-linked and currency swap transactions with the Hedge Counterparties in compliance with the Hedging Policy, as outlined above. Hedging Agreements may be designated as Class A Hedging Agreements or Class B Hedging Agreements, which will constitute either Class A Debt or Class B Debt, as the case may be. As of the date of this Prospectus, no member of the Security Group has entered into any Class B Hedging Agreement.

Governing law

The Class A Hedging Agreements and all non-contractual obligations arising out of or in connection with them are governed by English law.

Account Bank Agreement

General

The Security Group has established the Operating Accounts which are held with the Primary Account Bank and the Supplemental Account pursuant to the Account Bank Agreement dated on 19 August 2016 between, among others, Ellevio, the Primary Account Bank, the Supplemental Account Bank, the Security Trustee and the Standstill Cash Manager.

A Liquidity Standby Account and/or a Debt Service Reserve Account (together with the Operating Accounts, the "**Accounts**") may also be opened and maintained with the Account Bank under the Account Bank Agreement. Any Liquidity Standby Account will be operated by the Class A LF Agent or the Class B LF Agent (as the case may be) in accordance with the terms of the relevant Liquidity Facility Agreement.

Upon receipt by the Account Bank of notice of the commencement of a Standstill Period and until such Standstill Period is terminated in accordance with the terms of the STID, the Account Bank shall act on the instructions of the Standstill Cash Manager in relation to the Accounts. Following delivery of an Acceleration Notice to the Account Bank, the Account Bank will act on the instructions of the Security Trustee in relation to the Accounts.

Termination

The Account Bank may resign its appointment upon not less than 120 days' notice to the Security Group Agent and each Cash Manager (copied to the Security Trustee and the Standstill Cash Manager), provided that:

(a) if such resignation would otherwise take effect less than 30 days before or after the date upon which the Security created under the Security Documents is released, or any Payment Date, it shall not take effect until the 30th day following such date; and

(b) such resignation shall not take effect until a substitute Account Bank has been duly appointed.

The Security Group may jointly revoke their appointment of the Account Bank by not less than 30 days' notice to the Account Bank (with a copy to the Security Trustee and the Standstill Cash Manager), provided that such revocation shall not take effect until a substitute Account Bank with the requisite credit rating has been duly appointed. Furthermore the appointment of the Account Bank will terminate automatically if an Insolvency Event occurs in relation to the Account Bank.

Governing law

The Account Bank Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

CHAPTER 17
TAX CONSIDERATIONS

The following summary outlines certain Swedish tax consequences for investors on the acquisition, ownership and disposal of Bonds. The summary is based on the laws of Sweden in effect as of the date of this Prospectus and is intended to provide general information only. The summary is not exhaustive and does not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Bonds. The summary is neither intended to be nor should be construed as legal or tax advice. Specific tax consequences may be applicable to certain categories of corporations (for example, investment companies and life insurance companies) or certain classes of taxpayers holding the Bonds (for example, dealers in Bonds, etc) that are not described below. In addition, the summary does not address Bonds that are held in an "investment savings account" (Sw. investeringssparkonto) and are subject to a specific tax regime. Investors should consult their professional tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Bonds in their particular circumstances.

Non-resident Holders of Bonds

As used herein, a Non-resident Holder means a holder of Bonds that is either (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Bonds, or (b) an entity not organised under the laws of Sweden (a **"Non-resident Holder"**).

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a Non-resident Holder should not be subject to Swedish income tax provided that the Non-resident Holder does not carry out business activities from a permanent establishment in Sweden to which the Bonds are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a Non-resident Holder of any Bonds.

Under Swedish tax law, a capital gain on a sale of Bonds by a Non-resident Holder will not be subject to Swedish income tax unless the non-resident holder of Bonds carries on business activities in Sweden through a permanent establishment to which the Bonds are attributable.

Private individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments (depending on the classification of the particular financial instrument for Swedish income tax purposes) if they have been resident in or have lived permanently in Sweden at any time during (i) the calendar year of the disposal or redemption, or (ii) the ten calendar years preceding the year of the disposal or redemption. This liability may, however, be limited by tax treaties between Sweden and other countries.

Resident Holders of Bonds

As used herein, a Resident Holder means a holder of Bonds that is either (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden (a **"Resident Holder"**).

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) that are Resident Holders of any Bonds, all capital income arising from the Bonds (for example, capital gains or income that is considered to be interest for Swedish tax purposes) will be taxable.

Amortisation of principal is not otherwise subject to Swedish income tax. Swedish tax law does not impose withholding tax on payments of principal or interest to a Resident Holder of Bonds. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual who is a Resident Holder of Bonds (or to the estate of such an individual if deceased), Swedish preliminary tax (Sw. *preliminärskatt*) is normally withheld on such payments at a rate of 30 per cent.

The proposed Financial Transactions Tax (the "FTT")

On 14 February 2013, the European Commission published a proposal (the "**Proposal"**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States"**). However, Estonia has since stated that it will not participate.

The Proposal has broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the Proposal, the FTT could apply in certain circumstances to both persons within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution and at least one party is established in a Participating Member State. A financial institution may be deemed to be "established" in a Participating Member State in a broad range of circumstances, including (a) where it transacts with a person established in a Participating Member State, or (b) where the financial instrument that is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, proposed regulations have been issued which provide that such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Bonds characterised as debt (or which are not otherwise categorised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional bonds (as described under "*Terms and Conditions of the Bonds—Further Issues*") that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Bonds, including the Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

CHAPTER 18
SUBSCRIPTION AND SALE

Dealer Agreement

Bonds may be sold from time to time by the Issuer to any one or more of NatWest Markets Plc, BNP Paribas or Skandinaviska Enskilda Banken AB (publ), and any other dealer appointed from time to time in respect of the Bond Programme or a particular Issue Date (the "**Dealers**") pursuant to the dealer agreement dated on or before the date of this Prospectus as amended, supplemented, restated and/or novated from time to time, made between, among others, the Issuer, the Arranger and the Dealers (the "**Dealer Agreement**"). The arrangements under which a particular Tranche of Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Dealer Agreement and the subscription agreements relating to each Tranche of Bonds. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Bonds, the price at which such Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Bond Programme or in relation to a particular Series or Tranche of Bonds.

In the Dealer Agreement, the Issuer has agreed to reimburse the Arranger and each of the Dealers for certain of their expenses in connection with the establishment and maintenance of the Bond Programme and the issue of Bonds under the Dealer Agreement and the Issuer has agreed to indemnify the Arranger and each of the Dealers against certain liabilities incurred by them in connection therewith.

Selling and Transfer Restrictions of the United States of America

Selling Restrictions

The Bonds and the Guarantees have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or other jurisdictions and the Bonds may include Bearer Bonds that are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds and the Guarantees may not be offered or sold, or in the case of Bearer Bonds, delivered, within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. The Bonds are intended to be sold as exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C or TEFRA D apply or whether TEFRA is not applicable.

Each Dealer has agreed and each further Dealer appointed under the Bond Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Bonds, deliver Bonds and Guarantees: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Bonds are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable Tranche of Bonds sold to or through more than one Dealer, by each of such Dealers with respect to Bonds of an identifiable Tranche purchased by or through it, in which case, the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Bonds and the Guarantees during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds and the Guarantees within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the completion of the offering of any identifiable Tranche of Bonds, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering of such Tranche of Bonds) may violate the registration requirements of the Securities Act.

Transfer Restrictions

Each purchaser of Bonds and the Guarantees outside the United States pursuant to Regulation S and each subsequent purchaser of such Bonds and the Guarantees in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Prospectus and the Bonds and the Guarantees, will be deemed to have represented, agreed and acknowledged that:

(a) it is, or at the time Bonds and the Guarantees are purchased will be, the beneficial owner of such Bonds and the Guarantees and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an Affiliate of the Issuer or a person acting on behalf of such an Affiliate;

(b) it understands that such Bonds and the Guarantees have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Bonds and the Guarantees except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case, in accordance with any applicable securities laws of any State of the United States; and

(c) it understands that the Issuer, the Registrar, the Dealers and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

EEA and United Kingdom Selling Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Bond Programme will be required to represent and agree, that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by the Prospectus as completed by the final terms in relation thereto to the public in that Member State or the United Kingdom except that it may make an offer of such Bonds to the public in that Member State or the United Kingdom:

(a) if the final terms in relation to the Bonds specify that an offer of those Bonds may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State or the United Kingdom (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Bonds which has been approved by the competent authority in that Member State or the United Kingdom or, where appropriate, approved in another Member State or the United Kingdom and notified to the competent authority in that Member State or the United Kingdom, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Member State or the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

The price and amount of Bonds to be issued under the Bond Programme will be determined by the Issuer and each Relevant Dealer at the time of issue in accordance with prevailing market conditions.

Prohibition of Sales to EEA and UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospective Regulation**"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

United Kingdom Selling Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Bond Programme will be required to represent and agree, that:

(a) in relation to any Bonds which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

Canadian Selling Restrictions

The offer and sale of the Bonds in Canada may only be made in the provinces of Ontario, Québec, British Columbia and Alberta (the "**Canadian Jurisdictions**") or to residents thereof and not in, or to the residents of, any other province or territory of Canada. The information contained within this Prospectus does not constitute an offer in Canada to any other person, or a general offer to the Canadian public, or a general solicitation from the Canadian public, to subscribe for or purchase the Bonds. The distribution of this Prospectus and the offer and sale of the Bonds in certain Canadian provinces and territories may be restricted by law. Persons into whose possession this Prospectus comes must inform themselves about and observe any such restrictions.

The Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are (i) "accredited investors", as defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106"**), or if the investor is resident in Ontario subsection 73.3(1) of the *Securities Act* (Ontario), and (ii) "permitted clients", as defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations.*

The Bonds have not been nor will they be qualified for offer or sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the Bonds in the Canadian Jurisdictions will be made on a basis which is exempt from the prospectus requirements of Canadian securities laws. Accordingly, investors do not receive the benefits associated with a subscription for securities issued pursuant to a prospectus, including the review of offering materials by any securities regulatory authority. Any resale of Bonds must be made in accordance with, or pursuant to an exemption from, or in a transaction not subject to, the prospectus requirements of the applicable Canadian securities laws, which will vary depending on the relevant jurisdiction. These resale restrictions may, under certain circumstances, apply to resales of Bonds outside of the Canadian Jurisdictions. Investors reselling Bonds may have reporting and other obligations. In addition, in order to comply with the dealer registration requirements of Canadian securities laws, any resale of Bonds must be made either by a person not required to register as a dealer under applicable Canadian securities laws, or through an appropriately registered dealer or in accordance with an exemption from the dealer registration requirements.

The Issuer is not presently, nor does it intend to become, a "reporting issuer", as such term is defined under applicable Canadian securities laws, in any province or territory of Canada. Canadian investors are advised that the Bonds will not be listed on any stock exchange in Canada and that no public market for the Bonds is expected to exist in Canada following the distribution of the Bonds. Canadian investors are further advised that the Issuer is not required to file, and currently does not intend to file, a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of Bonds to the public in any province or territory of Canada. Accordingly, the Bonds may be subject to an indefinite hold period under applicable Canadian securities laws unless resales are made in accordance with applicable prospectus requirements or pursuant to an available exemption from such prospectus requirements.

Securities laws in the Canadian Jurisdictions will permit the resale of the Bonds purchased by residents of the Canadian Jurisdiction provided that:

(a) the Issuer was not a reporting issuer in any jurisdiction in Canada at the distribution date or the date of the trade;

(b) at the distribution date, after giving effect to the issue of the Bonds (and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the Bonds), residents of Canada:

   (i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series, and

   (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and

(c) the trade is made:

   (i) through an exchange, or a market, outside of Canada, or

   (ii) to a person or company outside of Canada.

Canadian investors are advised to consult with their own legal advisers for additional information pertaining to Canadian resale restrictions prior to any resale of the Bonds both within and outside of the Canadian Jurisdiction. It is solely the responsibility of the Canadian investor to comply with such resale restrictions.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the investor within the time limit prescribed by the securities legislation of the investor's province or territory. The investor should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**"), MLPF&S and RBS are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

Prospective Canadian investors are advised that the information contained within this Prospectus has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Prospectus and as to the suitability of an investment in the Bonds in their particular circumstances.

THIS PROSPECTUS DOES NOT ADDRESS THE CANADIAN TAX CONSEQUENCES OF THE ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS. No representation or warranty is made as to the tax consequences to a resident of Canada of an investment in the Bonds. Canadian investors should consult with their own legal, financial and tax advisers with respect to the tax consequences of an investment in the Bonds in their particular circumstances and with respect to eligibility of an investment in the Bonds for investment by the investor under applicable Canadian federal and provincial legislation and regulations. PROSPECTIVE INVESTORS IN THE BONDS ARE STRONGLY ADVISED TO CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE CANADIAN AND OTHER TAX CONSIDERATIONS APPLICABLE TO THEM.

Norwegian Selling Restrictions

This Prospectus has not been produced in accordance with the prospectus requirements laid down in the Norwegian Securities Trading Act 2007. This Prospectus has not been approved or disapproved by, or registered with, the Norwegian Financial Supervisory Authority (*Finanstilsynet*) or the Norwegian Registry of Business Enterprises. The Bonds described herein have not been and will not be offered or sold to the public in Norway, and no offering or marketing materials relating to the Bonds may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in Norway. This Prospectus is for the recipient only and may not in any way be forwarded to any other person or to the public in Norway.

Australian Selling Restriction

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) in relation to the Bond Programme or the Bonds has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**"), ASX Limited ("**ASX**") or any other regulatory body in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Bond Programme will be required to represent and agree, that, unless the applicable Final Terms otherwise provide, it:

(a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Bonds in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Prospectus or any other offering material or advertisement relating to the Bonds in Australia,

unless:

(i) the minimum aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in other currencies) (disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act 2001;

(ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of sections 761G and 761GA of the Corporations Act 2001;

(iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC, ASX, or any other regulatory body in Australia.

Swedish Selling Restrictions

The distribution of this Prospectus is not an offer to sell or a solicitation to any person in Sweden to buy the Bonds and may not be forwarded to any other person or to the public in Sweden. This Prospectus has not been and will not be registered with or approved by Finansinspektionen, the Swedish Financial Supervisory Authority, pursuant to the Prospectus Regulation.

Accordingly, this Prospectus may not be made available, nor may the Bonds otherwise be marketed and offered for sale in Sweden, other than in circumstances which do not require the publication by the Issuer of a prospectus pursuant to the Prospectus Regulation.

Swiss Selling Restrictions

In Switzerland, this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Bonds. The Bonds may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a simplified prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Prospectus nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, nor the Issuer nor the Bonds have been or will be filed with or approved by any Swiss regulatory authority. The Bonds are not subject to supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority ("**FINMA**"), and investors in the Bonds will not benefit from protection or supervision by any such authority.

Japanese Selling Restrictions

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

Save for obtaining the approval of this Prospectus by the Central Bank for the Bonds to be admitted to listing on the Official List of Euronext Dublin and to trading on the Regulated Market, neither the Issuer nor any Dealer has made any representation that any action will be taken in any jurisdiction by the Issuer or the Dealers that would permit a public offering of Bonds, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer, the Guarantor, or any other Dealer in any jurisdiction as a result of any of the foregoing actions.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific country or jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) in the official interpretation, after the date of the Dealer Agreement, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms or Drawdown Prospectus (in the case of a supplement or modification relevant only to a particular Tranche of Bonds) or (in any other case) in a supplement to this Prospectus.

CHAPTER 19
CLEARING AND SETTLEMENT

Clearing Systems

The Bonds will be accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Series of Bonds to be allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms or Drawdown Prospectus. If the Bonds are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms or Drawdown Prospectus.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms or Drawdown Prospectus.

CDS Clearing and Settlement

Where specified in the relevant Final Terms, clearing and settlement of certain issues of Bonds denominated in Canadian Dollars will be conducted by CDS. CDS is the exclusive clearing agency for equity trading on the Toronto Stock Exchange and also clears a substantial volume of "over the counter" trading in equities and bonds. Its parent company, The Canadian Depository for Securities Limited, was incorporated in 1970 and is a private corporation owned by banks, TMX Group Inc. and the Investment Industry Regulatory Organization of Canada. CDS provides a variety of services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants include banks, trust companies and investment dealers. Indirect access to CDS is available to other organisations that clear through or maintain a custodial relationship with a CDS participant. Transfers of ownership and other interests, including cash distributions, in Bonds in CDS may only be processed through CDS participants and will be completed in accordance with existing CDS rules and procedures. CDS is headquartered in Toronto and has offices in Montréal, Vancouver and Calgary to centralize securities clearing functions through a central securities depositary. The address for CDS is 85 Richmond Street West, Toronto, ON, Canada, M5H 2C9.

Global Clearance and Settlement Procedures

Initial settlement for Bonds settling in CDS will be made in immediately available Canadian dollar funds. Such Bonds will be held by CDS in fully registered form in the name of a nominee of CDS. CDS maintains a computerized book-based system for securities transfers whereby CDS participants can make transfers of securities without physical movement of definitive certificates representing the Bonds. Purchasers must hold the Bonds through a CDS participant. The CDS participant will be shown as the registered holder of the Bonds on the book-based system of CDS and the CDS participant will reflect the beneficial ownership of purchasers of Bonds on the books of the CDS participant.

Secondary market trading between CDS participants will be in accordance with market conventions applicable to transactions in book-based Canadian domestic bonds. Secondary market trading between Euroclear participants and/or Clearstream, Luxembourg participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Clearing and Settlement Transfers between CDS and Euroclear or Clearstream, Luxembourg

Links have been established among CDS, Euroclear and Clearstream, Luxembourg to facilitate issuance of Instruments and cross-market transfers of Instruments associated with secondary market trading. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in their respective names on the books of their respective Canadian subcustodians, each of which is a Canadian Schedule I chartered bank ("Canadian Subcustodians"), which in turn will hold such interests in customers' securities accounts in the names of the Canadian Subcustodians on the books of CDS. CDS will be directly linked to Euroclear and Clearstream, Luxembourg through the CDS accounts of their respective Canadian Subcustodians.

Cross-market transfers between persons holding directly or indirectly through CDS Participants, on the one hand, and directly or indirectly through Euroclear participants or Clearstream, Luxembourg participants, on the other, will be effected in CDS in accordance with CDS rules; however, such cross-market transactions will require delivery of instructions to the relevant clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant clearing system will, if the transaction meets its settlement requirements, deliver instructions to CDS directly or through its Canadian Subcustodian to take action to effect final settlement on its behalf by delivering or receiving Instruments in CDS, and making or receiving payment in accordance with normal procedures for settlement in CDS. Euroclear participants and Clearstream, Luxembourg participants may not deliver instructions directly to CDS or the Canadian Subcustodians.

Cross-market transfers between persons holding directly or indirectly through CDS Participants, on the one hand, and directly or indirectly through Euroclear participants or Clearstream, Luxembourg participants, on the other, will be effected in CDS in accordance with CDS rules; however, such cross-market transactions will require delivery of instructions to the relevant clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant clearing system will, if the transaction meets its settlement requirements, deliver instructions to CDS directly or through its Canadian Subcustodian to take action to effect final settlement on its behalf by delivering or receiving Instruments in CDS, and making or receiving payment in accordance with normal procedures for settlement in CDS. Euroclear participants and Clearstream, Luxembourg participants may not deliver instructions directly to CDS or the Canadian Subcustodians.

Because of time-zone differences, credits of Instruments received in Euroclear or Clearstream, Luxembourg as a result of a transaction with a CDS Participant will be made during subsequent securities settlement processing and dated the business day following the CDS settlement date. Such credits or any transactions in such Instruments settled during such processing will be reported to the relevant Euroclear participants or Clearstream, Luxembourg participants on such business day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of Instruments by or through a Euroclear participant or a Clearstream, Luxembourg participant to a CDS Participant will be received with value on the CDS settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in CDS.

CHAPTER 20
GENERAL INFORMATION

Authorisation

The establishment of the Bond Programme, and the issue of Bonds have been duly authorised by resolutions of the board of directors (the "**Board**") of the Issuer passed at meetings of the Board held on 17 June 2016 and on 28 November 2017 and on 28 April 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds.

Listing of Bonds

It is expected that each Series of Bonds which is to be admitted to the Official List and to trading on Euronext Dublin will be admitted separately as and when issued, subject only to the issue of a Global Bond or Bonds initially representing the Bonds of such Series. The listing of the Bond Programme in respect of Bonds was granted on the date of this Prospectus.

However, Bonds may also be issued pursuant to the Bond Programme which will not be listed on Euronext Dublin or any other Stock Exchange or which will be listed on such Stock Exchange as the Issuer and the Relevant Dealer(s) may agree.

Documents Available

For so long as the Bond Programme remains in effect or any Bonds shall be outstanding, copies of the following documents will be available for inspection in electronic form on the Issuer's website at *https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/*:

(a) a copy of this Prospectus;

(b) any Final Terms or Drawdown Prospectus relating to Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms or Drawdown Prospectus will only be available for inspection by the relevant Bondholders;

(c) the Trust Deed;

(d) the constitutional documents of the Issuer;

(e) the STID;

(f) the Class A Liquidity Facility Agreement;

(g) the Security Agreement;

(h) the Account Bank Agreement;

(i) the Agency Agreement;

(j) the Common Documents;

(k) each Investor Report;

(l) the IACFA;

(m) the audited unconsolidated financial accounts for the 12 months ended 31 December 2018 in respect of Ellevio prepared in accordance with Swedish GAAP together with the audit report thereon;

(n) the audited unconsolidated financial accounts for the 12 months ended 31 December 2019 in respect of Ellevio prepared in accordance with Swedish GAAP together with the audit report thereon;

(o) the audited unconsolidated financial accounts for the 12 months ended 31 December 2018 in respect of Ellevio Holding 4 AB together with the audit report thereon;

(p) the audited unconsolidated financial accounts for the 12 months ended 31 December 2019 in respect of Ellevio Holding 4 AB together with the audit report thereon,

each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank. The Prospectus will be published on the website of the Regulatory News Service operated by Euronext Dublin at https://www.ise.ie/Products-Services/Quoted-Companies/.

Websites

The website of Ellevio is *https://www.ellevio.se*. The information on this website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

Transparency Directive

Under the terms of the STID, the Issuer is required, if it is impracticable or unduly burdensome to maintain the admission of all listed Bonds to trading on Euronext Dublin, to use reasonable endeavours to procure and maintain an alternative listing. Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market came into force on 20 January 2005 and has recently been amended by the 2010 PD Amending Directive (the "**Transparency Directive**").

Significant or Material Change

There has been no significant change in the financial performance of the Issuer since 31 December 2019 or the Guarantor since 31 December 2019. There has been no material adverse change in the prospects of the Issuer or the Guarantor since 31 December 2019.

Litigation

The Issuer and the Guarantor confirms that there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) which may have or have had in the 12 months preceding the date of this Prospectus a significant effect on the financial position or profitability of the Issuer or the Guarantor.

Availability of Financial Statements

The following documents will be available, upon request, free of charge from the Issuer's website at *https://www.ellevio.se/en/English/about-us/financial-information/financial-reports-documents/*:

(a) the audited unconsolidated financial accounts for the 12 months ended 31 December 2018 in respect of Ellevio AB (publ) prepared in accordance with Swedish GAAP (RFR2) *https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/ellevio_ar18_eng_kombi.pdf*) together with the audit report thereon, each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank;

(b) the audited unconsolidated financial accounts for the 12 months ended 31 December 2019 in respect of Ellevio AB (publ) prepared in accordance with Swedish GAAP (RFR2) (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/ellevio_eng_ar19.pdf*) together with the audit report thereon, each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank;

(c) the audited unconsolidated financial accounts for the 12 months ended 31 December 2018 in respect of Ellevio Holding 4 AB prepared in accordance with Swedish GAAP (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/annual-report-2018-ellevio-holding-4-ab.pdf*) together with the audit report thereon, each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank,

(d) the audited unconsolidated financial accounts for the 12 months ended 31 December 2019 in respect of Ellevio Holding 4 AB prepared in accordance with Swedish GAAP (*https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/annual-report-2019-ellevio-holding-4-ab.pdf*) together with the audit report thereon, each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank; and

In addition, a copy of this Prospectus, any supplement to this Prospectus and the Final Terms relating to the Bonds which are admitted to trading on the Regulated Market will also be available on the website of Euronext Dublin (www.ise.ie).

Auditors

The auditors of the Issuer are Ernst & Young AB, Jakobsbergsgatan 24, SE 103 99 Stockholm, Sweden which is registered to carry out audit work by the Supervisory Board of Public Accountants (*Sw. Revisorsinspektionen*).

The auditors of the Guarantor are Ernst & Young AB, Jakobsbergsgatan 24, SE 103 99 Stockholm, Sweden which is registered to carry out audit work by the Supervisory Board of Public Accountants (*Sw. Revisorsinspektionen*).

Legend

Permanent Global Bonds, Bearer Bonds and any Receipts, Talons and Coupons appertaining thereto where TERFA D is specified in the relevant Final Terms or Pricing Supplement will bear a legend substantially to the following effect: "Any U.S. person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a U.S. person who holds such a Bond, Coupon, Receipt or Talon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bond, Coupon, Receipt or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Information in respect of the Bonds

The Issue Price and the amount of the relevant Bonds will be determined, before filing of relevant Final Terms or Drawdown Prospectus of each Tranche of Bonds, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Bonds; however, see the requirement to deliver an Investor Report in accordance with the STID.

Certain of the Dealers and their Affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its Affiliates in the ordinary course of business. Certain of the Dealers and their Affiliates may have positions, deal or make markets in the Bonds issued under the Bond Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Obligors, the Issuer and their respective Affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Obligors, the Issuer or their respective Affiliates. Certain of the Dealers or their Affiliates that have a lending relationship with the Obligors and/or the Issuer routinely hedge their credit exposure to the Obligors and/or the Issuer consistent with their customary risk management policies. Typically, such Dealers and their Affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds issued under the Bond Programme. Any such positions could adversely affect future trading prices of Bonds issued under the Bond Programme or whether a specified barrier or level is reached. The Dealers and their Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Listing Agent

The Irish Listing Agent is Maples and Calder LLP and the address of its registered office is 75 St. Stephen’s Green, Dublin 2, Ireland. Maples and Calder LLP is acting solely in its capacity as listing agent for the Issuer in connection with the Bonds and is not itself seeking admission of the Bonds to the Official List or to trading on the Regulated Market of the Irish Stock Exchange plc trading as Euronext Dublin.

Interests of the Arranger and Dealers

The Arranger and/or the Dealers and/or their Affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Security Group and/or their Affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger and/or the Dealers and/or their Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Security Group or their Affiliates. The Arranger and/or the Dealers and/or their Affiliates that have a lending relationship with the Security Group routinely hedge their credit exposure to the Security Group consistent with their customary risk management policies. Typically, the Arranger and/or the Dealers and/or their Affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds issued under the Bond Programme. Any such positions could adversely affect future trading prices of the Bonds issued under the Bond Programme or whether a specified barrier or level is reached. The Arranger and/or the Dealers and/or their Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Language of this Prospectus

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

CHAPTER 21
GLOSSARY OF DEFINED TERMS

Acceleration Notice means a notice delivered by the Security Trustee pursuant to the STID by which the Security Trustee declares that some or all Secured Liabilities shall be accelerated.

Acceptable Bank means:

(a) an Original Initial ACF Lender;

(b) a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB+ or higher by S&P or Fitch or Baa1 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency; or

(c) any other bank or financial institution approved by the Majority Secured Creditors.

Accession Memorandum each memorandum to be entered into pursuant to:

(a) clauses 2.2 (*Accession of Additional Secured Creditor*) and 2.5 (*Execution of Accession Memorandum*) of the STID and which is substantially in the form set out in part 1 (*Form of Accession Memorandum (Additional Secured Creditor*)) of schedule 1 (*Form of Accession Memorandum*) to the STID;

(b) clause 2.3 (*Accession of Additional Subordinated Intragroup Creditor*) of the STID and which is substantially in the form set out in part 4 (*Form of Accession Memorandum (New Subordinated Intragroup Creditor*)) of schedule 1 (*Form of Accession Memorandum*) to the STID;

(c) clause 2.4 (*Accession of Additional Subordinated Creditor*) of the STID and which is substantially in the form set out in part 5 (*Form of Accession Memorandum (New Subordinated Creditor*)) of schedule 1 (*Form of Accession Memorandum*) to the STID;

(d) clause 2.1 (*Accession of Additional Obligors*) of the STID and which is substantially in the form set out in part 3 (*Form of Accession Memorandum (New Obligors)*) of schedule 1 (*Form of Accession Memorandum*) to the STID; or

(e) clause 30 (*Benefit of Deed*) (as applicable) of the STID and which substantially is in the form set out in part 2 (*Form of Accession Memorandum (Existing Secured Liabilities)*) of schedule 1 (*Form of Accession Memorandum*) to the STID.

Account Bank means:

(a) during the period ending on 2 June 2017, the Primary Account Bank in respect of the Primary Accounts and the Supplemental Account Bank in respect of the Supplemental Accounts; and

(b) following 2 June 2017, the Primary Account Bank in respect of all Accounts, and

in each case, any successor account bank appointed pursuant to the Account Bank Agreement

Account Bank Agreement means the account bank agreement dated the Closing Date between the Obligors, the Primary Account Bank, the Supplemental Account Bank, the Security Trustee and the Standstill Cash Manager.

Accounts means any bank accounts of an Obligor (including any sub-account or sub-accounts relating to that account and any replacement account from time to time).

Accountholder has the meaning given to it on page 164 of this Prospectus.

Accounting Principles means generally accepted accounting principles in Sweden.

ACER means the Agency for the Cooperation of Energy Regulators.

ACF Arranger means an arranger under an Authorised Credit Facility.

Achievable Cost Savings means in relation to a Permitted Acquisition, the Consolidated EBITDA from cost savings reasonably anticipated to be achieved in connection with that Permitted Acquisition in the twelve month period following completion of that Permitted Acquisition, provided that such cost savings are:

(a) certified by the Head of Finance or Head of Treasury; and

(b) in an amount not exceeding ten per cent. of the earnings before interest, Tax, depreciation and impairment of the company or business to be acquired (as set out in the target company's most recent financial statements and calculated on the same basis as Consolidated EBITDA).

Act on Special Administration of Certain Electronic Installations has the meaning given to it on page 97 of this Prospectus.

Acquisition means the acquisition referred to on page 53 of this Prospectus.

Additional Holdco means any limited liability off the shelf company or company incorporated in connection with the proposed issuance of Permitted Additional Financial Indebtedness where each such company:

(a) accedes to the STID as an Obligor (as defined therein);

(b) becomes an additional Guarantor;

(c) is a wholly owned Subsidiary of the Parent or Ellevio;

(d) incorporated in the United Kingdom, the Netherlands, Luxembourg or Sweden or, with the prior the prior consent of the majority Qualifying Secured Creditors, any other Participating Member State; and

(e) subject to the Legal Reservations, first ranking Borrower Security is granted over all of the shares in and loans made to such company.

Additional Obligor	means any person wishing or required to become an Obligor who accedes to the Common Terms Agreement in accordance with clause 1.5 (*Obligors*) of the Common Terms Agreement and the STID in accordance with clause 2.1 (*Accession of Additional Obligors*) of the STID.
Additional Secured Creditors	means any person not already a Secured Creditor which becomes a Secured Creditor pursuant to the provisions of Clause 2.2 (*Accession of Additional Secured Creditor*) of the STID and which shall not be an Additional Subordinated Creditor or an Additional Subordinated Intragroup Creditor.
Additional Subordinated Creditor	means an additional Subordinated Creditor who accedes to the STID in accordance with Clause 2.4 (*Accession of Additional Subordinated Creditor*) of the STID and delivers an accession memorandum in accordance with the terms of part 5 (*Form of Accession Memorandum (New Subordinated Creditor)*) of schedule 1 (*Form of Accession Memorandum*) to the STID.
Additional Subordinated Intragroup Creditor	means any member of the Security Group who accedes to the STID as an additional Subordinated Intragroup Creditor in accordance with clause 2.3 (*Accession of Additional Subordinated Intragroup Creditor*) of the STID and delivers an accession memorandum in accordance with the terms of part 4 (*Form of Accession Memorandum (New Subordinated Intragroup Creditor)*) of schedule 1 (*Form of Accession Memorandum*) to the STID.
Additional Total Leverage Ratio	means, in respect of any Total Relevant Period, the ratio of (i) Total Net Debt less any Equity Cure Amount for that Total Relevant Period, to (ii) Total Consolidated EBITDA on the last day of that Total Relevant Period.
Adjourned Voting Date	has the meaning given to it on page 142 of this Prospectus.
Administrative Court or **Court**	means one of the 12 administrative courts of Sweden.
Affected Secured Creditor(s)	means each Secured Creditor who is affected (as construed by reference to clause 16.2 (*Meaning of "affected"*) of the STID) by an Entrenched Right.
Affiliate	means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.
Agency Agreement	means the agreement dated 2 September 2016 pursuant to which Ellevio has appointed the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Calculation Agent and Transfer Agents in relation to all or any Sub-Class of Bonds, and any other agreement for the time being in force appointing further or other Paying Agents, or Transfer Agents or any other Paying Agent, Account Bank, Calculation Agent or Registrar in relation to all or any Sub-Class of Bonds, or in connection with their duties, unless permitted under the Agency Agreement, where necessary

with the prior written approval of the Bond Trustee, together with any agreement for the time being in force amending or modifying any of the aforesaid agreements.

Agent	means each of the Issuing and Paying Agent, the other Paying Agents, the Transfer Agents, the Calculation Agent, the Registrar, the Exchange Agent or any other agent appointed by Ellevio pursuant to the Agency Agreement or a Calculation Agency Agreement, and **Agents** means all of them.
Agent Bank	means, in relation to the Bonds of any relevant Sub-Class, the bank initially appointed as agent bank in relation to such Bonds by Ellevio pursuant to the Agency Agreement or, if applicable, any successor agent bank appointed pursuant to the Bond Programme Documents in relation to such Bonds.
Agreed Security Principles	means the security principles set out in schedule 9 (*Agreed Security Principles*) to the Common Terms Agreement.
AIFMD	means Directive 2006/48/EC, as the same is referenced in Directive 2011/61/EU on Alternative Investment Fund Managers and Amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
AIFMR	means the Commission Delegated Regulation No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.
Allowed Revenue	means the income framework under a regulatory period (4 years) under which the DSOs are allowed to charges its customers.
Allowed Revenue Ordinance	has the meaning given to it on page 93 of this Prospectus.
AMD	means the Asset Management and Design team within Ellevio.
AMM	means Automatic Meter Management.
Ancillary Facility	means any facility made available by a lender pursuant to the Initial Authorised Credit Facilities Agreement or any subsequent Authorised Credit Facility Agreement and designated as an Ancillary Facility under the terms of the applicable Authorised Credit Facility Agreement.
Annual Financial Statements	means the financial statements delivered to the Secured Creditors by Ellevio pursuant to the Common Terms Agreement.
AP1 or **Första**	means Första AP-fonden (Reg. No. 802005-7538), a national pension fund that is a part of the Kingdom of Sweden, whose registered address is at P.O. Box 16294, 103 25 Stockholm, Sweden.
AP3	means Tredje AP-fonden (Reg. No. 802014-4120), a national pension fund that is a part of the Kingdom of Sweden, whose principal place of business is at Vasagatan 7, 9th floor, P.O. Box 1176, 111 91 Stockholm, Sweden.

Applicable Law	means any law or regulation including, but not limited to: (a) any domestic or foreign statute or regulation; (b) any rule or practice of any authority, stock exchange or self-regulatory organisation with which a Party is bound or accustomed to comply; and (c) any agreement entered into by a Party and any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign or between any two such governmental authorities.
Appointee	means an attorney, manager, agent, delegate or other person properly appointed by the Security Trustee under the Finance Documents to discharge any of its functions or advise it in relation thereto.
Arbetsmiljöverket	means the Swedish Work Environment Authority.
Area Concession	has the meaning given to it on page 16 of this Prospectus.
Arranger	means NatWest Markets Plc.
Article 50 Withdrawal Agreement	has the meaning given to it on page 23 of this Prospectus.
ASIC	has the meaning given to it on page 241 of this Prospectus.
Asset Management and Design	means the Asset Management and Design division of Ellevio.
Assignor-Related Secured Liabilities	means all present and/or future obligations and liabilities, of whatever nature, of each Obligor under the Common Documents (other than any liabilities for the obligations of the other Obligors) towards the Secured Creditors, or any of them, under or pursuant to all or any of the Common Documents to which that Obligor is a party, including all costs, charges and expenses incurred by any of the Secured Creditors in connection with the protection, preservation or enforcement of their respective rights under the Common Documents.
Assignor Related Rights	means, in relation to any Security Asset: (a) any moneys or proceeds paid or payable deriving from that Security Asset; (b) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Security Asset.
ASX	has the meaning given to it on page 241 of this Prospectus.
Auditors	means Ernst & Young AB or such other independent public accountants of international standing which may be appointed by the Obligors in accordance with the Common Terms Agreement as the Auditors for the Security Group.
Authorisation	means each Concession and any other authorisation, consent, approval, permit, resolution, licence, exemption, filing, notarisation or registration.

Authorised Credit Facility or **Authorised Credit Facilities**

means:

(a) the Initial Authorised Credit Facilities;

(b) any Class B Senior Term Facility;

(c) any Class A Bonds;

(d) any Class B Bonds;

(e) any Class B Capex Facility;

(f) each Class A PP Note Purchase Agreement, together with any Class A PP Notes issued thereunder;

(g) each Class B PP Note Purchase Agreement, together with any Class B PP Notes issued thereunder;

(h) any Class A Institutional Loan;

(i) any Class B Institutional Loan;

(j) the Class A Liquidity Facilities;

(k) the Class B Liquidity Facilities;

(l) any Class A Hedging Transactions;

(m) any Class B Hedging Transactions;

(n) any Super Senior Hedging Transactions;

(o) any other facility or agreement entered into by any Obligor for Secured Debt as permitted by the terms of the Common Terms Agreement and pursuant to which the providers of which are parties to or have acceded to the STID and the Common Terms Agreement;

(p) any fee letter or commitment letter entered into in connection with the foregoing facilities or agreements or the transactions contemplated in the foregoing facilities; and

(q) any other document that has been entered into in connection with the foregoing facilities or agreements or the transactions contemplated thereby that has been designated as an Authorised Credit Facility for the purposes of this definition by the parties thereto (including at least one Obligor).

Authorised Credit Facility Agreement means an agreement documenting an Authorised Credit Facility.

Authorised Credit Provider(s) means a lender or other provider of credit or financial accommodation under any Authorised Credit Facility.

Authorised Signatory means any person who is duly authorised by Ellevio or any Party and in respect of whom a certificate has been provided signed by a director of Ellevio or such Party setting out the name and signature of that person and confirming such person's authority to act.

Available Enforcement Proceeds means, on any date, all moneys received or recovered by the Security Trustee (or any Receiver appointed by it) in respect of the Borrower Security and under the Guarantees from the Obligors (but excluding any amounts standing to the credit of or recovered by the Security Trustee from any Liquidity Standby Account and any Tax credits paid to an Obligor by an Authorised Credit Provider in accordance with an Authorised Credit Facility Agreement).

Backward Lock-Up Tests means each of the following:

(a) the Senior Interest Cover Ratio for the Relevant Period not being less than 1.70:1;

(b) the Senior Leverage Ratio for the Relevant Period not being greater than 10.75:1; and

(c) the Senior Historic Leverage Ratio for the Relevant Period not being less than 0.05:1.

Base Currency means the Swedish Krona.

Base Index Figure means (subject to Condition 7(c)(i) (*Change in base*) of the Terms and Conditions) the base index figure as specified in the relevant Final Terms or Drawdown Prospectus.

Basel Committee means the Basel Committee on Banking Supervision.

Basel III has the meaning given to it on page 36 of this Prospectus.

Basic Terms Modification(s) means any matter or proposal that seeks to:

(a) amend the dates of maturity or redemption of the Bonds, any Instalment Date or any date for payment of interest or Interest Amounts on the Bonds;

(b) reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Bonds;

(c) reduce the rate or rates of interest in respect of the Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Bonds;

(d) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, reduce any such Minimum and/or Maximum;

(e) vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;

(f) vary the currency or currencies of payment or denomination of the Bonds;

(g) modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass the Extraordinary Resolution; or

(h) make any modification to this definition,

in which case, the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Bonds for the time being outstanding with any

Extraordinary Resolution duly passed being binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

Bearer Bonds means those Bonds which are for the time being in bearer form.

Bearer Definitive Bonds means a Bearer Bond in definitive form issued or, as the case may require, to be issued by Ellevio in accordance with the provisions of the Dealer Agreement or any other agreement between Ellevio and the Relevant Dealer(s), the Agency Agreement and the Trust Deed in exchange for either a Temporary Bearer Global Bond or part thereof or a Permanent Bearer Global Bond or part thereof (all as indicated in the applicable Final Terms), such Bearer Bond in definitive form being in the form or substantially in the form set out in the Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Issuing and Paying Agent, the Bond Trustee and the Relevant Dealer(s), and having the Conditions endorsed thereon or, if permitted by the relevant stock exchange, incorporating the Conditions by reference as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue.

Birka Energi AB means the company created by the 1998 merger of Gullspång Kraft AB and Stockholm Energi AB and whose distribution business evolved into Fortum Distribution Sweden.

Block Voting Instruction means:

(a) in relation to voting by the holders of Bearer Bonds:

   (i) a document in the English language issued by a Paying Agent;

   (ii) certifying that the Deposited Bonds have been deposited with such Paying Agent (or to its order at a bank or other depositary) or blocked in an account with a clearing system and will not be released until the earlier of:

      (A) close of business (London time) on the Voting Date; and

      (B) the surrender to such Paying Agent, not less than 24 hours before the Voting Date of the receipt for the Deposited Bonds and notification thereof by such Paying Agent to the Bond Trustee;

(b) in relation to voting by the holders of Registered Bonds:

(i) a document in the English language issued by the Registrar or the Paying Agent;

(A) (where the Registered Bonds are represented by a Global Bond) that certain specified Registered Bonds (each a Blocked Bond) have been blocked in an account with a clearing system and will not be released until close of business (London time) on the Voting Date and that the holder of each Blocked Bond or a duly authorised person on its behalf has instructed the Registrar that the Votes attributable to such Blocked Bond are to be cast in a particular way on a Voting Matter; or

(B) (where the Registered Bonds are represented by Registered Definitive Bonds) that each registered holder of certain specified Registered Bonds (each a Relevant Bond) or a duly authorised person on its behalf has instructed the Registrar that those Votes attributable to each Relevant Bond held by it are to be cast in a particular way on such Voting Matter;

(ii) listing the aggregate principal amount of the Blocked Bonds and the Relevant Bonds, distinguishing between those in respect of which instructions have been given to Vote for, or against, such Voting Matter; and

(iii) authorising the Paying Agent, or a tabulation agent, as proxy for the holders of the Deposited Bonds, to vote in respect of the Blocked Bonds and the Relevant Bonds in connection with such Voting Matter in accordance with such instructions and the provisions of the Bond Trust Deed.

Bond(s) means a bond issued pursuant to the Bond Programme and denominated in such currency or currencies as may be agreed between an Issuer and the Relevant Dealer(s) which has such maturity and denomination as may be agreed between such Issuer and the Relevant Dealer(s) and issued or to be issued by such Issuer pursuant to the Dealer Agreement or any other agreement between an Issuer and the Relevant Dealer(s) relating to the Bond Programme, the Agency Agreement and the Trust Deed and which shall, in the case of a Bearer Bond, either: (a) initially be represented by, and comprised in, a Temporary Bearer

Global Bond which may (in accordance with the terms of such Temporary Bearer Global Bond) be exchanged for Bearer Definitive Bonds or a Permanent Bearer Global Bond. The Permanent Bearer Global Bond may (in accordance with the terms of such Permanent Bearer Global Bond) in turn be exchanged for Bearer Definitive Bonds; or (b) be represented by, and comprised in, a Permanent Bearer Global Bond which may (in accordance with the terms of such Permanent Bearer Global Bond) be exchanged for Bearer Definitive Bonds (all as indicated in the applicable Final Terms) and which may, in the case of Registered Bonds, either be in definitive form or be represented by, and comprised in, one or more Registered Global Bonds, each of which may (in accordance with the terms of such Registered Global Bond) be exchanged for Registered Definitive Bonds or another Registered Global Bond (all as indicated in the applicable Final Terms) and includes any replacements for a Bond (whether a Bearer Bond or a Registered Bond, as the case may be) issued pursuant to Condition 17 (*Bonds, Certificates, Receipts, Coupons and Talons*) of the relevant Bonds, and "**Bonds**" shall be construed accordingly (but excluding, for the avoidance of doubt, any PP Notes).

Bondholders means the several persons who are for the time being holders of the outstanding Bonds (being, in the case of Bearer Bonds, the bearers thereof and, in the case of Registered Bonds, the several persons whose names are entered in the register of holders of the Registered Bonds as the holders thereof), save that, in respect of the Bonds of any Series, for so long as such Bonds or any part thereof are represented by a Global Bond deposited with a common depositary (in the case of a CGB) or common safekeeper (in the case of an NGB or a Registered Global Bond held under the NSS) for Euroclear and Clearstream, Luxembourg each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular nominal amount of the Bonds of such Series shall be deemed to be the holder of such principal amount of such Bonds (and the holder of the relevant Global Bond shall be deemed not to be the holder) for all purposes of the Trust Deed other than with respect to the payment of principal or interest on such nominal amount of such Bonds and, the rights to which shall be vested, as against an Issuer and the Bond Trustee, solely in such common depositary, common safekeeper or its nominee and for which purpose such common depositary, common safekeeper or its nominee shall be deemed to be the holder of such nominal amount of such Bonds in accordance with and subject to its terms and the provisions of the Trust Deed and the Conditions; and the expressions "**Bondholder**", "**holder**" and "**holder of the Bonds**" and related expressions shall (where appropriate) be construed accordingly.

Bond Programme	means the €10,000,000,000 multicurrency bond programme established by Ellevio.
Bond Programme Documents	means: (a) the Bonds (including any applicable Coupons and Final Terms); (b) the Trust Deed (including the Conditions); (c) the Account Bank Agreement; (d) the Agency Agreement; (e) the Dealer Agreement; and (f) the Calculation Agency Agreement.
Bond Programme Signing Date	means on or about the date of this Prospectus.
Bond Trustee	means Citibank, N.A., London Branch (or any other successor trustee appointed pursuant to the Bond Programme Documents) acting as bond trustee, for and on behalf of the Bondholders.
Borealis	means, together or individually, each of OMERS Administration Corporation ("**OAC**") and one or more funds (including limited partnerships, corporations or trusts) formed by or on behalf of Borealis Infrastructure Management Inc. or OAC for the purposes of ensuring OAC's compliance with the Pensions Benefit Act (Ontario).
Borrower(s)	means Ellevio or any company which becomes a borrower or an additional borrower in each case entitled to borrow any Secured Debt in accordance with the relevant terms of one or more Authorised Credit Facilities to which it is a party as a borrower unless such person ceases to be a Borrower in accordance with clause 22 (*Changes to the Borrowers*) of the Initial Authorised Credit Facilities Agreement or clause 22 (*Changes to the Borrowers*) of the relevant Liquidity Facility Agreement (as applicable).
Borrower Security	means the Security created or expressed to be created in favour of the Security Trustee pursuant to the Security Documents.
Borrowings	means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of members of the Security Group for or in respect of: (a) accretion on debt and inflation swaps; (b) moneys borrowed and debit balances at banks or other financial institutions; (c) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);

(d) any note purchase facility or the issue of bonds (but not trade instruments), notes, debentures, loan stock or any similar instrument;

(e) any Finance Lease;

(f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument (but not, in any case, trade instruments) issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Security Group, which liability would fall within one of the other paragraphs of this definition;

(h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer);

(i) any amount of any liability under an advance or deferred purchase agreement if the primary reason behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question;

(j) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) classified as borrowings under the Accounting Principles; and

(k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above,

but excluding (i) any Subordinated Liabilities; (ii) Subordinated Intragroup Liabilities and (iii) any Secured Debt held by a member of the Security Group.

Budget means the budget delivered by the Security Group Agent to each Facility Agent, the Security Trustee, the Bond Trustee, each Class A PP Noteholder, Class B PP Noteholder and the Hedge Counterparties in respect of that period pursuant to paragraph 4 (*Budget*) of part 2 (*Information Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement.

Business Acquisition means the acquisition of a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them) or the incorporation of a company.

Business Day(s) means a day (other than a Saturday or a Sunday) on which banks are open for general business in London, Dublin, Geneva, Luxembourg, New York, Oslo and Stockholm, and:

(a) (in relation to any date for payment or purchase of a currency other than Euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or purchase of Euro) any TARGET Day.

Business Day Convention	means either the Floating Rate Business Day Convention, the Following Business Day Convention, the Modified Following Business Day Convention or the Preceding Business Day Convention, as specified in the applicable Final Terms.
Business Hedging	means any Treasury Transaction entered into for the hedging of actual or projected real exposures arising in the ordinary course of trading activities of any member of the Security Group and not for speculative purposes.
Business Mortgage Certificates	has the meaning given to it on page 30 of this Prospectus.
Calculation Agency Agreement	means, in relation to the Bonds of any Tranche, an agreement in or substantially in the form scheduled to the Agency Agreement.
Calculation Agent	means, in relation to any Tranche of Bonds, the person appointed as calculation agent in relation to such Tranche of Bonds by Ellevio pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of such Tranche of Bonds.
Calculation Date	means 30 June and 31 December or such other dates as may be agreed as a result of a change in the financial year end (and associated change in the calculation of financial covenants) or regulatory year end relating to any Obligor and the Security Group.
Canadian Dollar Bond(s)	means a Canadian Dollar denominated Bond issued pursuant to the Bond Programme, and "CAD Dollar Bonds" shall be construed accordingly.
Canadian Dollar Bond Maturity Date	means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of any Canadian Dollar Bond is due and payable.
Canadian dollars or **CAD** or **C$**	means the lawful currency for the time being of Canada.
Capex Facility	means the Class A Capex Facility, the Class B Capex Facility or both, as the context may require.
Capex Facility Providers	means the Original Initial ACF Lenders in their capacity as Capex Facility Providers together with any party which provides Ellevio with a Capex Facility and accedes to the Common Terms Agreement and the STID.
Capex Facility Rollover Loan	means one or more Capex Facility loans: (a) made or to be made on the same day that a maturing Capex Facility loan is due to be repaid; (b) the aggregate amount of which is equal to or less than the maturing Capex Facility loan; (c) in the same currency as the maturing Capex Facility loan (unless it arose as a result of the operation of Clause 6.2 of

the Initial Authorised Credit Facilities Agreement (*Unavailability of a currency*); and

(d) made or to be made to Ellevio for the purpose of refinancing that maturing Capex Facility loan.

Capex Lenders means the lenders under the Capex Facility from time to time.

Capital Expenditure or **Capex** means any expenditure or obligation in respect of expenditure (other than expenditure or obligations in respect of Business Acquisitions) which, in accordance with the Accounting Principles, is treated as capital expenditure (including the capital element of any expenditure or obligation incurred in connection with a Finance Lease).

Cash means, at any time, cash denominated in SEK, EUR, GBP, USD, CAD, NOK, CHF or DKK in hand or at bank and (in the latter case) credited to an account in the name of any member of the Security Group with an Acceptable Bank and to which a member of the Security Group is alone (or together with any other member of the Security Group) beneficially entitled and for so long as:

(a) that cash is repayable within 30 days after the relevant date of calculation;

(b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Security Group or of any other person whatsoever, or on the satisfaction of any other condition;

(c) there is no Security over that cash except for Security or any Permitted Security constituted by a netting or set-off arrangement entered into by any member of the Security Group in the ordinary course of their banking arrangements; and

(d) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment or prepayment of the Secured Debt.

Cash Equivalent Investments means at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of:

    (i) the United States of America;

    (ii) the United Kingdom;

    (iii) Canada;

    (iv) Sweden; or

(v) any member state of the European Economic Area or any Participating Member State which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P1 or higher by Moody's, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in:

(A) the United States of America;

(B) the United Kingdom;

(C) Canada

(D) Sweden; or

(E) any member state of the European Economic Area or any Participating Member State which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P1 or higher by Moody's;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(d) sterling bills of exchange eligible for discount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);

(e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice; or

(f) any other debt security approved by the Security Trustee in accordance with the STID,

in each case, denominated in SEK, EUR, GBP, NOK, DKK, CHF, USD or CAN$ and to which any member of the Security

	Group is alone (or together with other members of the Security Group beneficially entitled at that time and which is not issued or guaranteed by any member of the Security Group or subject to any Security.
Cash Manager	means: (a) subject to limb (c) below, with respect to the Issuer, the Issuer; (b) subject to limb (c) below, with respect to any other Obligor, the respective holder of the relevant Operating Account; and (c) during and after a Standstill Period (except where a Standstill Period is terminated pursuant to clause 19.4.1(iii) (*Termination of Standstill*) of the STID), the Standstill Cash Manager.
Cash Manager Determination Date	means the date which is five Business Days prior to a Payment Date.
CCI	means the Construction Cost Index.
CDS	means The Canadian Depository for Securities Limited.
CEER	means Council of European Energy Regulators.
Central Bank	means Central Bank of Ireland.
Certificate(s)	means the registered certificates by which Bonds in registered form will be represented and each of which is being issued in respect of each Bondholder's entire holding of Registered Bonds of one Series.
Certified Storm Event	means an event certified by a director of Ellevio to have been caused by a storm, where such certification also details the costs incurred by any member of the Security Group in connection with such event.
Charged Property	means all of the assets which from time to time are, or are expressed to be, the subject of the Borrower Security.
Chief Executive Officer	means the Chief Executive Officer of Ellevio, Johan Lindehag.
CHP	means combined heat and power.
Class	means in relation to the Bonds, each class of Bonds, the available classes of Bonds being Class A Bonds and Class B Bonds.
Class A Aggregate Available Liquidity	means the sum of the aggregate available commitments under any Class A Liquidity Facility Agreement and the balance (if any) in any Class A Debt Service Reserve Account as at the relevant Calculation Date.
Class A Bondholders	means the holders of Class A Bonds.
Class A Bonds	means the class A Bonds issued by Ellevio from time to time under the Bond Programme.
Class A Capex Facility	means the revolving capital expenditure facility made available by the relevant lender(s) pursuant to the Initial Authorised Credit

Facilities Agreement or any other revolving capital expenditure facility made available pursuant to any other Class A Permitted Additional Financial Indebtedness.

Class A Creditors means:

(a) the Initial ACF Lenders;

(b) the Class A Bondholders;

(c) the Class A PP Noteholders;

(d) the Class A Institutional Loan Providers;

(e) each Class A Hedge Counterparty; or

(f) the holders of any Class A Permitted Additional Financial Indebtedness.

Class A Debt means any Financial Indebtedness that is, for the purposes of the STID, to be treated as Class A Debt and includes the Financial Indebtedness incurred under:

(a) any Class A Bonds;

(b) any Class A PP Notes;

(c) any Class A Institutional Loan;

(d) any Class A PP Notes;

(e) the Initial Authorised Credit Facilities;

(f) the Class A Liquidity Facility;

(g) any Class A Hedging Transaction; and

(h) any other Financial Indebtedness designated as Class A Debt in the applicable Finance Document.

Class A Debt Service Reserve Account means each account so designated, opened and maintained by Ellevio as an alternative to, or in addition to, a Class A Liquidity Facility Agreement, in order to maintain any Class A Liquidity Required Amount.

Class A Hedge Counterparty means an Initial Hedge Counterparty or a Hedge Counterparty who is a party to a Class A Hedging Agreement.

Class A Hedging Agreement means an interest rate Hedging Agreement under which the obligations of Ellevio rank *pari passu* with the Ellevio's obligations under the Class A Debt or a currency Hedging Agreement in respect of Class A Debt.

Class A Hedging Transaction means a Hedging Transaction arising under a Class A Hedging Agreement.

Class A Institutional Loan means an institutional term loan facility provided by any Class A Institutional Loan Provider for Class A Debt pursuant to a Class A Institutional Loan Facility Agreement.

Class A Institutional Loan Provider means an institutional loan provider (and including any bank, financial institution or other entity) of a Class A Institutional Loan under a Class A Institutional Loan Facility Agreement.

Class A Institutional Loan Facility Agreement means an agreement pursuant to which a Class A Institutional Loan is made.

Class A LF Agent means the Initial Class A LF Agent or any successor agent appointed pursuant to a Class A Liquidity Facility Agreement

Class A LF Event of Default means any of the following events:

(a) Ellevio fails to pay any sum due from it under the Class A Liquidity Facility Agreement or any other Class A LF Finance Document (as defined in the Class A Liquidity Facility Agreement) at the time, in the currency and in the manner specified therein unless payment is made within three Business Days of the time specified;

(b) an Insolvency Event in respect of Ellevio;

(c) the termination of a Standstill Period in accordance with Clause 19.4 (*Termination of Standstill*) of the STID (other than termination of a Standstill Period pursuant to a Standstill Remedy); or

(d) it is or becomes unlawful for Ellevio to make or receive a payment under the Class A LF Finance Documents or to comply with any other material provision of the Class A Liquidity Facility Agreement.

Class A LF Notice of Drawing means:

(a) a request for a drawing under the Class A Liquidity Facility in a form set out in Schedule 2 (*Class A Liquidity Loan Drawing*) to the Class A Liquidity Facility Agreement; or

(b) a request for a standby drawing under the Liquidity Facility Agreement (in the form set out in Schedule 4 (*Class A Standby Drawing*) thereto) in the event of a Class A LF Provider either: (i) having its credit rating downgraded below the Minimum Long Term Rating in accordance with Clause 4.2.3 (*Class A Standby Drawing*) of the Class A Liquidity Facility Agreement; or (ii) failing to renew its commitment pursuant to Clause 4.2.4 (*Class A Standby Drawing*) of the Class A Liquidity Facility Agreement.

Class A LF Permitted Additional Financial Indebtedness means (i) liquidity facilities made to a Borrower, an Additional Holdco or a Finco by a person other than a member of the Group; and (ii) Permitted Refinancing Debt, in each case where:

(a) the Financial Indebtedness ranks *pari passu* in all respects (but subject to the priorities set out in paragraph 8 of schedule 8 (*Cash Management*) of the Common Terms Agreement) with all other Class A Liquidity Facilities;

(b) the creditors of such Financial Indebtedness (the "**Class A LF Incoming Creditors**") accede to the Common Terms Agreement and the STID;

(c) the Class A LF Incoming Creditors do not, and may not at any time, benefit from any Security, guarantees or other credit support, or recourse to any other Obligor other than pursuant to the Security Documents and the Common Terms Agreement; and

(d) the relevant Borrower has first:

(i) obtained a confirmation from the relevant Rating Agency that such Class A LF Permitted Additional Financial Indebtedness will not result in the then applicable Rating being reduced below the lower of: (A) the Rating on the Closing Date; and (B) the then current Rating, as long as that Rating is Investment Grade; or

in the event that any one or more of the Rating Agencies declines to provide such confirmation for any reason other than related to the Rating itself, certified (after having made all reasonable enquiries), and provided evidence to support such certification, that such Class A LF Permitted Additional Financial Indebtedness will not result in the then applicable Rating being reduced below the lower of: (A) the Rating on the Closing Date; and (B) the then current Rating, as long as that Rating is at least Investment Grade

Class A LF Provider(s) means the providers of any Class A Liquidity Facility and any bank or financial institution which has become a party to a Class A Liquidity Facility Agreement in accordance with the terms of that Class A Liquidity Facility Agreement which, in each case, has not ceased to be a party in accordance with the terms of that Class A Liquidity Facility Agreement.

Class A Liquidity Facility means the Initial Class A Liquidity Facility and any other liquidity facility/ies made available under any Class A Liquidity Facility Agreement.

Class A Liquidity Facility Agreement means the Initial Class A Liquidity Facility Agreement or any other liquidity facility agreement entered into by, among others, any Borrower(s) and Class A LF Providers in respect of Class A Debt.

Class A Liquidity Required Amount means the aggregate of:

(a) the projected interest and commitment or commission payments (excluding any scheduled amortisation and bullet final repayments to be made on the relevant Final Maturity Date) under Class A Debt or any Secured Debt ranking in priority to Class A Debt (excluding Class A Subordinated Liquidity Payments and Class B Subordinated Liquidity Payments); and

(b) net payments (including accretion payments but excluding any other payments on any break or final or termination payments under any Class A Hedging Agreements or Super

Senior Hedging Agreements) under the Class A Hedging Agreements and Super Senior Hedging Agreements,

for the following 12 months (calculated on a rolling basis on each Calculation Date)

Class A Liquidity Shortfall means, in respect of any Interest Payment Date, there will be insufficient funds (as determined by an Obligor, in its capacity as Cash Manager on the Cash Manager Determination Date) to pay amounts owed by the relevant Obligor in respect of the items as set out in sub-paragraphs (a) to (g) (excluding in respect of paragraph (d)) of the Pre-Enforcement Priority of Payments (excluding any termination payments, principal exchange amounts or other pay-as-you-go payments and all other unscheduled amounts payable to any Hedge Counterparty) after taking into account funds available for drawing from the Class A Debt Service Reserve Account and Operating Accounts of the relevant Obligors.

Class A Liquidity Standby Account means the account so designated and opened, if required, in the name of Ellevio (as the case may be) and held at the applicable Class A LF Provider in respect of whom the Class A Standby Drawing has been made or, if such Class A LF Provider does not have the Minimum Long Term Rating, at the Account Bank.

Class A Net Debt means, at any time, the aggregate amount of all obligations of members of the Security Group for or in respect of Borrowings at that time:

(a) excluding any such obligations in respect of any Class B Debt;

(b) excluding any such obligations to any other member of the Security Group;

(c) including, in the case of Finance Leases only, their capitalised value; and

(d) deducting the aggregate amount of Cash and Cash Equivalent Investments held by any member of the Security Group at that time,

and so that no amount shall be included or excluded more than once.

Class A Permitted Additional Financial Indebtedness means (i) loans made to a Borrower, an Additional Holdco or a Finco by a person other than a member of the Group or bonds or notes (including any U.S. private placement notes) issued by an Issuer, an Additional Holdco or a Finco held by a person other than a member of the Security Group; and (ii) Permitted Refinancing Debt, in each case where:

(a) the Financial Indebtedness is Class A Debt which ranks pari passu in all respects (but subject to the priorities set out in paragraph 8 of schedule 8 (*Cash Management*) of the Common Terms Agreement) with all other Class A Debt;

(b) the creditors of such Financial Indebtedness (the "**Class A Incoming Creditors**") accede to the CTA and the STID;

(c) the Class A Incoming Creditors do not, and may not at any time, benefit from any Security, guarantees or other credit support, or recourse to any other Obligor other than pursuant to the Security Documents and the Common Terms Agreement;

(d) the relevant Borrower or Issuer provides a certificate to the Security Trustee at the time of incurring such Class A Permitted Additional Financial Indebtedness confirming that: (i) no Default is subsisting or would occur as a result of such Class A Permitted Additional Financial Indebtedness; and (ii) any hedging in respect of the Class A Permitted Additional Financial Indebtedness complies with the Hedging Policy;

(e) other than in respect of Permitted Refinancing Debt and/or where the Financial Indebtedness is to be used to fund Capital Expenditure, the relevant Borrower or Issuer has delivered to the Security Trustee a certificate signed by a director of such Borrower or Issuer confirming that no Lock-Up Event would occur as a result of the incurrence of such Class A Permitted Additional Financial Indebtedness; and

(f) other than in respect of Permitted Refinancing Debt and/or where the Financial Indebtedness is to be used to fund Capital Expenditure, the relevant Borrower or Issuer has first:

    (i) obtained a confirmation from the relevant Rating Agency that such Class A Permitted Additional Financial Indebtedness will not result in the then applicable Rating being reduced below the lower of: (A) the Rating on the Closing Date; and (B) the then current Rating, as long as that Rating is Investment Grade; or

    (ii) in the event that any one or more of the Rating Agencies declines to provide such confirmation for any reason other than related to the Rating itself, certified (after having made all reasonable enquiries), and provided evidence to support such certification, that such Class A Permitted Additional Financial Indebtedness will not result in the then applicable Rating being reduced below the lower of: (A) the Rating on the Closing Date; and (B) the then current Rating, as long as that Rating is at least Investment Grade.

Class A PP Note Documents means the Class A PP Note Purchase Agreement, any Class A PP Note Swap Indemnity Letter and each of the Class A PP Notes.

Class A PP Noteholders means the Initial PP Noteholders and those institutions which hold Class A PP Notes from time to time.

Class A PP Note Issuer means the Issuer or any successor appointed as issuer of the Class A PP Notes pursuant to the Class A PP Note Purchase Agreement.

Class A PP Note Purchase Agreement means the Initial PP Note Purchase Agreement and each other note purchase agreement pursuant to which an Issuer issues Class A PP Notes from time to time.

Class A PP Notes means the Initial PP Notes and any other privately placed notes issued by any Issuer from time to time under and pursuant to a Class A PP Note Purchase Agreement.

Class A PP Note Swap Indemnity Letter means any swap indemnity letter signed by an Obligor in respect of the issuance of Class A PP Notes from time to time.

Class A Rated Debt means each of the loans, bonds, debentures, notes, loan stock or any similar instrument of any Borrower or Issuer (including the Class A Bonds and Class A PP Notes) which are subject to Rating.

Class A Rated Debt Ratings Confirmation means a confirmation from the relevant Rating Agency in respect of any Class A Rated Debt, to the effect that the then applicable Rating of such Class A Rated Debt will not be reduced below the lower of:

(a) the Rating on the Closing Date; and

(b) the then current Rating, as long as that Rating is Investment Grade.

Class A Standby Drawing means a drawing made under a Class A Liquidity Facility Agreement as a result of a downgrade of a Class A LF Provider below the Minimum Long Term Rating or in the event that a Class A LF Provider fails to renew its commitment.

Class A Receipts means instalment receipts in relation to Class A Bonds.

Class A Subordinated Liquidity Payments means all amounts payable under, or in any way in connection with, a Class A Liquidity Facility Agreement, other than:

(a) principal and interest in respect of a drawing under a Class A Liquidity Facility or a Class A Standby Drawing;

(b) the fees payable in respect of a Class A Liquidity Facility; and

(c) any increased costs payable in accordance with the relevant Class A Liquidity Facility Agreement.

Class A Talons means talons in relation to Class A Coupons and Class A Receipts.

Class B Authorised Credit Facilities means any facility/ facilities (including any Class B Capex Facility) that is, for the purposes of the STID, to be treated as a Class B Debt made available pursuant to an Authorised Credit Facility Agreement entered into by an Obligor and any Authorised Credit Provider(s).

Class B Aggregate Available Liquidity means the sum of the aggregate available commitments under any Class B Liquidity Facility Agreement and the balance (if any) in any Class B Debt Service Reserve Account as at the relevant Calculation Date.

Class B Bonds means the Class B Bonds issued by Ellevio from time to time under the Bond Programme.

Class B Bondholders means the holders of Class B Bonds.

Class B Capex Facility means a revolving capital expenditure facility that is, for the purposes of STID, to be treated as a Class B Debt, and made available pursuant to an Authorised Credit Facility Agreement.

Class B Capex Facility Lenders means the providers of any Class B Capex Facility.

Class B Creditors means:

(a) the Class B Senior Term Facility Lenders;

(b) the Class B Bondholders;

(c) the Class B Capex Facility Lenders;

(d) the Class B PP Noteholders;

(e) the Class B Institutional Loan Providers;

(f) each Class B Hedge Counterparty; or

(g) the holders of any Class B Permitted Additional Financial Indebtedness.

Class B Debt means any Financial Indebtedness that is, (i) for the purposes of the STID, to be treated as Class B Debt or (ii) designated as Class B Debt in the relevant Accession Memorandum and, in each case, includes the Financial Indebtedness incurred under any:

(a) any Class B Senior Term Facility;

(b) any Class B Bonds;

(c) any Class B Capex Facility;

(d) any Class B PP Notes;

(e) any Class B Institutional Loan;

(f) any Class B Hedging Transaction; or

(g) any other Class B Permitted Additional Financial Indebtedness.

Class B Debt Service Reserve Account or **Class B DSRA**
means each account so designated, opened and maintained by Ellevio as an alternative to, or in addition to, the Class B Liquidity Facility, in order to maintain the Class B Liquidity Required Amount.

Class B Hedge Counterparty
means a Hedge Counterparty who is a party to a Class B Hedging Agreement.

Class B Hedging Agreement
means a Hedging Agreement under which the obligations of a Borrower rank *pari passu* with that Borrower's obligations under the Class B Debt.

Class B Hedging Transaction
means a Hedging Transaction arising under a Class B Hedging Agreement.

Class B Institutional Loan
means an institutional term loan facility provided by any Class B Institutional Loan Provider for Class B Debt pursuant to a Class B Institutional Loan Facility Agreement.

Class B Institutional Loan Provider
means an institutional loan provider (and including any bank, financial institution or other entity) of a Class B Institutional Loan under a Class B Institutional Loan Facility Agreement.

Class B Institutional Loan Facility Agreement
means an agreement pursuant to which a Class B Institutional Loan is made.

Class B LF Agent
means the liquidity facility agent in respect of a Class B Liquidity Facility or any successor agent appointed pursuant to a Class B Liquidity Facility Agreement.

Class B LF Event of Default
means any of the following events:

(a) Ellevio fails to pay any sum due from it under the Class B Liquidity Facility Agreement or any other Class B LF Finance Document (as defined in the Liquidity Facility Agreement) at the time, in the currency and in the manner specified therein unless payment is made within three Business Days of the time specified;

(b) an Insolvency Event in respect of Ellevio;

(c) the termination of a Standstill Period in accordance with Clause 19.4 (*Termination of Standstill*) of the STID (other than termination of a Standstill Period pursuant to a Standstill Remedy); or

(d) it is or becomes unlawful for Ellevio to make or receive a payment under the Class B LF Finance Documents or to comply with any other material provision of the Class B Liquidity Facility Agreement.

Class B LF Notice of Drawing
means:

(a) a request for a drawing under the Class B Liquidity Facility in a form set out in any Class B Liquidity Facility Agreement; or

(b) a request for a standby drawing under any Class B Liquidity Facility Agreement (in the form set out in any schedule thereto) in the event of a Class B LF Provider either: (i) having its credit rating downgraded below the Minimum Long Term Rating; or (ii) failing to renew its commitment pursuant to any Class B Liquidity Facility Agreement.

Class B LF Permitted Additional Financial Indebtedness means (i) liquidity facilities made to a Borrower, an Additional Holdco or a Finco by a person other than a member of the Group and (ii) Permitted Refinancing Debt, in each case where:

(a) the Financial Indebtedness ranks *pari passu* in all respects (but subject to the priorities set out in paragraph 8 of schedule 8 (Cash Management) of the Common Terms Agreement) with all other Class B Liquidity Facility/ies;

(b) the creditors of such Financial Indebtedness (the "**Class B LF Incoming Creditors**") accede to the Common Terms Agreement and the STID;

(c) the Class B LF Incoming Creditors do not, and may not at any time, benefit from any Security, guarantees or other credit support, or recourse to any other Obligor other than pursuant to the Security Documents and the Common Terms Agreement;

(d) other than in respect of Permitted Refinancing Debt and/or where the Financial Indebtedness is to be used to fund Capital Expenditure, the relevant Borrower has delivered to the Security Trustee a certificate signed by a director of the relevant Borrower confirming that no Lock-Up Event would occur as a result of the incurrence of such Class B LF Permitted Additional Financial Indebtedness; and

the relevant Borrower has first obtained a Class A Rated Debt Ratings Confirmation in respect of the Class A Bonds then outstanding.

Class B LF Provider(s) means the providers of any Class B Liquidity Facility and any bank or financial institution which has become a party to a Class B Liquidity Facility Agreement in accordance with the terms of that Class B Liquidity Facility Agreement which, in each case, has not ceased to be a party in accordance with the terms of that Class B Liquidity Facility Agreement.

Class B Liquidity Facility means any liquidity facility made available under any Class B Liquidity Facility Agreement.

Class B Liquidity Facility Agreement means any liquidity facility agreement to be entered into between, among others, any Borrower(s), the Class B LF Agent and the Class B LF Providers in connection with any Class B Debt and which is substantially in the form of any Class A Liquidity Facility Agreement.

Class B Liquidity Required Amount means the aggregate of:

(a) the projected interest and commitment or commission payments (excluding any scheduled amortisation and bullet final repayments to be made on the relevant Final Maturity Date) under the Class B Debt; and

(b) net payments (including accretion payments but excluding any other payments on any break or final or termination payments under any Class B Hedging Agreements) under the Class B Hedging Agreements,

for the following 12 months (calculated on a rolling basis on each Calculation Date).

Class B Liquidity Shortfall means, in respect of any Interest Payment Date, there will be insufficient funds (as determined by an Obligor, in its capacity as Cash Manager on the Cash Manager Determination Date) to pay amounts owed by the relevant Obligor in respect of the items as set out in sub-paragraphs (i) and (j) of the Pre-Enforcement Priority of Payments (excluding any termination payments, principal exchange amounts or other pay-as-you-go payments and all other unscheduled amounts payable to any Hedge Counterparty) after taking into account funds available for drawing from the Class B Debt Service Reserve Account and Operating Accounts of the relevant Obligors.

Class B Liquidity Standby Account means the account so designated and opened, if required, in the name of Ellevio (as the case may be) and held at the applicable Class B LF Provider in respect of whom the Class B Standby Drawing has been made or, if such Class B LF Provider does not have the Minimum Long Term Rating, at the Account Bank.

Class B Permitted Additional Financial Indebtedness means (i) loans made to a Borrower, an Additional Holdco or a Finco by a person other than a member of the Group or bonds or notes (including any U.S. private placement notes) issued by an Issuer, an Additional Holdco or a Finco held by a person other than a member of the Security Group; and (ii) Permitted Refinancing Debt, in each case where:

(a) the Financial Indebtedness is Class B Debt which ranks pari passu in all respects (but subject to the priorities set out in paragraph 8 of schedule 8 (Cash Management) of the Common Terms Agreement) with all other Class B Debt;

(b) the creditors of such Financial Indebtedness (the "**Class B Incoming Creditors**") accede to the Common Terms Agreement and the STID;

(c) the Class B Incoming Creditors do not, and may not at any time, benefit from any Security, guarantees or other credit support, or recourse to any other Obligor other than pursuant to the Security Documents and the Common Terms Agreement;

(d) the relevant Borrower or Issuer provides a certificate to the Security Trustee at the time of incurring such Class B Permitted Additional Financial Indebtedness confirming that: (i) no Default is subsisting or would occur as a result of such Class B Permitted Additional Financial Indebtedness; and (ii) any hedging in respect of the Class B Permitted Additional Financial Indebtedness complies with the Hedging Policy;

(e) other than in respect of Permitted Refinancing Debt and/or where the Financial Indebtedness is to be used to fund Capital Expenditure, the relevant Borrower or Issuer has delivered to the Security Trustee a certificate signed by a director of such Borrower or Issuer confirming that no Lock-Up Event would occur as a result of the incurrence of such Class B Permitted Additional Financial Indebtedness; and

(f) the relevant Borrower or Issuer has first obtained a Class A Rated Debt Ratings Confirmation in respect of the Class A Bonds then outstanding.

Class B PP Note Documents means the Class B PP Note Purchase Agreement, any Class B PP Note Swap Indemnity Letter and each of the Class B PP Notes.

Class B PP Noteholders means those institutions which hold Class B PP Notes from time to time.

Class B PP Note Issuer means the Issuer or any successor appointed as issuer of the Class B PP Notes pursuant to the Class B PP Note Purchase Agreement.

Class B PP Note Purchase Agreement means each note purchase agreement pursuant to which the Class B PP Note Issuer issues Class B PP Notes from time to time.

Class B PP Notes means the privately placed notes issued by the Class B PP Note Issuer from time to time under and pursuant to a Class B PP Note Purchase Agreement.

Class B Receipts means instalment receipts in relation to Class B Bonds.

Class B PP Note Swap Indemnity Letter means any swap indemnity letter signed by an Obligor in respect of the issuance of Class B PP Notes from time to time.

Class B Senior Term Facility means each senior term facility made available by the Class B Senior Term Facility Lenders pursuant to an Authorised Credit Facility Agreement.

Class B Senior Term Facility Lenders means the providers of any Class B Senior Term Facility

Class B Standby Drawing means a drawing made under a Class B Liquidity Facility Agreement as a result of a downgrade of a Class B LF Provider

	below the Minimum Long Term Rating or in the event that a Class B LF Provider fails to renew its commitment.
Class B Subordinated Liquidity Payments	means all amounts payable under, or in any way in connection with a Class B Liquidity Facility Agreement, other than: (a) principal and interest in respect of a drawing under a Class B Liquidity Facility or a Class B Standby Drawing; (a) the fees payable in respect of a Class B Liquidity Facility; and (b) any increased costs payable in accordance with the relevant Class B Liquidity Facility Agreement.
Class B Talons	means talons in relation to Class B Coupons and Class B Receipts.
Classic Global Bonds or **CGB**	means Global Bonds which are not issued in NGB form.
Clearing System(s)	means Euroclear, Clearstream, Luxembourg, CDS and/or any other local clearing system necessary or desirable to be used in connection with the sale of Bonds, within a particular jurisdiction or to particular investors as specified in the applicable Final Terms.
Clearing System Business Day	has the meaning given to it on page 136 of this Prospectus.
Clearstream, Luxembourg	means Clearstream Banking, S.A.
Closing Date	means 31 August 2016.
Code	means the U.S. Internal Revenue Code of 1986, as amended.
Commission Delegated Regulation 231/2013	means the European Union Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing the AIFMD.
Common Depositary	means the agent appointed by the ICSDs to act as the common depositary for Euroclear and Clearstream, Luxembourg, in respect of the Bonds.
Common Documents	means the Security Documents, the Common Terms Agreement, the Master Definitions Agreement and the Account Bank Agreement
Common Safekeeper or **CSP**	means an ICSD in its capacity as common safekeeper or a person nominated by the ICSDs to perform the role of common safekeeper.
Common Terms Agreement or **CTA**	means the common terms agreement entered into between, among others, the Obligors and the Secured Creditors dated 19 August 2016 (and as amended from time to time).
Company	means Ellevio AB (publ).
Compliance Certificate	means a certificate substantially in the form scheduled to the Common Terms Agreement in which the Obligors periodically provide certain financial information and statements to the Security Trustee as required by the STID.

Concession — means any network concession for line (*Sw. nätkoncession för linje*) or network concession for area (*Sw. nätkoncession för område*) granted to Ellevio in accordance with the provisions of the Swedish Electricity Act (*Sw. Ellagen (1997:857)*).

Conditions or **Terms and Conditions (of the Bonds)** — means, in relation to the Bonds of any Tranche, the terms and conditions endorsed on or incorporated by reference into the Bond or Bonds constituting such Tranche, such terms and conditions being substantially in the form scheduled to the Trust Deed or in such other form, having regard to the terms of the Bonds of the relevant Tranche, as may be agreed between Ellevio, the Bond Trustee and the Relevant Dealer(s) as completed by the Final Terms applicable to the Bonds of the relevant Tranche, in each case, as from time to time modified in accordance with the provisions of the Trust Deed and any reference in the Trust Deed to a particular specified Condition or paragraph of a Condition shall be construed accordingly.

Consolidated EBITDA — means: (i) in respect of any Relevant Period where no Material Subsidiary (other than Ellevio) exists, the operating profit of Ellevio; and (ii) in respect of any Relevant Period where a Material Subsidiary or an Obligor (other than Ellevio) exists, the consolidated operating profit of the Parent in each case before taxation (including the results from discontinued operations and the effects of any inflation revenue hedging (whether positive or negative)), in each case without double counting:

(a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether (directly or indirectly) paid, payable or capitalised by any member of the Security Group (calculated on a consolidated basis) in respect of that Relevant Period;

(b) not including any accrued interest owing to any member of the Security Group;

(c) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Security Group;

(d) before taking into account any Exceptional Items;

(e) before taking into account any gain arising from the direct or indirect acquisition of any debt or debt instrument at a discount to par;

(f) before deducting any, costs and expenses of a non-recurring or exceptional nature in respect of any Permitted Acquisition, Permitted Disposal, Permitted Joint Venture or the incurrence of any Permitted Financial Indebtedness;

(g) before deducting fees, costs and expenses associated with any equity offering or raising of any Permitted Financial Indebtedness (whether or not successful);

(h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Security Group which is attributable to minority interests;

(i) plus or minus the Security Group's share of the profits or losses (after finance costs and Tax) or Non-Group Entities after deducting the amount by which any profit included in the financial statements of the Security Group exceeds the amount actually received in cash by members of the Security Group through distributions by the Non-Group Entity;

(j) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);

(k) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset;

(l) including insurance proceeds relating to business interruption or otherwise to the extent that the relevant loss, costs or liability would otherwise reduce the consolidated operating profit of the Security Group);

(m) excluding the charge to profit represented by the expensing of stock options;

(n) (without double counting as "Exceptional Items") before deducting the costs incurred by the Group in relation to any severance, plant closure or transfer, reorganisation or other restructuring costs; and

(o) for the purposes of determining compliance with the Default Ratios only, adding costs of any expenditure arising out of or in relation to any Certified Storm Event, provided that such addition may only be exercised three times in any Regulatory Period,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining consolidated operating profits of the Security Group before taxation.

Contracting States has the meaning given to it on page 24 of this Prospectus.

Coupon(s) means an interest coupon appertaining to a Bearer Definitive Bond, such coupon being:

(a) if appertaining to a Fixed Rate Bond, a Floating Rate Bond or an Index-Linked Bond, in the form or substantially in the form scheduled to the Trust Deed or in such other form, having regard to the terms of issue of the Bonds of the relevant Tranche, as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Issuing and Paying Agent, the Bond Trustee and the Relevant Dealer(s); or

	(b) if appertaining to a Bearer Definitive Bond which is neither a Fixed Rate Bond nor a Floating Rate Bond nor an Index-Linked Bond, in such form as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Issuing and Paying Agent, the Bond Trustee and the Relevant Dealer(s), and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 17 (*Replacement of Bonds, Certificates, Receipts, Coupons and Talons*).
Couponholders	means the several persons who are, for the time being, holders of the Coupons and includes, where applicable, the Talonholders.
Courts	has the meaning given to it on page 98 of this Prospectus.
CP Agreement	means the conditions precedent agreement entered into between, among others, the Security Trustee and the Obligors on 19 August 2016 (and as amended from time to time).
CR or **Customer Relations**	means the Customer Relations division of Ellevio.
Credit Rating Agencies Regulation or **CRA Regulation**	means Regulation (EC) No. 1060/2009 (as amended).
CRR	means Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) 648/2012 (as amended).
CSA(s)	means Customer Service Agreement.
Currency Overhedged Position	has the meaning given to it on page 212 of this Prospectus.
Dagmar	means the major storm in December 2011.
Date for payment	means the date on which any payment of interest or principal on the Bonds is due.
Day Count Fraction	has the meaning given to it on page 120 of this Prospectus.
Dealer(s)	means BNP Paribas, Skandinaviska Enskilda Banken AB (publ) and NatWest Markets Plc.
Dealer Agreement	means the agreement dated 2 September 2016 , among others, Ellevio and the Dealers named therein (or deemed named therein) concerning the purchase of Bonds to be issued pursuant to the Bond Programme, together with any agreement for the time being in force amending, replacing, novating or modifying such agreement and any accession letters and/or agreements supplemental thereto.
Debt Purchase Transaction	means, in relation to a person, a transaction where such person: (a) purchases by way of assignment or transfer; (b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under an Authorised Credit Facility.

Debt Service Reserve Account	means each of the Class A Debt Service Reserve Account and the Class B Debt Service Reserve Account or any account so designated, opened and maintained by Ellevio as an alternative to, or in addition to, any Liquidity Facility Agreement, in order to maintain the Liquidity Required Amount.
Decision Period	means the relevant period of time the Secured Creditors (acting through their Secured Creditor Representatives) have to respond or vote on certain matters as set out in clause 12.2 (*Minimum requirements of a STID Proposal*) STID.
Deed Poll	means the deed poll entered into by the Issuer and the Guarantor on or about 25 January 2018.
Default	means: (a) an Event of Default; or (b) a Potential Event of Default.
Default Ratio	means: (a) in respect of the Senior Interest Cover Ratio for the Relevant Period, 1.20:1; (b) in respect of the Senior Leverage Ratio for the Relevant Period, 12:1; or (c) in respect of the Total Leverage Ratio for the Relevant Period, 13:1.
Default Situation	means any period during which there subsists an Event of Default.
Definitive Bond	means a Bearer Definitive Bond and/or, as the context may require, a Registered Definitive Bond.
Delegate	means a delegate or sub delegate appointed by the Security Trustee or a Receiver.
Deposited Bond	means certain specified Bearer Bonds which have been deposited with a Paying Agent (or to its order at a bank or other depositary) or blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction.
Deposit Guarantee Scheme	means the scheme under which the Central Bank guarantees deposits in the event of a bank, building society or credit union authorised by the Central Bank being unable to repay such deposits to its customers.
Direction Notice	means, in respect of any matter which is not the subject of a STID Proposal or a Qualifying Secured Creditor Instruction Notice, a notice delivered by the Security Trustee requesting instruction from the Qualifying Secured Creditors as to whether the Security

Trustee should agree to a consent, waiver or modification or exercise a right or discretion pursuant to the Finance Documents and the manner in which it should do so, delivered in accordance with the STID.

Discretion Matter means a matter in which the Security Trustee may exercise its discretion to approve any proposal or request made in a STID Proposal without any requirement to seek the approval of any Secured Creditor or any Secured Creditor Representative.

Disruption Event means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with any Authorised Credit Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a party preventing that, or any other party from:

(i) performing its payment obligations under the Finance Documents; or

(ii) communicating with other parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the party whose operations are disrupted.

Distressed Disposal means a disposal of an asset of a member of the Security Group which is being effected:

(a) pursuant to instruction in accordance with the STID in circumstances where the Borrower Security has become enforceable; or

(b) by enforcement of the Borrower Security.

Distribution has the meaning given to it in paragraph 19 (*Distributions*) of Part 3 (*General Covenants*) of Schedule 2 (*Security Group Covenants*) of the CTA.

DMS means Ellevio's Distribution Management System.

Drawdown Prospectus means a separate prospectus specific to a Sub-Class of Bonds.

DSO means the distributions systems operator.

EA or **Electricity Act** means the Swedish Electricity Act 1997 (Sw. *Ellag (1997: 857)*).

Early Redemption Amount means the amount for which Bonds may be redeemed in full prior to their Final Maturity Date.

Early Termination Date means the date set out in the relevant Hedging Agreement.

EC	means the European Commission.
EEA	means the European Economic Area.
EEI	means the Employee Engagement Index.
EFA	means the employers' association for the Swedish energy industry (Sw. *Energiföretagens Arbetsgivareförening*).
Ei or **Energy Markets Inspectorate**	means the Swedish Energy Markets Inspectorate (Sw. *Energimarknadsinspektionen*).
Ekfors	has the meaning given to it on page 97 of this Prospectus.
Electricity Ordinance	has the meaning given to it on page 93 of this Prospectus.
Electronic Consent	means, where the terms of the proposed resolution have been notified to the Bondholders through the relevant clearing system(s), each of Ellevio and the Bond Trustee shall be entitled to rely upon approval of such resolution (in a form satisfactory to the Bond Trustee) proposed by Ellevio or the Bond Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders representing 75 per cent. or more of the aggregate Principal Amount Outstanding of the Bonds then outstanding, in accordance with the terms of the Trust Deed.
Eligibility Criteria	means the criteria prepared by the Issuer as set out in the Ellevio Green Bond Framework (available on the Issuer's website at: https://www.ellevio.se/globalassets/uploads/dokument/financial-reports/green_bond_framework_2019_20191119.pdf).
Eligible Green Portfolio	means a portfolio of one or more Eligible Green Projects and/or Assets.
Eligible Green Projects and/or Assets	means projects or assets with environmental benefits and which meet the Eligibility Criteria.
Ellevio	means Ellevio AB (publ).
Ellevio Holding or **Guarantor**	means Ellevio Holding 4 AB.
Elspot	means the determination of the electricity prices in Nord Pool Spot in day-ahead auctions.
Elsäkerhetsverket	means the National Electrical Safety Board in Sweden.
Energiföretagen Sverige	means Energy Companies Sweden, an industry association in Sweden.
Energy Agency	means the Swedish Energy Agency.
Enforcement Action	means: (a) demanding payment of any Secured Liabilities (other than scheduled payments); (b) accelerating any of the Secured Liabilities or otherwise declaring any Secured Liabilities prematurely due and

payable or payable on demand or the premature termination or close-out of any liabilities under a Hedging Agreement (other than a Permitted Hedge Termination);

(c) enforcing any Secured Liabilities by attachment, set-off, execution, diligence, arrestment or otherwise;

(d) crystallising, or requiring a Security Trustee to crystallise, any floating charge in the Security Documents;

(e) enforcing, or requiring a Security Trustee to enforce, any Borrower Security;

(f) initiating or supporting or taking any action or step with a view to:

(i) any insolvency, bankruptcy, liquidation, examinership, reorganisation, administration, receivership, administrative receivership, winding-up, judicial composition or dissolution proceedings or any analogous proceedings in relation to any Obligor in any jurisdiction;

(ii) any voluntary arrangement, scheme of arrangement or assignment for the benefit of creditors; or

(iii) any similar proceedings involving any Obligor whether by petition, convening a meeting, voting for a resolution or otherwise;

(g) bringing or joining any legal proceedings against any Obligor (or any of its Subsidiaries) to recover any Secured Liabilities;

(h) exercising any right to require any insurance proceeds to be applied in reinstatement of any asset subject to any Security; or

(i) otherwise exercising any other remedy for the recovery of any Secured Liabilities.

Enforcement Period means any period from and including the termination of a Standstill (other than in accordance with clause 19.4.1(iii) (*Termination of Standstill*) of the STID) to and excluding the earlier of the date on which the Secured Liabilities have been discharged in full and the date on which the Security Trustee, acting in accordance with the instructions of the relevant Secured Creditors pursuant to the STID, notifies the Security Group that the Enforcement Period has ended.

English Security Agreement means the English law security agreement entered into between members of the Security Group and the Security Trustee the Closing Date.

ENS means Energy Not Supplied, the quality component in the regulation of regional networks.

Entrenched Right(s) means matters which:

(a) would delay the date fixed for payment of, or payment of amounts in the nature of, principal, interest or make-whole amount in respect of the relevant Secured Creditor's debt or would reduce the amount of, or amount in the nature of, principal, interest or make-whole amount payable in respect of such debt;

(b) other than pursuant to an Acceleration Notice, would bring forward the date fixed for payment of, or payment of amounts in the nature of, principal, interest or make-whole amount in respect of the relevant Secured Creditor's debt or would increase the amount of, or amount in the nature of, principal, interest or make-whole amount on any date in respect of such debt;

(c) would adversely change or have the effect of adversely changing any requirement set out in any Common Document that certain payments, applications or distributions should be made in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments or would adversely change or have the effect of adversely changing the Post-Enforcement Priority of Payments, the Pre-Enforcement Priority of Payments or application thereof (including by amending any of the defined terms referred to in the Post-Enforcement Priority of Payments or the Pre-Enforcement Priority of Payments) in respect of a Secured Creditor (including the ranking of its claims);

(d) would have the effect of adversely changing the application of any proceeds of enforcement of the Security Documents;

(e) would result in the exchange of the relevant Secured Creditor's debt for, or the conversion of such debt into, shares, bonds or other obligations of any other person;

(f) would deprive a Secured Creditor of its status as a Secured Creditor;

(g) would change or would relate to the currency of payment due under the relevant Secured Creditor's debt;

(h) would change or would relate to any existing obligations of an Obligor to gross up any payment in respect of the relevant Secured Creditor's debt in the event of the imposition of withholding taxes;

(i) would change or would have the effect of changing:

(A) any of the following definitions or their use: Discretion Matter, Entrenched Right, Extraordinary Voting Matters, Majority Secured Creditor, Ordinary Voting Matters, Qualifying Authorised Credit Facilities, Qualifying Bondholder, Qualifying Bonds, Qualifying Hedge Counterparties, Qualifying Hedging Transactions, Qualifying PP Noteholders, Qualifying PP Notes, Qualifying Senior Debt, Qualifying Secured Creditor, Qualifying Secured Creditor Instruction Notice, Quorum Requirement, STID Proposal, Secured Debt, Reserved Matter, Secured Liabilities, Voting Qualifying Debt;

(B) the Decision Period, Quorum Requirement or voting majority required in respect of any Ordinary Voting Matter, Extraordinary Voting Matter, Qualifying Secured Creditor Instruction Notice or Direction Notice;

(C) any of the matters that give rise to Entrenched Rights under the STID;

(D) clause 16.1 (*Scope of Entrenched Rights*) of the STID; or

(E) the manner in which Entrenched Rights or Reserved Matters may be exercised or the consequences of exercising such Entrenched Rights or Reserved Matters;

(j) would change or have the effect of changing clause 10.3 (Participating Qualifying Secured Creditors) of the STID;

(k) would change or have the effect of changing schedule 3 (Reserved Matters) of the STID;

(l) would change or would have the effect of changing the governing law or the dispute resolution clauses of any Common Document;

(m) would change or have the effect of changing the percentage of Qualifying Secured Creditors that can terminate a Standstill Period;

(n) would approve an assignment of any rights or a transfer of any obligations of an Obligor under any Common Document (other than as contemplated in any Common Document);

(o) in respect of each Class A Creditor:

(A) would result in an increase in or would adversely modify its obligations or liabilities under or in connection with any Common Document;

(B) would:

(viii) adversely alter the rights of priority of or the enforcement by the relevant Class A Creditor (or, where applicable, its Secured Creditor Representative) under the Security Documents other than as expressly contemplated therein; or

(ix) decrease the amount of that Class A Creditor's share of the Secured Liabilities which are secured by means of the Security; or

(C) would change or would have the effect of changing the definitions of:

(x) "Class A Creditor";

(xi) "Direction Notice";

(xii) "Discretion Matter";

(xiii) "Finance Documents";

(xiv) "Majority Secured Creditors";

(xv) "Ordinary Voting Matter";

(xvi) "Qualifying Class A Creditor";

(xvii) "Qualifying Senior Debt";

(xviii) "Qualifying Secured Creditor";

(xix) "Secured Creditor",

in each case insofar as such change would remove, or would have the effect of removing, the relevant Class A Creditor from the relevant definition:

(a) "Secured Liabilities" insofar as such change would remove, or would have the effect of removing, the Class A Debt of such Class A Creditor from the definition of "Secured Liabilities";

(b) "Qualifying Senior Debt" insofar as such change would remove, or would have the effect of removing, the Outstanding Principal Amount of Qualifying Class A Debt of such Class A Creditor from time to time from the definition of "Qualifying Class A Debt";

(c) "Voting Qualifying Debt" insofar as such change would remove, or would have the effect of removing, the Outstanding Principal Amount of

Qualifying Class A Debt voted by or on behalf of such Class A Creditor from time to time from the definition of "Voting Qualifying Debt"; or

(d) "Decision Period", "Quorum Requirement", "Restricted Payment", "Restricted Payment Condition", "Secured Liabilities" or "STID Proposal"; or

(e) the use of the relevant defined terms referred to in paragraph (C)(a) above in any Common Document in a manner which would affect the rights or interests of any Class A Creditor;

(D) would change or would have the effect of changing those matters expressly requiring the consent, approval or agreement of, or directions or instructions from, or waiver by the Majority Creditors or the Security Trustee; or

(p) in respect of each Class B Creditor:

(A) would result in an increase in or would adversely modify its obligations or liabilities under or in connection with any Common Document;

(B) would:

(i) adversely alter the rights of priority of or the enforcement by the relevant Class B Creditor (or, where applicable, its Secured Creditor Representative) under the Security Documents other than as expressly contemplated therein; or

(ii) decrease the amount of that Class B Creditor's share of the Secured Liabilities which are secured by means of the Security; or

(C) would change or would have the effect of changing the definitions of:

(i) "Class B Creditor";

(ii) "Direction Notice";

(iii) "Discretion Matter";

(iv) "Finance Documents";

(v) "Majority Secured Creditors";

(vi) "Ordinary Voting Matter";

(vii) "Qualifying Class B Creditor";

(viii) "Qualifying Senior Debt";

(ix) "Qualifying Secured Creditor";

(x) "Secured Creditor",

in each case insofar as such change would remove, or would have the effect of removing, the relevant Class B Creditor from the relevant definition:

(a) "Secured Liabilities" insofar as such change would remove, or would have the effect of removing, the Class B Debt of such Class B Creditor from the definition of "Secured Liabilities";

(b) "Qualifying Senior Debt" insofar as such change would remove, or would have the effect of removing, the Outstanding Principal Amount of Qualifying Class B Debt of such Class B Creditor from time to time from the definition of "Qualifying Class B Debt";

(c) "Voting Qualifying Debt" insofar as such change would remove, or would have the effect of removing, the Outstanding Principal Amount of Qualifying Class B Debt voted by or on behalf of such Class B Creditor from time to time from the definition of "Voting Qualifying Debt"; or

(d) "Decision Period", "Quorum Requirement", "Restricted Payment", "Restricted Payment Condition", "Secured Liabilities" or "STID Proposal"; or

(e) the use of the relevant defined terms referred to in paragraph (C)(a) above in any Common Document in a manner which would affect the rights or interests of any Class B Creditor;

(D) would change or would have the effect of changing those matters expressly requiring the consent, approval or agreement of, or directions or instructions from, or waiver by the Majority Creditors or the Security Trustee; or

(q) in respect of each Hedge Counterparty:

(A) would change or would have the effect of changing any of the following definitions: Hedge Counterparty, Hedging Agreement, Hedging Policy, Hedging Transaction, Subordinated Hedge Amounts, ISDA Master Agreement, Class A Hedge Counterparty, Class A Hedging Transaction, Class A Hedging Agreement, Class B Hedge Counterparty, Class B Hedging Transaction, Class B Hedging Agreement, Super Senior Hedge Counterparty, Super Senior Hedging Agreement, Super Senior Hedging Transaction or Treasury Transaction;

(B) would change or would have the effect of changing the limits specified in paragraph 9 (*General Principles*) and paragraphs 14 and 15 (*Interest Rate Risk Principles*) of the Hedging Policy;

(C) would change or have the effect of changing the definition of Permitted Hedge Termination or any of the Hedge Counterparties' rights to terminate any Hedging Agreements as set out in the Hedging Policy (including but not limited to paragraph 24 of the Hedging Policy, the definitions of Enforcement Action or Distressed Disposal or clause 19 (*Standstill*) of the STID), but which for the avoidance of doubt does not include amending such clauses to add any changes to include additional termination events;

(D) would change or have the effect of changing clause 7.1 (*Events of Default*) of the Common Terms Agreement;

(E) would change or have the effect of changing the definition of Acceleration Notice or would change or have the effect of changing clause 21.1 (*Acceleration of Secured Liabilities*), clause 21.2 (*Automatic acceleration of Secured Liabilities*), clause 21.3 (*Permitted Acceleration*), clause 21.5 (*Consequences of delivery of Acceleration Notice*) or clause 22.4 (*Post-Enforcement Priority of Payments*) of the STID;

(F) would change or have the effect of changing the purpose of any Liquidity Facility so as to result in it no longer being available to service payments due under the Hedging Agreements;

(G) would release any of the Borrower Security (unless at least equivalent replacement security is taken at the same time) unless such release is permitted in accordance with the Common Documents; and

(H) would change or have the effect of changing paragraph 15 (*Disposals*) of part 3 (*General Covenants*) of schedule 2 (*Security Group Covenants*) of the Common Terms Agreement;

(r) in respect of each LF Provider, would change the effect of clause 22.4 (*Post Enforcement Priority of Payments*) of the STID or would affect the ability of such LF Provider to enforce its rights under a Liquidity Facility Agreement; or

(s) in respect of each Original Initial ACF Lender,

(A) relate to those changes referred to in clause 33.3.1 (*Exceptions*) of the Initial Authorised Credit Facilities Agreement; and

(B) in respect of each Affected Lender (as such term is defined in the Initial Authorised Credit Facilities Agreement), relate to those changes referred to in clause 33.3.2 (*Exceptions*) of the Initial Authorised Credit Facilities Agreement; or

(t) in the case of the Bondholders, are a Basic Terms Modification.

Entrenched Right STID Proposal has the meaning given to it on page 140 of this Prospectus.

Environment means humans, animals, plants and all other living organisms, including the ecological systems of which they form part and the following media:

(a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);

(b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and

(c) land (including, without limitation, land under water).

Environmental Claim means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

Environmental Law means any applicable law or regulation which relates to:

(a) the pollution or protection of the Environment;

(b) the conditions of the workplace; or

(c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment including, without limitation, any waste.

Environmental Permits means any permit and other Authorisation required under any Environmental Law for the operation of the business of any member of the Security Group conducted on or from the properties owned or used by any member of the Security Group.

Equity Cure Amount	has the meaning given to it in paragraph 16 (*Equity Cure*) of schedule 4 (*Events of Default*) to the Common Terms Agreement.
Equity Cure Right	has the meaning given to it in paragraph 16 (*Equity Cure*) of schedule 4 (*Events of Default*) to the Common Terms Agreement.
Equity Documents	means: (a) the Investor Funding Loan Agreements; (b) any other subordinated debt instruments pursuant to which any New Shareholder Injection is made; (c) any other document designated as an equity document by the Security Trustee and Ellevio; and (d) the constitutional documents of the Parent.
Equivalent Amount	means the amount in question expressed in the terms of the Base Currency, calculated on the basis of the Exchange Rate.
ESMA	means the European Securities Market Association.
Establishment Date	means the date of this Prospectus.
EU	means the European Union.
EU-15	means the 15 Member States of the European Union as of December 31, 2003 namely Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Sweden, Spain and the United Kingdom.
EURIBOR	means the Euro Interbank Offered Rate.
Euro or **euro** or **EUR** or **€**	means the lawful currency of the participating Member States.
Euro Bond(s)	means a Euro-denominated Bond issued pursuant to the Bond Programme, and **Euro Bonds** shall be construed accordingly.
Euro Bond Maturity Date	means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of any Euro Bond is due and payable.
Euroclear	means Euroclear Bank SA/NV and Clearstream Banking, S.A.
Euronext Dublin	means the Irish Stock Exchange plc, trading as Euronext Dublin.
Eurosystem-eligible NGB	means an NGB which is intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms.
Eurozone	means the economic region formed by those member countries of the EU that have adopted the Euro.
EUWA	has the meaning given to it on page 23 of this Prospectus.
Event of Default	means an event or circumstance specified as such in the Common Terms Agreement, as more fully set out in Chapter 16 ("*Summary of the Common Documents, the Finance Documents*

and the Bond Programme Documents – Common Terms Agreement – Events of Default").

Examinership means the rescue process available to an insolvent company in Ireland whereby an examiner is appointed by a court pursuant to the provisions of the Irish Companies Act 2014.

Exceptional Items means any exceptional, one-off, non-recurring or extraordinary items, including those arising on:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) disposals, revaluations, write-downs or impairment of non-current assets or any reversal of any write-down or impairment;

(c) disposals of assets associated with discontinued operations; and

(d) the purchase by a member of the Security Group at less than par value of any loans made to any member of the Security Group or any securities issued by a member of the Security Group.

Exchange Agent means Citibank N.A., London Branch (or any successor thereto) in its capacity as exchange agent under the Agency Agreement in respect of the relevant Bonds.

Exchange Rate means the strike rate specified in any related Class A Hedging Agreement, Class B Hedging Agreement or Super Senior Hedging Agreement or, failing that, the spot rate for the conversion of the Non-Base Currency into the Base Currency as quoted by the relevant Facility Agent as at 11.00 a.m.:

(a) for the purposes of Clause 12.7 (*STID Voting Request*), 23 (*Qualifying Secured Creditor Instructions*) and 24.2 (*Quorum and voting requirements in respect of a Direction Notice*) of the STID, on the date that the STID Voting Request, Direction Notice or a Qualifying Secured Creditor Instruction Notice (as the case may be) is dated; and

(b) in any other case, on the date as at which calculation of the Equivalent Amount of the Outstanding Principal Amount is required,

and, in each case, as notified by the relevant Facility Agent to the Security Trustee.

Extended Forward Lock-Up Test means the average of the ratio of Funds from Operations to Class A Net Debt in each of the three (3) consecutive Relevant Projected Periods following the Calculation Date and such average shall not be less than 0.06:1.

Extraordinary Quorum Requirements means not less than three-quarters of Secured Creditors who need to participate in a particular Other Voting Matter.

Extraordinary Resolution means:

(a) a resolution approved by the Secured Creditors by a majority of not less than three-quarters of the aggregate Principal Amount Outstanding of the outstanding Secured Debt who: (i) for the time being are entitled to receive notice of a voting matter; and (ii) have participated in the approval process in respect of such resolution, subject to the quorum requirements set out in the Security Documents;

(b) a resolution signed in writing by or on behalf of the holders of not less than three-quarters of the aggregate Principal Amount Outstanding of the outstanding Secured Debt who for the time being are entitled to receive notice of a voting matter, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Secured Creditors;

(c) an Extraordinary Resolution passed at a meeting of Bondholders; or

(d) a resolution by Electronic Consent.

Extraordinary STID Resolution means a resolution in respect of an Extraordinary Voting Matter which requires 66.67 per cent. of the Voting Qualifying Debt in order to be passed pursuant to clause 15.3 (*Requisite majority in respect of an Extraordinary Voting Matter*) of the STID.

Extraordinary Voting Matters means any matters which:

(a) would change (i) material definitions which relate to the key structural principles on which the voting mechanics of the Extraordinary Voting Matters have been founded or (ii) any of the matters constituting Extraordinary Voting Matters;

(b) would change any Event of Default or any Trigger Event each in relation to non-payment, the making of Restricted Payments, financial ratios or Rating downgrade (in the case of a Trigger Event only);

(c) would relate to the waiver of any Event of Default or any Trigger Event each in relation to non payment, Rating downgrade (in the case of a Trigger Event only), financial ratios or the making of Restricted Payments;

(d) would change in any adverse respect the restriction on any disposal of Ellevio or relate to a consent in respect of any such disposal;

(e) would materially change or have the effect of materially changing the definition of "Permitted Business";

(f) would change or have the effect of changing the provisions relating to the waiver of the tests set out in the definitions of "Class A Permitted Additional Financial Indebtedness", "Class B Permitted Additional Financial Indebtedness", "Class A LF Permitted Additional Financial Indebtedness" or "Class B LF Permitted Additional Financial Indebtedness" in the MDA;

(g) would result in any Class A Aggregate Available Liquidity being less than any Class A Liquidity Required Amount or any Class B Aggregate Available Liquidity being less than any Class B Liquidity Required Amount, and to the extent that the passing of an Extraordinary STID Resolution on the matters referred to in this paragraph (g) necessitates an amendment to any Trigger Event, the amendment to that Trigger Event shall be an Extraordinary Voting Matter;

(h) would bring forward the scheduled maturity date of any Financial Indebtedness following the occurrence of a Trigger Event which is continuing; or

(i) would release any of the Security (unless equivalent replacement security is taken at the same time) or Guarantee unless such release is permitted in accordance with the terms of the Common Documents.

Facility Agent means, as the context requires, any or all of the Initial ACF Agent, Initial Authorised Institutional Loan Agent, any Class A LF Agent, Class B LF Agent and any agent appointed in respect of any other Authorised Credit Facility.

FATCA has the meaning given to it on page 234 of this Prospectus.

FATCA Withholding has the meaning given to it on page 139 of this Prospectus.

FDS or **Fortum** means Fortum Distribution AB (the previous legal name of Ellevio).

Final Maturity Date means:

(a) in relation to a Bond, the final date on which that Bond is expressed to be redeemable;

(b) in relation to the Initial Authorised Credit Facilities, 31 May 2020; and

(c) in relation to any other Authorised Credit Facility, the date on which all financial accommodation made available under that Authorised Credit Facility is expressed to be repayable in full (without any further obligation of the relevant Authorised Credit Provider to continue to make available such financial accommodation.

Final Redemption Amount means the nominal amount of each Bond, unless otherwise specified in the relevant Final Terms.

Final Terms means the final terms issued in relation to each Tranche of Bonds which complete the Conditions and giving details of the Tranche of the Bonds.

Finance Charges means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Borrowings (including any related hedging) whether paid or payable by any member of the Security Group (calculated on a consolidated basis) in respect of that Relevant Period:

(a) excluding any arrangement, underwriting or similar fees incurred in connection with the establishment of any Permitted Financial Indebtedness;

(b) including the interest (but not the capital) element of payments in respect of Finance Leases;

(c) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Security Group under any interest rate or cross currency hedging arrangement;

(d) excluding any costs and expenses in respect of any Permitted Acquisition;

(e) excluding any interest cost or expected return on plan assets in relation to any post-employment benefit schemes;

(f) if a Joint Venture is accounted for on a proportionate consolidation basis, after adding the Security Group's share of the net finance costs or interest receivable of the Joint Venture;

(g) taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis;

(h) excluding any other capitalised interest, or any other non-cash interest in respect of Borrowings or the amount of any discount, amortised or other non-cash interest charges; and

(i) for the purposes of the Senior Interest Cover Ratio only, excluding any repayment and prepayment premiums,

together with the amount of any cash dividends or distributions paid or made by Ellevio in respect of that Relevant Period and so that no amount shall be added (or deducted) more than once.

Finance Documents means:

(e) the Common Terms Agreement;

(f) the Master Definitions Agreement;

(g) the Security Documents;

(h) the Trust Deed;

(i) the Agency Agreement;

(j) the Calculation Agency Agreement;

(k) the Account Bank Agreement;

(l) the Initial Authorised Credit Facilities Agreement;

(m) any agreement evidencing any Class B Senior Term Facilities;

(n) any Class A Bonds;

(o) any Class B Bonds;

(p) any agreement evidencing any Class B Capex Facility;

(q) the Initial PP Note Purchase Agreement;

(r) any Class A PP Note Documents;

(s) any Class B PP Note Documents;

(t) the Initial Authorised Institutional Loan Facility Agreement;

(u) any agreement evidencing any Class A Institutional Loan(s);

(v) any agreement evidencing any Class B Institutional Loan(s);

(w) any Class A Liquidity Facility Agreement;

(x) any Class B Liquidity Facility Agreement;

(y) any Authorised Credit Facility Agreements;

(z) any Class A Hedging Agreements;

(aa) any Class B Hedging Agreements;

(bb) any Super Senior Hedging Agreements;

(cc) the CP Agreement;

(dd) any Cash Management Agreement;

(ee) the Parent Payment Undertaking;

(ff) the Settlement Deed

(gg) any fee letter, commitment letter or request entered into in connection with:

(ii) the facilities referred to in paragraphs (l) to (y) above or the transactions contemplated in such facilities; and

(iii) any other document that has been entered into in connection with such facilities or the transactions contemplated thereby that has been designated as a Finance Document by the parties thereto (including at least one Obligor);

(hh) each agreement or other instrument between an Obligor and any additional Secured Creditor designated as an

Finance Document by the Issuer, the Security Trustee and such additional Secured Creditor in the accession memorandum for such additional Secured Creditor; and

(ii) any amendment and/or restatement agreement relating to any of the above documents.

Finance Lease means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

Finance Party means any person providing credit pursuant to an Authorised Credit Facility and all arrangers, agents, representatives and trustees appointed in connection with any such Authorised Credit Facility.

Financial Covenants means the financial covenants set out in part 1 (*Financial Covenants*) of schedule 2 (*Security Group Covenants*) to the CTA.

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any amount raised by acceptance under any acceptance credit facility or bill discounting facility (or dematerialised equivalent);

(c) any amount raised pursuant to any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any Finance Leases;

(e) receivables sold or discounted (other than any receivables to the extent that they are sold on a non-recourse basis);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the mark to market value as at the date on which the Financial Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, the net value of that amount) shall be taken into account;

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution (but not, in any case, Trade Instruments) of an entity which is not a member of the Security Group which liability would fall within one of the other paragraphs of this definition;

(h) any amount raised by the issue of shares which are redeemable (other than at the option of the Issuer) before the Final Maturity Date or are otherwise classified as borrowings under the Accounting Principles;

(i) any amount of any liability under an advance or deferred purchase agreement if: (i) one of the primary reasons for entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question; or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;

(j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale-back or sale and leaseback agreement) not referred to in any other paragraph of this definition having the commercial effect of a borrowing and classified as such under the Accounting Principles; and

(k) if not previously counted, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above,

but, in each case, without double counting.

Financial Services and Markets Act or **FSMA** means the Financial Services and Markets Act 2000.

Financial Statements means: (a) the Annual Financial Statements; or (b) the Semi-Annual Financial Statements, as applicable.

Financial Year means, subject to any change made in accordance with the CTA and the STID, the annual accounting period of the Security Group ending on or about 31 December in each year.

Finco means any limited liability off the shelf company or company incorporated in connection with the proposed issuance of Permitted Additional Financial Indebtedness where each such company:

(a) accedes to the STID as an Obligor;

(b) becomes a Guarantor;

(c) is a wholly owned Subsidiary of the Parent, the Issuer, any Additional Holdco or any other member of the Security Group and is not a shareholder of any other member of the Security Group; and

(d) Borrower Security is granted over all the shares in, and loans from, such company.

FINMA has the meaning given to it on page 242 of this Prospectus.

Fitch means Fitch Ratings Limited, or any successor to its rating business.

Fixed Rate Bond(s) means a Bond on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between Ellevio and the Relevant Dealer(s) (as indicated in the applicable Final Terms).

Floating Rate Bond(s)	means a Bond on which interest is calculated at a floating rate payable in arrear in respect of such period or on such date(s) as may be agreed between Ellevio and the Relevant Dealer(s) (as indicated in the applicable Final Terms).
Floating Rate Bonds Maturity Date	means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of any Floating Rate Bond is due and payable.
Floating Rate Business Day Convention	has the meaning given to it on page 115 of this Prospectus.
Folksam	means the following entities together: (a) Folksam ömsesidig sakförsäkring, (Reg. No. 502006-1619) a mutual association incorporated in Sweden, whose registered office is at Bohusgatan 14, 106 60 Stockholm, Sweden; (b) KPA Pensionsförsäkring AB (publ), (Reg. No. 516401-6544) a company incorporated in Sweden, whose registered office is at 106 85 Stockholm, Sweden; and (c) Folksam ömsesidig livförsäkring, (Reg. No. 502006-1585) a mutual association incorporated in Sweden, whose registered office is at Bohusgatan 14, 106 60 Stockholm.
Following Business Day Convention	has the meaning given to it on page 115 of this Prospectus.
Foreign Passthru Payments	has the meaning given to it on page 234 of this Prospectus.
Form of Transfer	means the form of transfer endorsed on a Registered Definitive Bond in the form or substantially in the form scheduled to the Trust Deed.
Försäkringskassan	means the Swedish Social Insurance Agency.
Fortum Group	means Fortum Oyj, its Subsidiaries and its Affiliates.
Forward Lock-Up Tests	means each of the following: (a) the Senior Interest Cover Ratio for the Relevant Period not being less than 1.70:1; and (b) the Senior Leverage Ratio for the Relevant Period not being greater than 10.75:1.
FTE	means full-time employee equivalent.
FTT	means the Financial Transaction Tax.
Funds from Operations	means, in respect of any Relevant Period, Consolidated EBITDA in (or projected to be in) that Relevant Period after deducting Net Finance Charges and Tax for that Relevant Period.
Fuse Tariff	has the meaning given to it on page 77 of this Prospectus.
General Related Rights	means: (a) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Security Asset; (b) any awards or judgments in favour of an Assignor in relation to that Security Asset; and

(c) any other assets deriving from, or relating to, that Security Asset,

in each case excluding the Assignor Related Rights.

Global Bond	means a Temporary Bearer Global Bond and/or a Permanent Bearer Global Bond issued in respect of the Bonds of any Tranche and/or a Registered Global Bond, as the context may require.
Global Certificates	has the meaning given to it on page 6 of this Prospectus.
Government of Canada Benchmark Rate	means the interest rate published by the Bank of Canada for Government of Canada marketable bonds for the applicable maturity.
Green Account	means a separate bank account into which the net proceeds of Green Bonds are paid into.
Green Bonds	means any Series of Bonds which are designated "Green Bonds" in the relevant Final Terms.
Group	means the Parent and each of its Subsidiaries.
Guarantee(s)	means, in relation to each Guarantor, the guarantee of such Guarantor given by it pursuant to the STID and secured under the relevant Security Documents to which it is a party.
Guarantor(s)	means Ellevio Holding or any other entity which subsequently accedes to the Common Documents as a Guarantor in accordance with the STID.
Half Year	means the period commencing on the day after a Calculation Date and ending on the next Calculation Date.
Head of Finance	means the head of finance (Sw. *Ekonomichef*) of the Issuer from time to time.
Head of Treasury	means the head of treasury (Sw. *Finanschef*) of the Issuer from time to time.
Hedge Counterparty/(ies)	means a hedge counterparty who is a party to a Hedging Agreement from time to time.
Hedging Agreement	means each ISDA Master Agreement (including the schedule thereto and any Treasury Transaction thereunder) entered into by the Borrower and a Hedge Counterparty in accordance with the Hedging Policy, including, without limitation, any Class A Hedging Agreement, Class B Hedging Agreement and any Super Senior Hedging Agreement.
Hedging Policy	means the initial hedging policy applicable to the Security Group set out in schedule 7 (*Hedging Policy*) to the Common Terms Agreement as such hedging policy may be amended from time to time by agreement between the Security Trustee, Ellevio and the Hedge Counterparties in accordance with the STID.
Hedging Transaction(s)	means any Treasury Transaction with respect to the Secured Debt or any other Treasury Transaction governed by a Hedging Agreement and entered into with a member of the Security

Group in accordance with the Hedging Policy, including, without limitation, any Class A Hedging Transactions, Class B Hedging Transactions and any Super Senior Hedging Transactions.

Helga means the major storm in 2015.

HoldCo 3 means Ellevio Holding 3 AB, a company incorporated under the laws of Sweden with limited liability (registered number 559005-2436).

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

HV Network means high voltage networks.

IBM Kenexa means the provider of EEI Survey services and benchmarks.

ICER means the International Confederation of Energy Regulators.

ICSDs means Clearstream, Luxembourg and Euroclear.

IFRS means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

IGA means intergovernmental agreements to facilitate the implementation of FATCA which the United States and a number of other jurisdictions have announced their intention to negotiate.

Index or **Index Figure** means, subject as provided in Condition 7(c)(i) (*Change in base*), the Swedish Consumer Price Index ("**CPI**") (for all items) which is sponsored by Statistics Sweden and available to view at Bloomberg page SWCPI (or any replacement page thereto) or any other index (including any comparable index which may replace any of the foregoing), for the purpose of calculating the amount payable on repayment of any Swedish Government index-linked bond instrument. Any reference to the Index Figure:

(a) applicable to a particular month shall, subject as provided in Conditions 7(c) (*Changes in Circumstances Affecting the Index*) and 7(e) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the third month prior to that particular month and relating to the month before that of publication;

(b) applicable to the first calendar day of any month shall, subject as provided in Conditions 7(c) (*Changes in Circumstances Affecting the Index*) and 7(e) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or

(c) applicable to any other day in any month shall, subject as provided in Conditions 7(c) (*Changes in Circumstances Affecting the Index*) and 7(e) (*Cessation of or Fundamental Changes to the Index*), be calculated by linear interpolation between: (i) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in paragraph (b) above; and (ii) the Index Figure applicable to the first calendar day of the following month, calculated as specified in paragraph (b) above, and rounded in accordance with Condition 6(e) (*Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding*).

Indexation Adviser

means an internationally recognised investment bank or financial adviser recognised as having expertise in indexation matters appointed by Ellevio in such capacity to perform certain functions in respect of Index-Linked Bonds as set out in the Conditions.

Index Event

means:

(a) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7(c)(ii) (*Delay in Publication of Index*), and the Bond Trustee and Ellevio have been notified by the relevant Calculation Agent (to be appointed at the time of issuance by Ellevio of an Index-Linked Bond) that publication of the Index has ceased; or

(b) notice is published by Statistics Sweden, or on its behalf, following a change in relation to the Index, and no amendment or substitution of the Index has been advised by the Indexation Adviser to Ellevio and such circumstances are continuing.

Index Figure applicable (3 months lag)

means, subject as provided in Condition 7(c) (*Changes in Circumstances Affecting the Index*) and Condition 7(e) (*Cessation of or Fundamental Changes to the Index*) of the Terms and Conditions, and if "3 months lag" is specified in the relevant Final Terms or Drawdown Prospectus, what is calculated in accordance with the following formula:

$$\mathrm{IFA} = \mathrm{RPI}_{m-8} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times \left(\mathrm{RPI}_{m-7} - \mathrm{RPI}_{m-8}\right)$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

"**IFA**" means the Index Figure applicable;

"**RPIm–3**" means the Index Figure for the first day of the month that is three months prior to the month in which the payment falls due; and

"**RPIm–2**" means the Index Figure for the first day of the month that is two months prior to the month in which the payment falls due.

Index Figure applicable (8 months lag)

means, subject as provided in Condition 7(c) (*Changes in Circumstances Affecting the Index*) and Condition 7(e) (*Cessation of or Fundamental Changes to the Index*) of the

Terms and Conditions, and if "8 months lag" is specified in the relevant Final Terms or Drawdown Prospectus, what is calculated in accordance with the following formula:

$$\text{IFA} = \text{RPI}_{m-8} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times (\text{RPI}_{m-7} - \text{RPI}_{m-8})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

"**IFA**" means the Index Figure applicable;

"**RPIm–8**" means the Index Figure for the first day of the month that is eight months prior to the month in which the payment falls due; and

"**RPIm–7**" means the Index Figure for the first day of the month that is seven months prior to the month in which the payment falls due.

Index-Linked Bonds

means a Bond in respect of which the amount payable in respect of principal and interest is calculated by reference to an index and/or formula as Ellevio and the Relevant Dealer(s) may agree (as indicated in the relevant Final Terms).

Index-Linked Bond Maturity Date

means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of any Index-Linked Bond is due and payable.

Index Ratio

means the Index Figure applicable to the Calculation Date divided by the Base Index Figure.

Initial ACF Agent

means Skandinaviska Enskilda Banken AB (publ) as agent under the Initial Authorised Credit Facilities, or any of its successors thereto.

Initial ACF Arrangers

means the Initial ACF Arrangers as defined in the Initial Authorised Credit Facilities Agreement as arrangers under the Initial Authorised Credit Facilities.

Initial ACF Lenders

means lenders under the Initial Authorised Credit Facilities.

Initial Authorised Credit Facilities

means the facilities made available pursuant to the Initial Authorised Credit Facilities Agreement.

Initial Authorised Credit Facilities Agreement or **IACFA**

means the Authorised Credit Facility entered into on 19 August 2016 and amended on 18 January 2019 between, among others, Ellevio, the Initial ACF Agent and the Original Initial ACF Lenders (and as amended from time to time).

Initial Hedge Counterparties

means each of the parties listed in the CTA as initial hedge counterparties.

Initial Class A LF Agent

means the facility agent under the Initial Class A Liquidity Facility Agreement.

Initial Class A LF Providers

means certain financial institutions listed in Part 3 (*Initial Class A LF Providers*) of Schedule 2 (*Financial Institutions*) of the MDA, as lenders under or any bank or financial institutional which has become a lender under the Initial Class A Liquidity Facility Agreement.

Initial Class A Liquidity Facility Agreement	means the liquidity facility agreement dated the Signing Date between, amongst others, Ellevio, and the initial Class A LF Providers.
Initial Class B Liquidity Facility Agreement	means the liquidity facility agreement which may be entered into at any time between, amongst others, Ellevio, and the initial Class B LF Providers.
Initial Date Representation	means, in respect of the entering into of a new Authorised Credit Facility after the Closing Date, each of the representations in schedule 1 (*Security Group Representations*) to the Common Terms Agreement as may be agreed and amended by the Obligors and the relevant Authorised Credit Provider in accordance with clause 4.1.3 (*Representations*) of the Common Terms Agreement, provided that the representations contained in paragraphs 5 (*Validity and admissibility in evidence*), 6 (*Governing law and enforcement*) and 9 (*Deduction of Tax*) of part 1 (*General*) of schedule 1 (*Security Group Representations*) to the Common Terms Agreement shall be limited and refer only to the new Authorised Credit Facility and the representations contained in paragraph 11 (*No misleading information*) of part1 (*General*) of schedule 1 (*Security Group Representations*) to the Common Terms Agreement shall be limited to the new Authorised Credit Facility (as the case may be).
Initial Issue Date	means the date that the Bonds are issued under the Bond Programme for the first time.
Initial Parent Intragroup Loan Pledge	means the Swedish law security agreement dated 31 August 2016 entered into between the Parent and the Security Trustee relating to the Parent Intragroup Loan.
Initial PP Note Purchase Agreement	means each agreement between the Issuer and each Initial PP Noteholder whereby the Issuer agrees to issue certain Initial PP Notes to each Initial PP Noteholder dated on or about the date of the MDA.
Initial PP Noteholders	means certain financial institutions listed in Part 6 (*Initial PP Noteholders*) of Schedule 2 (*Financial Institutions*) of the MDA, as original noteholders under the Initial PP Notes.
Initial PP Notes	the privately placed notes issued by the Issuer prior to or on the Closing Date to the Initial PP Noteholders.
Insolvency Event	means, in respect of Ellevio or the Guarantor: (a) the initiation of or consent to Insolvency Proceedings by such company or any other person or the presentation of a petition or application for the making of an administration order, which proceedings (other than in the case of Ellevio) are not, in the opinion of Ellevio or the Security Trustee, being disputed in good faith with a reasonable prospect of

success or which are not frivolous or vexatious and discharged, stayed or dismissed within 10 Business Days of commencement or, if earlier, the date on which it is advertised;

(b) it becomes insolvent or is unable to pay its debts, in each case, under the laws of any relevant jurisdiction applicable to that company or fails or admits in writing its inability generally to pay its debts as they become due;

(c) an encumbrancer (or other similar official) taking possession of the whole or any part of the undertaking or assets of such company;

(d) any distress, execution, attachment or other similar process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of such company and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;

(e) a composition, compromise, assignment or arrangement with creditors of such company (as part of a general composition, compromise, assignment or arrangement affecting such company's creditors generally) other than a composition, compromise, assignment or arrangement with respect to any subordinated Financial Indebtedness, any intragroup loan or guarantee;

(f) the passing by such company of an effective resolution or the making of an order by a court of competent jurisdiction for the winding-up, liquidation, examinership or dissolution of such company;

(g) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any substantial part of the undertaking or assets of such company;

(h) save as permitted in the STID, the cessation or suspension of payment of its debts generally or a public announcement by such company of an intention to do so; or

(i) save as provided in the STID, a moratorium is declared in respect of any indebtedness of such company.

Insolvency Official means, in connection with any Insolvency Proceedings in relation to a company, a liquidator, provisional liquidator, administrator, administrative receiver, receiver, examiner, manager, nominee, supervisor, trustee, conservator, guardian or other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in its jurisdiction of incorporation in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors.

Insolvency Proceedings means, in respect of any company, the winding-up, liquidation, dissolution or administration of such company, or any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated or of any jurisdiction in which such company carries on business, including the seeking of liquidation, examinership, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

Instalment Amount means, with respect to each Bond that provides for it, the amount for which such Bonds shall be partially redeemed on the Instalment Date, as set out in the applicable Final Terms.

Instalment Date means, with respect to each Bond that provides for it, the date on which such Bonds shall be partially redeemed as set out in the applicable Final Terms.

Institutional Loan(s) means any Class A Institutional Loan or Class B Institutional Loan, as the case may be.

Intellectual Property means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each Obligor (which may now or in the future subsist).

Interest Commencement Dates means, in the case of interest-bearing Bonds, the date specified in the applicable Final Terms from (and including) which such Bonds bear interest, which may or may not be the Issue Date.

Interest Payment Dates Interest payment dates will be set out in the relevant Final Terms or Drawdown Prospectus.

Interest Period has the meaning given to it on page 123 of this Prospectus.

Investment Grade means a rating of BBB- or higher by S&P or Fitch or Baa3 or higher by Moody's or equivalent by another Rating Agency.

Investor means each of Borealis, AP1, AP3 or Folksam or any funds, limited partnerships or other entities directly or indirectly controlled, managed and/or advised by any of Borealis, AP1, AP3 or Folksam and each of their Affiliates and/or any funds controlled by any of their respective Affiliates and any of their subsequent successors or assigns or transferees.

Investor Funding Loan means any loan made or deemed to be made by any Holding Company of the Parent and/or any shareholders of each such Holding Company to any member of the Security Group, provided that the benefit of such loan is subject to the terms of the STID as Subordinated Liabilities.

Investor Funding Loan Agreement	means the agreement pursuant to which any Investor Funding Loan is made available.
Investor Report	means each report produced by the Security Group Agent to be delivered pursuant to paragraph 1 (*Financial Statements*) of part 2 (*Information Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement in the form set out in the schedule 6 (*Form of Investor Report*) to the Common Terms Agreement.
Investor's Currency	has the meaning given to it on page 37 of this Prospectus.
Ireland	means the island of Ireland, exclusive of Northern Ireland.
ISDA Master Agreement	means an agreement in the form of the 2002 ISDA Master Agreement (including the schedule and credit support annex thereto) or any successor thereto published by ISDA unless otherwise agreed by the Security Trustee acting in accordance with the STID.
ISO 14001 Environmental Management System	means the set of processes and practices enabling an organisation to reduce its environmental impact and increase its operating efficiency, certified as meeting the International Organization for Standardization's ISO 14001 standard.
Issue Date(s)	means, in respect of any Bond, the date of issue and purchase of such Bond pursuant to and in accordance with the Dealer Agreement or any other agreement between Ellevio and the Relevant Dealer(s) being, in the case of any Definitive Bond represented initially by a Global Bond, the same date as the date of issue of the Global Bond which initially represented such Bond.
Issue Price(s)	means the price as stated in the relevant Final Terms, generally expressed as a percentage of the nominal amount of the Bonds, at which the Bonds will be issued.
Issuer	means Ellevio.
Issuing and Paying Agent	means, in relation to all or any Tranche of the Bonds, Citibank, N.A., London Branch at its office at 13th Floor Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB United Kingdom as paying agent under the Agency Agreement, or, if applicable, any successor paying agent in relation to all or any Tranche of the Bonds.
Joint Venture	means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.
Legal Reservations	means: (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under applicable statutes of limitation, the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void and defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered under the CP Agreement.

Letter of Credit means a letter of credit under any Authorised Credit Facility.

LF Agent mean the Class A LF Agent or the Class B LF Agent, as applicable.

LF Event of Default has the meaning given to such term in the relevant Liquidity Facility Agreement.

LF Notice of Drawing means either a Class A LF Notice of Drawing or a Class B LF Notice of drawing, as the case may be.

LF Provider(s) means the Class A LF Providers and the Class B LF Providers, as the case may be.

LIBOR has the meaning given to that term in Condition 6 (*Interest and other Calculations*).

Limited Indexation Factor means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month 12 months prior thereto, provided that:

(a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms or Drawdown Prospectus, it shall be deemed to be equal to such Maximum Indexation Factor; and

(b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms or Drawdown Prospectus, it shall be deemed to be equal to such Minimum Indexation Factor.

Limited Indexation Month means any month specified in the relevant Final Terms or Drawdown Prospectus for which a Limited Indexation Factor is to be calculated.

Limited Index-Linked Bonds means Index-Linked Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms or Drawdown Prospectus) applies.

Limited Index Ratio means:

(a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month;

(b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation

Factor for that month and the Limited Index Ratio as previously calculated in respect of the month 12 months prior thereto; and

(c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month.

Line Concession	has the meaning given to it on page 16 of this Prospectus.
Linear Model	means the regulatory framework that was implemented during RP2 and that uses a real linear methodology to calculate capital compensation.
Liquidity Coverage Ratio	has the meaning given to it on page 37 of this Prospectus.
Liquidity Facility	means a liquidity facility made available under a Liquidity Facility Agreement.
Liquidity Facility Agreement	means the Class A Liquidity Facility Agreement and the Class B Liquidity Facility Agreement, as the case may be.
Liquidity Shortfall	means the Class A Liquidity Shortfall or the Class B Liquidity Shortfall, as the case may be.
Liquidity Standby Account	means the Class A Liquidity Standby Account or the Class B Liquidity Standby Account, as the case may be.
LN	has the meaning given to it on page 69 of this Prospectus.
LN Södra Norrland	has the meaning given to it on page 74 of this Prospectus.
LN StorStockholm	has the meaning given to it on page 74 of this Prospectus.
LN Västkusten	has the meaning given to it on page 74 of this Prospectus.
LN Västra Svealand	has the meaning given to it on page 74 of this Prospectus.
Lock-Up Event	means: (a) the Compliance Certificate delivered in respect of the most recent Calculation Date states that any of the Lock-Up Tests were not satisfied on that Calculation Date (in each case adjusted to reflect an assumption that any proposed Restricted Payments have been made); and/or (b) a Default has occurred and is continuing.
Lock-Up Tests	means the Forward Lock-Up Tests, the Backward Lock-Up Tests and the Extended Forward Lock-Up Test.
Lugano Convention	has the meaning given to it on page 24 of this Prospectus.
LV Network(s)	has the meaning given to it on page 63 of this Prospectus.
Majority Secured Creditors	means the relevant Participating Qualifying Secured Creditors representing 50 per cent. or more of the aggregate Outstanding Principal Amount of Qualifying Senior Debt.
Make-Whole Amount	means any premium payable on redemption of any Secured Debt in excess of: (a) the Outstanding Principal Amount of such debt; *plus* (b) accrued interest on such debt; *plus*

(c) any final payment in respect of accretions for inflation on any such debt that is index-linked; *plus*

(d) in the case of PP Notes issued to U.S. investors only, any swap breakage costs associated with a background swap entered into by such PP Noteholder, the existence of which has been notified to the Issuer at the time of issuance of such PP Notes.

Market in Financial Instruments Directive or **MiFID** means Directive 2004/39/EC.

Master Definitions Agreement or **MDA** means the master definitions agreement dated 19 August 2016 between, among others, the Obligors and the Secured Creditors.

Material Adverse Effect means a material adverse effect on:

(a) the business, operations, assets or financial condition of the Security Group, in each case, taken as a whole;

(b) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents; or

(c) subject to the Legal Reservations and the Perfection Requirements (such Perfection Requirements having been complied with in accordance with the Agreed Security Principles), the validity or enforceability of any Finance Document, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of the Finance Documents or the rights or remedies of any Secured Creditor under any of the Finance Documents, in each case, in a manner which is materially adverse to the interests of the Secured Creditors under the Finance Documents and, if capable of remedy, not remedied within 20 Business Days.

Material Subsidiary means a majority-owned or wholly owned Subsidiary of the Parent where:

(a) its earnings before interest rate, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA and (consolidated where that subsidiary itself has subsidiaries)) accounts for 5 per cent. or more of Consolidated EBITDA; or

(b) its gross assets or turnover (excluding intra-Security Group items) accounts for 5 per cent. or more of the gross assets or turnover of the Security Group calculated on a consolidated basis;

Maximum Indexation Factor means the indexation factor specified as such in the relevant Final Terms or Drawdown Prospectus.

Member State(s) means a member state of the European Union.

Minimum Indexation Factor means the indexation factor specified as such in the relevant Final Terms or Drawdown Prospectus.

Minimum Long-Term Rating	means BBB by Fitch, Baa2 by Moody's or BBB by S&P or any equivalent long-term rating by another Rating Agency.
Ministry of Environment & Energy	means the ministry of the Government of the Kingdom of Sweden responsible for environmental, energy and climate policy (Sw. *Miljö- och energidepartementet*).
Modified Following Business Day Convention	has the meaning given to it on page 115 of this Prospectus.
Modified Redemption Amount	means the Redemption Amount determined in accordance with Condition 8 (*Redemption, Purchase and Options*), unless otherwise specified in the relevant Final Terms.
Moody's	means Moody's Investors Service Limited or any successor to its rating business.
MV Networks	has the meaning given to it on page 63 of this Prospectus.
Naturvårdsverket	means the Swedish Environmental Protection Agency.
Net Finance Charges	means, for any Relevant Period, the Finance Charges in respect of Class A Debt or any debt ranking pari passu with or in priority to Class A Debt for that Relevant Period after deducting any interest payable in that Relevant Period to any member of the Security Group on any Cash or Cash Equivalent Investment.
Network Operations	means the team within Ellevio responsible for network operations.
New Allowed Revenue Ordinance	means the Ordinance on Allowed Revenue for Electricity Network Companies (Sw. *förordningen om intäktsram för elnätsföretag (2014:1064)*).
New Financial Covenant	has the meaning given to it on page 189 of this Prospectus.
New Linear Model	means the new method, introduced in 2016, used by the Ei to calculate a DSO's Allowed Revenue.
New Shareholder Injection(s)	means the aggregate amount subscribed for or contributed in cash by any person (other than a member of the Security Group) for ordinary shares in the Parent or for subordinated loan notes or other subordinated debt instruments in the Parent after the Closing Date, provided that the subordination is on the terms of the STID or otherwise on terms acceptable to the Security Trustee.
NGB or **New Global Bond**	means a Temporary Bearer Global Bond or a Permanent Bearer Global Bond, in either case, in respect of which the applicable Final Terms indicates is a New Global Bond (including, for the avoidance of doubt, both Eurosystem-eligible NGBs and Non-eligible NGBs).
Non-Base Currency	means a currency other than Swedish Krona.
Non-eligible NGB	means an NGB which is not intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms.

Non-exempt Offer	has the meaning given to it on page 237 of this Prospectus.
Non-Group Entity	means any investment or entity (which is not itself a member of the Security Group (including associates and Joint Ventures)) in which any member of the Security Group has an ownership interest.
Non-resident Holder	has the meaning given to it on page 233 of this Prospectus.
Nordic Region	means the Kingdom of Denmark, the Kingdom of Norway, the Kingdom of Sweden and the Republic of Finland.
Nord Pool	means Nord Pool Spot AS.
NordREG	means the association for Nordic energy regulators which promotes the legal and institutional frameworks and conditions necessary for developing the Nordic and European electricity markets.
Norwegian Kroner Bond(s)	means a Norwegian Kroner denominated Bond issued pursuant to the Bond Programme.
Norwegian Kroner Bond Maturity Date	means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of any Norwegian Kroner Bond is due and payable.
Norwegian Kroner or **NOK**	means the lawful currency for the time being of Norway.
NIBOR	means the Norwegian Interbank Offered Rate.
Noteholder(s)	means each of the PP Noteholders.
NSS or **New Safekeeping Structure**	means the new safekeeping structure which applies to Registered Bonds held in global form by a common safekeeper for Euroclear and Clearstream, Luxembourg and which is required for such Registered Bonds to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations.
Obligor(s)	means Ellevio, the Parent, any Borrower, any Guarantor and any other person who accedes to, *inter alia*, the Common Terms Agreement and the STID as an Additional Obligor in accordance with the terms of the Finance Documents, and "**Obligors**" means all of them
Official List	means the official list of Euronext Dublin.
Offsetting Transaction	means a Hedging Transaction which: (a) has been entered into with a Hedge Counterparty which has acceded to the STID and the Common Terms Agreement; (b) is governed by a Hedging Agreement; and (c) where the relevant borrower receives amounts under a previous Hedging Transaction on the basis of a particular rate, currency or underlying asset, it (or another relevant borrower) pays such amounts on such basis under a further Hedging Transaction and vice versa (whether the notional amount or corresponding currency amount is equal to, or

less than, the notional amount or corresponding currency amount of the other Hedging Transaction).

OMERS	means the Ontario Municipal Employees Retirement System.
Operating Account(s)	means the accounts so designated, operated and maintained by the Obligors into which all revenues are deposited opened with the Account Bank in accordance with the Account Bank Agreement but excluding any Debt Service Reserve Account or any Liquidity Standby Account.
Optional Canadian Dollar Bond Redemption Amount	has the meaning given to it on page 134 of this Prospectus.
Optional Floating Rate Bond Redemption Date	has the meaning given to it on page 129 of this Prospectus.
Optional Index-Linked Bond Redemption Date	has the meaning given to it on page 132 of this Prospectus.
Optional Euro Bond Redemption Amount	has the meaning given to it on page 133 of this Prospectus.
Optional Norwegian Kroner Bond Redemption Amount	has the meaning given to it on page 134 of this Prospectus.
Optional Swedish Krona Bond Redemption Amount	has the meaning given to it on page 133 of this Prospectus.
Optional U.S. Dollar Bond Redemption Amount	has the meaning given to it on page 134 of this Prospectus.
Order	means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
Ordinary Resolution	means the relevant resolution where the Quorum Requirement for an Ordinary Voting Matter is satisfied, as more fully set out in the STID.
Ordinary Voting Matters	are matters which are not Discretion Matters or Extraordinary Voting Matters.
Original Initial ACF Lenders	means the original lenders under the Term Facility, the Capex Facility and the WC Facility.
Other Voting Matter	means any Voting Matter which is not a STID Proposal.
Outstanding Principal Amount	means:

(a) in respect of any Authorised Credit Facilities that are loans, the principal amount, including any accretion on index-linked debt (or the Equivalent Amount), of any drawn amounts that are outstanding or committed under such Authorised Credit Facility;

(b) in respect of each Qualifying Hedging Transaction, an amount calculated in accordance with clauses 11.1.1, 11.1.2 and 11.1.3 (*Voting in respect of Qualifying Hedging Transactions by Qualifying Hedge Counterparties*) of the STID; or

(c) in respect of any other Secured Debt, the Equivalent Amount of the outstanding principal amount of such debt on such date in accordance with the relevant Finance Document,

on the date on which the Qualifying Secured Creditors have been notified of a STID Proposal, a Qualifying Secured Creditor Instruction Notice or a Direction Notice, as the case may be, all as most recently certified or notified to the Security Trustee, where applicable, pursuant to Clause 10.2 (*Notification of Outstanding Principal Amount of Qualifying Senior Debt*) of the STID.

Overdraft Facility means the overdraft facility made available to Ellevio under the Initial Authorised Credit Facilities Agreement.

Overhedged Position has the meaning given to it on page 213 of this Prospectus.

Parent means Ellevio Holding 4 AB.

Parent Charged Assets means the property, assets and undertakings so charged as security to the Guarantee given by the Parent for obligations owed to the Secured Creditors.

Parent Intragroup Loan means the loan made by the Parent to Ellevio.

Parent Payment Undertaking means the undertaking to pay given on the Closing Date by the Parent in favour of the Security Trustee (acting on behalf of itself and the other Secured Creditors).

Parent Share Pledge has the meaning given to it on page 49 of this Prospectus.

Participating Qualifying Secured Creditors means the Qualifying Secured Creditors which participate in a vote on any STID Proposal.

Parties or **Party** means, in relation to a Finance Document, a party to such Finance Document.

Paying Agents means, in relation to all or any Tranche of the Bonds, the several institutions (including, where the context permits, the Issuing and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Bonds by Ellevio pursuant to the relevant Agency Agreement and/or, if applicable, any successor paying agents at their respective specified offices in relation to all or any Tranche of the Bonds as well as additional paying agents appointed under supplemental agency agreements as may be required in any jurisdiction in which Bonds may be issued or sold from time to time.

Payment Date means, in respect of an Authorised Credit Facility, each date on which a payment is made or is scheduled to be made by Ellevio in respect of any obligations or liability under such Authorised Credit Facility.

PCB or **Polychlorinated biphenyls** means the toxic, persistent and bioaccummulative chemical compound widely used, including in insulating oil for transformers and cables, and prohibited in Sweden since 1978.

The Swedish Ordinance (*förordningen (2007:19) om PCB m.m.*) provides the requirements for removing or replacing PCB in existing products and buildings.

Perfection Requirements means any and all registrations, filings, notices and other actions and steps required to be made in any jurisdiction in order to perfect security created by the Security Documents, as the case may be, or in order to achieve the relevant priority for such Security.

Pensionsmyndigheten means the Swedish Pensions Agency.

Permanent Bearer Global Bond means a global bond comprising some or all of the Bearer Bonds of the same Series issued by the Issuer in exchange for the whole or part of any Temporary Bearer Global Bond issued in respect of such Bearer Bonds.

Permanent Global Bond means a global bond in the form or substantially in the form scheduled to the Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Issuing and Paying Agent, the Bond Trustee and the Relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Bearer Bonds of the same Tranche, issued by Ellevio pursuant to the Dealer Agreement or any other agreement between Ellevio and the Relevant Dealer(s) relating to the Bond Programme, the Agency Agreement and the Trust Deed either on issue or in exchange for the whole or part of any Temporary Bearer Global Bond issued in respect of such Bearer Bonds.

Permitted Acquisition means:

(a) an acquisition by a member of the Security Group (other than the Parent) of an asset sold, leased, transferred or otherwise disposed of by another member of the Security Group in circumstances constituting a Permitted Disposal;

(b) an acquisition of shares or securities pursuant to a Permitted Share Issue;

(c) an acquisition of securities which are Cash Equivalent Investments provided that they become subject to the Borrower Security as soon as reasonably practicable;

(d) the acquisition or establishment of, or investment in, any share or interest to the extent constituting a Permitted Joint Venture;

(e) the incorporation of a company or the acquisition of a newly incorporated shelf company which on incorporation or acquisition (as applicable) becomes a member of the Security Group, but only if:

(i) it is a Special Purpose Vehicle or that company is incorporated in the Nordic Region with limited liability; and

(ii) if the shares in the company are owned by an Obligor, Borrower Security over the shares of that company, in form and substance satisfactory to the Security Trustee, is created in favour of the Security Trustee within 30 days of the date of its incorporation;

(f) an acquisition of:

(i) any company or shares in any company or any Joint Venture, the principal business of which falls within paragraph (a) or (b) of the definition of "Permitted Business";

(ii) any interest in a partnership the principal business of which falls within paragraph (a) or (b) of the definition of "Permitted Business"; or

(iii) any asset for use in connection with the definition of "Permitted Business",

but only if:

(A) for businesses falling within paragraph (a) or (b) of the definition of "Permitted Business" only, no Lock-Up Event is continuing on the closing date for the acquisition or would occur as a result of the acquisition;

(B) the Security Group Agent has delivered to the Security Trustee a certificate signed by a director of the Borrower showing in reasonable detail that: (i) the Borrower would have remained in compliance with its obligations under part 1 (*Financial Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement if the covenant tests were recalculated for the Relevant Period ending on the most recent Calculation Date consolidating the financial statements of the target company (consolidated if it has Subsidiaries) or business with the financial statements of the Security Group for such period on a pro forma basis and as if the consideration for the proposed acquisition had been paid at the start of that Relevant Period and (ii) each financial covenant in part 1 (*Financial Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement (calculated on a pro forma basis) is forecast (based on reasonable assumptions) to be complied with on the next two Calculation Dates immediately following the relevant acquisition having regard to both Achievable Cost Savings and the cost of achieving such Achievable Cost Savings;

(C) (subject to the Agreed Security Principles) Borrower Security is granted by the acquiring member of the Security Group over all the shares (or equivalent) acquired by it in the acquired company and to the extent that the company to be acquired will, upon becoming a member of the Security Group, constitute a Material Subsidiary, that company becomes a Guarantor in accordance with the STID; and

(D) for businesses falling within paragraph (b) of the definition of "Permitted Business" only, the earnings before interest, tax, depreciation and amortisation calculated on the same basis as Consolidated EBITDA of any part of the business of the target company or target business which falls within paragraph (b) of the definition of "Permitted Business", when aggregated with the earnings before interest, tax, depreciation and amortisation calculated on the same basis as Consolidated EBITDA of all other businesses of the Security Group falling within paragraph (b) of the definition of "Permitted Business", will not exceed 15 per cent. of Consolidated EBITDA (or, in the case of any unregulated business, 10 per cent. of Consolidated EBITDA) calculated on a pro forma basis for the relevant acquisition unless the Borrower has first:

(I) obtained a confirmation from each of the Rating Agencies that are currently appointed by it that such proposed acquisition will not result in the then current Rating being reduced below the lower of:

A. the Rating on the Closing Date; and

B. the then current Rating,

C. as long as it is Investment Grade; or

(II) in the event that any one or more of the Rating Agencies declines to provide such confirmation for any reason other than related to the Rating itself, certified (after having made all reasonable enquiries), and provided evidence to support such certification, that such proposed acquisition will not result in the then current Rating being reduced below the lower of:

D. the Rating on the Closing Date; and

E. the then current Rating,

as long as that Rating is at least Investment Grade;

(g) any acquisition by a member of the Security Group of shares or loan notes (in each case, issued by a member of the Security Group) or similar of any director or employee whose appointment and/or service contract with the Security Group is terminated up to SEK100,000,000 (indexed) in total (or its equivalent in other currencies);

(h) any acquisition expressly set out in the Structure Memorandum;

(i) any acquisition made with the prior written consent of the Majority Secured Creditors; and

(j) any acquisition of assets in the ordinary course of trading of the acquiring entity,

and for the purposes of this definition, "**Special Purpose Vehicle**" means any limited liability off the shelf company or newly incorporated limited liability company acquired or incorporated in Sweden, Denmark, Germany, Finland or Norway in connection with a proposed Permitted Acquisition where each such company:

(a) accedes to the STID and the Common Terms Agreement;

(b) becomes an Additional Obligor;

(c) is a wholly owned Subsidiary (directly or indirectly) of the Parent or the Borrower and is not a shareholder of any other member of the Group; and

(d) Security is granted over all the shares in, and loans from, such company (in form and substance satisfactory to the Security Trustee (acting reasonably)).

Permitted Additional Financial Indebtedness means Class A Permitted Additional Financial Indebtedness and Class B Permitted Additional Financial Indebtedness.

Permitted Business means the business of the members of the Security Group, being:

(a) the business of being an electricity network owner and operator in the Nordic Region comprising operating, maintaining, repairing, upgrading and expanding electricity distribution networks and the provision of facilities for and connected therewith;

(b) any other business in the Nordic Region comprising operating, maintaining, repairing and upgrading electricity assets and/or networks and the provision of facilities for and connected therewith, including district heating businesses in the Nordic Region and any such district heating business shall be deemed as "unregulated business" for the purposes of the definitions of "Permitted Acquisition" and "Permitted Joint Venture";

(c) any business or activity in the Nordic Region supporting any existing assets or networks the principal business of which is described in either paragraphs (a) and/or (b) above or which is complementary or ancillary to the business or activities in paragraphs ((a) and/or (b) above (which shall include the provision of any services to members of the Security Group which are currently provided by third parties); and

(d) any other business approved or consented to by the Security Trustee acting in accordance with the instructions of the Qualifying Secured Creditors,

provided that the activities set out in paragraph (a) above shall constitute at least 90 per cent. of Consolidated EBITDA unless:

(i) the activities set out in paragraph (a) above constitute less than 90 per cent. of Consolidated EBITDA for a continuous period of no longer than three successive Calculation Dates; and

(ii) the activities set out in paragraph (a) above always constitute at least 75 per cent. of Consolidated EBITDA.

Permitted Disposal means any sale, lease, licence, transfer or other disposal:

(a) as expressly set out in the Structure Memorandum;

(b) of assets other than shares or businesses made by any member of the Security Group in the ordinary course of trading of the disposing entity;

(c) of any asset by a member of the Security Group (the "**Disposing Company**") to another member of the Security Group (other than the Parent) (the "**Acquiring Company**"), but if:

    (iii) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;

    (iv) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset; and

    (v) the Disposing Company is a Guarantor, the Acquiring Company must become a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company within 30 Business Days of the disposal becoming effective;

(d) of assets by an Obligor to any other member of the Security Group (other than the Parent) where the higher of the book value and the net consideration receivable (when aggregated with the higher of the book value and net consideration receivable for any other sale, lease, licence, transfer or other disposal permitted under this paragraph (d)) does not exceed SEK300,000,000 (indexed) (or its equivalent in any currency) in total aggregate at any time;

(e) of assets (other than shares or businesses) in exchange for other assets comparable or superior as to type, value and quality, provided that, if security was given over the assets disposed of, equivalent security must (subject to the Agreed Security Principles) be given over assets acquired in exchange;

(f) of obsolete, redundant or surplus assets (other than shares or businesses) no longer required for the operation of the business of the Security Group;

(g) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;

(h) constituted by a licence of intellectual property rights provided that (in the case of an exclusive licence or sale) such intellectual property is not required for the operation of the business of the Security Group;

(i) to a Joint Venture to the extent permitted by paragraph 10 (*Joint Ventures*) of part 3 (*General Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement);

(j) arising as a result of any Permitted Security, Permitted Loan or Permitted Transaction;

(k) any disposal compulsorily required by law or regulation or any order of any government entity where such disposal (A) to the extent permitted by such law, regulation or order (as the case may be), is made for fair market value and (B) would not be an Event of Default under paragraph 12 (*Expropriation*) of Schedule 4 (*Events of Default*) to the Common Terms Agreement;

(l) of assets (other than shares) for cash where the higher of the book value and the net consideration receivable (when aggregated with the higher of the book value and net consideration receivable for any other sale, lease, licence, transfer or other disposal not permitted under the preceding paragraph of this definition) does not exceed SEK500,000,000 (indexed) or its equivalent in any currency, in any calendar year; and

(m) any sale, lease, licence, transfer or other disposal otherwise approved by the Majority Secured Creditors.

Permitted Distribution means, subject to the proviso below:

(a) a Distribution by a member of the Security Group other than the Parent or the Borrower to its immediate Holding Company, any Subordinated Intragroup Creditor or any Subordinated Creditor (provided that if that member of the Security Group is not a wholly owned Subsidiary of the Parent, any Distribution to a third party shareholder of that member of the Security Group shall be proportionate to that third party shareholder's shareholding in that member of the Security Group);

(b) any Distribution to the Parent, the immediate Holding Company of the Parent, any Subordinated Intragroup Creditor or any Subordinated Creditor necessary to pay auditor's fees, legal expenses, directors' emoluments or insurance, fees for management, regulatory and administrative services (excluding treasury services) provided to members of the Security Group of a type customarily provided by a Holding Company to its Subsidiaries, and any other proper and necessary incidental expenses required to maintain each such company's corporate existence and provide for their operating costs and to pay their Taxes in aggregate in any calendar year (plus all reasonable expenses, including the fees and charges of consultants or advisors incurred in connection with the provision of such services) in an amount not exceeding SEK40,000,000 (indexed) (or its equivalent in other currencies) in aggregate in any Financial Year;

(c) any Distribution which is a Permitted Transaction under limbs (b) to (d) (inclusive) of the definition thereof;

(d) a Distribution from (i) the Parent to its immediate Holding Company, any Subordinated Intragroup Creditor or any Subordinated Creditor; or (ii) the Borrower to the Parent, any Subordinated Intragroup Creditor or any Subordinated Creditor if:

(i) the Parent or the Borrower (as applicable) has delivered the applicable financial statements and a Compliance Certificate for the most recent Calculation Date in compliance with paragraphs 1 (*Financial statements*) and 3 (*Provision and contents of Compliance Certificate*) of part 2 (*Information Covenants*) of schedule 2 *(Security Group Covenants*) to the Common Terms Agreement);

(ii) no Default is continuing on the date of the Distribution or would occur as a result of the Distribution, and no Default would have occurred on the most recent Calculation Date as a result of making the Distribution (assuming the distribution had been made on the most recent Calculation Date);

(iii) the relevant Compliance Certificate states (a) that no Lock-Up Event or Trigger Event has occurred and is continuing on the Calculation Date to which that Compliance Certificate relates and (b) no Lock-Up Event or Trigger Event would occur as the result of the proposed; and

(iv) in the event a Lock-Up Event or Trigger Event has previously occurred, the Security Group Agent has delivered a subsequent Compliance Certificate demonstrating that no Lock-Up Event or Trigger Event is continuing; or

(e) any group contributions (*Sw. koncernbidrag*) from the Borrower to the Parent and from the Parent to Holdco 3, provided that no physical transfer of cash or assets is made and the entire amount of the group contributions are converted into an equal amount of shareholder's contributions (*Sw. aktieägartillskott*) by the Parent to the Borrower and by Holdco 3 to the Parent (as applicable) simultaneously with the making of the relevant group contributions.

Permitted Financial Indebtedness means Financial Indebtedness:

(a) arising:

(i) under any of the Finance Documents and the Equity Documents; or

(ii) Permitted Additional Financial Indebtedness, in each case subject to the terms of the Common Terms Agreement and the STID;

(b) which constitutes Subordinated Liabilities or Subordinated Intragroup Liabilities, subject always to the terms of the Common Terms Agreement and the STID;

(c) to the extent covered by a Letter of Credit or other letter of credit, guarantee or indemnity issued under an Ancillary Facility;

(d) of the Parent owed to the Issuer, the purpose of which is to make group contributions (Sw. *koncernbidrag*), does not involve the transfer of any cash or in kind and will remain outstanding until all amounts due under the Finance Documents to the Secured Creditors have been unconditionally and irrevocably paid in full;

(e) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade or in respect of Utilisations made in Optional Currencies but not a foreign exchange transaction for investment or speculative purposes;

(f) arising under or in respect of a Permitted Transaction, a Permitted Joint Venture, a Permitted Loan or a Permitted Guarantee or as permitted by paragraph 27 (Treasury Transactions) of part 3 (General Covenants) of schedule 2 (Security Group Covenants) to the Common Terms Agreement;

(g) of any person acquired by a member of the Security Group after the Closing Date which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of three months following the date of acquisition;

(h) under finance or capital leases of vehicles, plant, equipment or computers, provided that the aggregate capital value of all such items so leased under outstanding leases by members of the Security Group does not exceed SEK200,000,000 (Indexed) (or its equivalent in other currency) at any time;

(i) incurred by a member of the Security Group (other than the Parent) pursuant to or in connection with any cash pooling arrangement in place with other members of the Security Group and with an Acceptable Bank provided that Obligors may not have an aggregate exposure at any time of more than SEK400,000,000 (Indexed) (or its equivalent in other currencies) in respect of liabilities of members of the

Security Group which are not Obligors in connection with such arrangements;

(j) until the Closing Date, any Existing Debt;

(k) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed SEK500,000,000 (Indexed) (or its equivalent in other currency) in aggregate for the Security Group at any time; and

(l) any other Financial Indebtedness approved or consented to by the Majority Secured Creditors,

(m) provided that, any Financial Indebtedness permitted under the preceding paragraphs which is unsecured shall not in aggregate exceed 3 per cent. of the Relevant Debt then outstanding

Permitted Guarantee means:

(a) the endorsement of negotiable instruments in the ordinary course of trade;

(b) any performance or similar bond guaranteeing performance by a member of the Security Group under any contract entered into in the ordinary course of trade;

(c) any guarantee of a Permitted Joint Venture;

(d) any guarantee permitted under paragraph 21 (*Financial Indebtedness*) of part 3 (*General Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement);

(e) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (c) of the definition of "Permitted Security";

(f) any guarantee or indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction which is a Permitted Acquisition or Permitted Disposal which guarantee or indemnity is in a customary form and subject to customary limitations;

(g) any guarantee by an Obligor of leasehold rental obligations in the ordinary course of business;

(h) any guarantee granted under the Common Documents;

(i) any guarantee given by a member of the Security Group in relation to an Obligor's obligations, provided that if the relevant member of the Security Group granting the guarantee is not an Obligor, it has subordinated its rights in respect of such guarantee under a subordination agreement on terms satisfactory to the Qualifying Secured Creditors;

(j) any guarantee of a Treasury Transaction which is permitted by paragraph 27 (*Treasury Transactions*) of part 3 (*General*

Covenants) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement);

(k) a guarantee by an Obligor of the obligations of a member of the Security Group which is not an Obligor, provided the aggregate amount guaranteed does not exceed in aggregate SEK300,000,000 (indexed) (or its equivalent in other currencies) at any time;

(l) any guarantee not permitted by the preceding paragraphs or as a Permitted Transaction and the outstanding principal amount of which does not exceed SEK200,000,000 (indexed) (or its equivalent in other currency) in aggregate for the Security Group at any time; and

(m) any other guarantee approved or consented to prior written notice by the Majority Secured Creditors.

Permitted Hedge Termination means the termination of a Hedging Agreement permitted in accordance with the provisions of the Hedging Policy.

Permitted Joint Venture means any investment in any Joint Venture (other than one made by the Parent) where:

(a) the Joint Venture is incorporated, or established, and carries on its principal business, in the Nordic Region;

(b) the Joint Venture is engaged in a Permitted Business;

(c) the aggregate of:

  (i) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Security Group;

  (ii) the contingent liabilities of any member of the Security Group under any guarantee given in respect of the liabilities of any such Joint Venture;

  (iii) any commitments given by any member of the Security Group to fund actual or contingent obligations of such Joint Venture; and

  (iv) the market value of any assets transferred by any member of the Security Group to any such Joint Venture,

does not exceed SEK5,000,000,000 (indexed) (or its equivalent in other currencies) at any time or, to the extent that it does exceed either such amount, the excess is funded by either (A) New Shareholder Injections or (B) amounts which would otherwise be payable at the relevant time by the Borrower as a Permitted Distribution (but has not so been paid) under paragraphs (c) or (d) of that definition;

(d) the earnings before interest, tax, depreciation and amortisation calculated on the same basis as Consolidated EBITDA of the part of the Joint Venture attributable to the

Security Group which falls within paragraph (b) of the definition of "Permitted Business", when aggregated with the earnings before interest, tax, depreciation and amortisation calculated on the same basis as Consolidated EBITDA of all other businesses of the Security Group which fall within paragraph (b) of the definition of "Permitted Business" will not exceed 15 per cent. of Consolidated EBITDA (or, in the case of any unregulated business, 10 per cent. of Consolidated EBITDA) calculated on a pro forma basis for the relevant Joint Venture; and

(e) at the time of such investment no Default is continuing or would result from such investment being made.

Permitted Loan means:

(a) any trade credit extended by any member of the Security Group to its customers on normal commercial terms and any advance payment made in relation to Capital Expenditure, in each case in the ordinary course of its trading activities;

(b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, "Permitted Financial Indebtedness" (except under paragraph (g) of that definition with respect to a Permitted Loan);

(c) a loan made to a Joint Venture to the extent permitted by paragraph 10 (*Joint Ventures*) of part 3 (*General Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement);

(d) any Subordinated Intragroup Liabilities, subject always to the terms of the Common Terms Agreement and the STID;

(e) any loan made by an Obligor (other than the Parent) to a member of the Group which is not an Obligor provided that the aggregate of all such loans does not exceed SEK300,000,000 (Indexed) (or its equivalent in other currency) or any loan made by a member of the Group which is not an Obligor to another member of the Group;

(f) a loan made by the Issuer to the Parent or by the Parent to its immediate Holding Company to the extent that the amount lent was otherwise available to be paid as a Permitted Distribution and had not previously been paid;

(g) a loan made by a member of the Security Group to an employee or director of any member of the Security Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Security Group, or to an employee benefit trust, does not, in either case, exceed SEK40,000,000 (Indexed) (or its equivalent in other currency) at any time;

(h) any deferred consideration in relation to Permitted Disposals where the amount of such deferred consideration does not exceed 35 per cent. of the aggregate consideration receivable by the Security Group in respect of that Permitted Disposal and where such deferred consideration has to be paid within 12 months of that date of such disposal;

(i) any loan made by the Issuer to HoldCo 1 in connection with the proposed acquisition of Laforsen Produktionsnät Aktiebolag by HoldCo 1; and

(j) any loan (other than a loan made by a member of the Security Group to another member of the Security Group) not permitted by the preceding paragraphs so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed SEK300,000,000 (Indexed) (or its equivalent in other currency) at any time.

Permitted Refinancing Debt means loans made to a Borrower, an Additional Holdco or a Finco by a person other than a member of the Group, or bonds or notes (including any U.S. private placement notes) issued by an Issuer, an Additional Holdco or a Finco held by a person other than a member of the Security Group where the net proceeds of such loans, bonds or notes are to be applied in prepayment of:

(a) the Initial Authorised Credit Facilities, in accordance with clause 9 (*Illegality, Voluntary Prepayment and Cancellation*) of the Initial Authorised Credit Facilities Agreement; and/or

(b) the other Authorised Credit Facilities, in accordance with the relevant prepayment or redemption (however described) provisions in such other Authorised Credit Facility Agreements,

and provided that, unless such public bonds or private placement notes issued by such Issuer, Additional Holdco or Finco constitute Class B Debt, such Issuer has (or has procured that the Additional Holdco or Finco (as applicable) has) obtained a confirmation from a Rating Agency that such proposed public bonds or private placement notes will have a long-term credit rating which is Investment Grade

Permitted Additional Financial Indebtedness means Class A Permitted Additional Financial Indebtedness and Class B Permitted Additional Financial Indebtedness.

Permitted Security means:

(a) any Security entered into pursuant to any Finance Document;

(b) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Security Group;

(c) any netting or set-off arrangement entered into by any member of the Security Group with an Acceptable Bank in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Security Group (including a multi-account overdraft) but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of the Parent or any members of the Security Group which are not Obligors and (ii) such arrangement does not give rise to other Security over the assets of Obligors (other than the Parent) in support of liabilities of members of the Security Group which are not Obligors;

(d) any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction or foreign exchange transaction entered into by a member of the Security Group which constitutes Permitted Financial Indebtedness, excluding any Security or Quasi-Security under a credit support arrangement;

(e) any Security or Quasi-Security over or affecting any asset acquired by a member of the Security Group after the Closing Date if:

   (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Security Group;

   (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Security Group; and

   (iii) the Security or Quasi-Security is removed or discharged within three months of the date of acquisition of such asset;

(f) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Security Group after the Closing Date, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Security Group if:

   (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;

   (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

   (iii) the Security or Quasi-Security is removed or discharged within three Months of that company becoming a member of the Security Group;

(g) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Security Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Security Group;

(h) any Security or Quasi-Security (existing as at the date of the Common Terms Agreement) over assets of any member of the Parent and each of its Subsidiaries so long as the Security or Quasi-Security is irrevocably removed or discharged by no later than the Closing Date, unless otherwise permitted under the Common Terms Agreement;

(i) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal;

(j) any Security or Quasi-Security arising as a consequence of any finance or capital lease permitted pursuant to the definition of "Permitted Financial Indebtedness";

(k) any Security or Quasi-Security over goods and documents of title to goods arising under letter of credit transactions under an Ancillary Facility;

(l) any Security or Quasi-Security over rental deposits arising in the ordinary course of trading and on arm's length terms in respect of any property leased or licensed by a member of the Security Group;

(m) any Security or Quasi-Security over ownership interests in Permitted Joint Ventures to secure obligations to other Permitted Joint Venture partners;

(n) any Security or Quasi-Security over bank accounts of members of the Security Group which are not Obligors in favour of an Acceptable Bank and granted as part of that financial institution's standard terms and conditions;

(o) any Security or Quasi-Security arising as a result of legal proceedings or by operation of law in respect of Taxes, in each case being contested in good faith;

(p) any Security securing indebtedness of any member of the Security Group which is not an Obligor, the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness of any member of the Security Group which is not an Obligor which is secured over its assets) does not exceed SEK200,000,000 (indexed) (or its equivalent in other currencies) in aggregate at any time; or

(q) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Security Group other than any permitted under paragraphs (a) to (p) above) does not exceed SEK500,000,000 (indexed) (or its equivalent in other currencies).

Permitted Share Issue means an issue of:

(a) ordinary shares by the Parent to HoldCo 3, paid for in full in cash upon issue and which by their terms are not redeemable and where such shares are of the same class and on the same terms as those initially issued by the Parent;

(b) shares by a member of the Security Group which is a Subsidiary of the Parent to its immediate Holding Company where (if the existing shares of the Subsidiary are the subject of the Borrower Security) the newly issued shares also become subject to the Borrower Security on the same terms;

(c) shares where the issue is permitted pursuant to paragraph 10 (*Joint Ventures*) of part 3 (*General Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement); or

(d) any other issue approved or consented to in writing by the Majority Secured Creditors.

Permitted Share Pledge Acceleration has the meaning given to it in clause 21.3 (*Permitted Acceleration*) of the STID.

Permitted Share Pledge Enforcement means the enforcement of the share pledge provided by the Parent over the shares of Ellevio during a Standstill (or upon full enforcement).

Permitted Transaction means:

(a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under the Common Documents;

(b) the solvent liquidation or reorganisation of any member of the Security Group which is not an Obligor so long as any payments or assets are distributed to another member of the Security Group, or of an Obligor (excluding the Parent, and the Borrower) so long as any payments or assets are distributed to another Obligor and the reorganisation will not have an adverse impact on the Borrower Security or any guarantees;

(c) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms;

(d) any acquisition, disposal, payment or other transactions expressly set out in the Structure Memorandum;

(e) the incorporation of a company or the acquisition of a newly incorporated shelf company which on incorporation or acquisition (as applicable) becomes the immediate Holding Company of the Borrower and the direct Subsidiary of the Parent, provided that such new company becomes an Additional Obligor; and

(f) any other merger of a Security Group member with:

(i) another member of the Security Group; or

(ii) any wholly owned Subsidiary of a member of the Security Group which is not a member of the Security Group,

provided that the Secured Creditors have the benefit of any professional opinions and reports requested by it), the same or equivalent guarantees from it (or its successor) and the same or equivalent security over the same assets and over the shares in it (or in each case its successor) after the applicable merger as the Secured Creditors had before the merger as determined by the Security Trustee (acting reasonably and consistent with any professional opinions and support requested by it).

Post-Enforcement Priority of Payments	means the provisions relating to the order of priority of payments following delivery of an Acceleration Notice as set out in the Common Terms Agreement and detailed in Chapter 16 ("*Summary of the Common Documents, the Finance Documents and the Bond Programme Documents*") of this Prospectus.
Potential Event of Default	means any event or circumstance which, with the lapse of time and/or the giving of any notice and/or the making of any determination (in each case, where the lapse of time and/or giving of notice and/or determination is provided for in the terms of such Event of Default, and assuming no intervening remedy), will become an Event of Default.
Power Demand Tariff	has the meaning given to it on page 77 of this Prospectus.
PP Noteholders	means those institutions which hold PP Notes from time to time.
PP Note Issuer	means Ellevio or any successor appointed as issuer of the PP Notes pursuant to the PP Note Purchase Agreement.
PP Note Purchase Agreement	means each note purchase agreement pursuant to which the PP Note Issuer issues PP Notes from time to time.
PP Notes	means the privately placed notes issued by the PP Note Issuer from time to time under and pursuant to a PP Note Purchase Agreement.
Preceding Business Day Convention	has the meaning given to it on page 115 of this Prospectus.
Pre-Enforcement Priority of Payments	means the provisions relating to the order of priority of payments prior to delivery of an Acceleration Notice as set out in the

Common Terms Agreement and detailed in Chapter 16 ("*Summary of the Common Documents, the Finance Documents and the Bond Programme Documents*") of this Prospectus.

Pre-hedge(s)	has the meaning given to it on page 213 of this Prospectus.
Pricing Supplement	means a pricing supplement which will contain the pricing details and any additional terms of an issue by Ellevio of unlisted Bonds and/or Bonds not admitted to trading on any regulated or unregulated market.
Primary Account(s)	means any bank account or accounts of an Obligor (including any sub-account or sub-accounts relating to that account and any replacement account from time to time) which is held by an Obligor with Skandinaviska Enskilda Banken AB (publ).
Primary Account Bank	means Skandinaviska Enskilda Banken AB (publ).
Principal Amount Outstanding	means: (a) in relation to a Bond or Tranche of Bonds, the original face value thereof less any repayment of principal made to the holder(s) thereof in respect of such Bond or Tranche; and/or (b) in respect of any Class A PP Notes, Class B PP Notes, Class A Institutional Loans or Class B Institutional Loans, the principal amount outstanding in respect thereof.
Proposal	has the meaning given to it on page 234 of this Prospectus.
Prospectus	means the prospectus relating to the Bonds prepared in connection with the Bond Programme and constituting (in the case of Bonds to be listed on a Stock Exchange), to the extent specified in it, a prospectus for the purposes of the Prospectus Regulation as revised, supplemented or amended from time to time by Ellevio (including by way of a Drawdown Prospectus) and, in relation to each Bond issue, the applicable Final Terms shall be deemed to be included in the Prospectus.
Prospectus Regulation	means Regulation (EU) 2017/1129.
Qualified Investor	as is defined within Article 2(e) of the Prospectus Regulation.
Qualifying Secured Creditor Instruction Notice	means a notice titled as such, delivered in accordance with clause 23 (*Qualifying Secured Creditor Instructions*) of the STID to the Security Trustee..
Qualifying Authorised Credit Facilities	means, for so long as Qualifying Class A Debt remains outstanding, the Class A Debt (other than any Class A Hedging Transaction, any Class A PP Notes and any other Class A Bonds) or, following repayment and/or termination in full of all Qualifying Class A Debt and for so long as Qualifying Class B Debt remains outstanding, the Class B Debt (other than any Class

	B Hedging Transaction, any Class B PP Notes and any other Class B Bonds).
Qualifying Bondholder(s)	has the meaning given to it on page 140 of this Prospectus.
Qualifying Bonds	means, for so long as Qualifying Class A Debt remains outstanding, any Tranche of Class A Bonds or, following repayment and/or termination in full of all Qualifying Class A Debt and for so long as Qualifying Class B Debt remains outstanding, any Sub-Class of Class B Bonds.
Qualifying Class A Debt	means the aggregate Outstanding Principal Amount under any Class A Debt (other than under any Class A Liquidity Facility or any Class A Hedging Transaction) provided by a Class A Creditor (other than any Class A LF Providers or any Class A Hedge Counterparties).
Qualifying Class B Debt	means the aggregate Outstanding Principal Amount under any Class B Debt (other than under any Class B Hedging Transaction) provided by a Class B Creditor (other than any Class B Hedge Counterparties).
Qualifying Hedge Counterparties	means, for so long as Qualifying Class A Debt remains outstanding, the Class A Hedge Counterparties or, following repayment and/or termination in full of all Qualifying Class A Debt and for so long as Qualifying Class B Debt remains outstanding, the Class B Hedge Counterparties.
Qualifying Hedging Transaction	means, for so long as Qualifying Class A Debt remains outstanding, each of the Class A Hedging Transactions or, following repayment in full of the Qualifying Class A Debt and for so long as Qualifying Class B Debt remains outstanding, each of the Class B Hedging Transactions
Qualifying PP Noteholders	means, for so long as Qualifying Class A Debt remains outstanding, the Class A PP Noteholders or, following repayment and/or termination in full of all Qualifying Class A Debt and for so long as Qualifying Class B Debt remains outstanding, the Class B PP Noteholders.
Qualifying PP Notes	means, for so long as Qualifying Class A Debt remains outstanding, the Class A PP Notes or, following repayment and/or termination in full of all Qualifying Class A Debt and for so long as Qualifying Class B Debt remains outstanding, the Class B PP Notes.
Qualifying Secured Creditors	means a Class A Creditor (other than any Class A LF Provider) or following the repayment in full of the Qualifying Class A Debt, a Class B Creditor and "**Qualifying Secured Creditors**" means the Class A Creditors or following the repayment in full of the Qualifying Class A Debt, the Class B Creditors
Qualifying Secured Debt	means indebtedness owed by the Obligors to the Qualifying Secured Creditors.

Qualifying Senior Debt means the aggregate of:

(a) in relation to any Qualifying Class A Debt other than any Class A Hedging Transaction, the Outstanding Principal Amount under such Qualifying Class A Debt or, following the repayment and/or termination in full of all Qualifying Class A Debt, the Qualifying Class B Debt at such time; and

(b) in relation to any Qualifying Hedging Transaction, an amount calculated in accordance with clause 11.1 (*Voting in respect of Qualifying Hedging Transactions by Qualifying Hedge Counterparties*) of the STID.

Quasi-Security means an arrangement or transaction described in paragraph 14 (*Negative pledge*) of part 3 (*General Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement).

Quorum Requirement means:

(a) in relation to an Ordinary Voting Matter, the percentage set forth in Clause 14.2 (*Quorum Requirement for an Ordinary Voting Matter*) of the STID;

(b) in relation to an Extraordinary Voting Matter, the percentages set forth in Clause 15.2 (*Quorum Requirement for an Extraordinary Voting Matter*) of the STID; and

(c) in relation to a Direction Notice other than in connection with a Standstill, the percentage set forth in Clause 24.2 (*Quorum and voting requirements in respect of a Direction Notice*) of the STID.

RAB means the Regulatory Asset Base.

RAC means:

(a) with respect to any matter, a written confirmation from each of the Rating Agencies that the Rating would not be downgraded, withdrawn or qualified; or

(b) a written confirmation from the relevant Rating Agency to the effect that it will not issue the confirmation contemplated in (a) because the proposed action in respect of which the confirmation is sought is not "credit matter" (or words substantially to that effect).

Rating means:

(a) a public or private credit rating of: (i) Ellevio; and/or (ii) the credit rating of any Class A Debt of Ellevio through any loans, bonds, debentures, notes, loan stock or any similar instrument by a Rating Agency; or

(b) a published issuer or corporate family rating of Ellevio by a Rating Agency,

provided that such a rating of any conduit lending vehicle that is based on loans securitised from Ellevio shall be treated as if it were such a rating of Ellevio for the purpose of this definition.

Rating Agencies	means each of Fitch, Moody's and S&P and any successor to any of the aforementioned parties and any further rating agency appointed by the Issuer (and "**Rating Agency**" means any one of them).
Ratings Confirmation	means, in respect of a proposed action, a confirmation by the relevant Rating Agencies mandated by Ellevio from time to time (who give such Ratings Confirmations as a part of their mandate), in respect of each Sub-Class of the relevant Bonds, to the effect that the then ratings of such Sub-Class of Bonds would not be reduced below the lower of: (a) the credit ratings of such Bonds as at their Issue Date; and (b) Investment Grade.
RC	means regulatory capital.
Recast Regulation	has the meaning given to it on page 23 of this Prospectus.
Receiptholders	means the several persons who are for the time being holders of the Receipts.
Receipts	means a receipt attached on issue to a Bearer Definitive Bond redeemable in instalments for the payment of an instalment of principal, such receipt being in the form or substantially in the form scheduled to the Trust Deed or in such other form as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Paying Agent, the Bond Trustee and the Relevant Dealer(s) and includes any replacements for Receipts issued pursuant to Condition 17 (*Replacement of Bonds, Certificates, Receipts, Coupons and Talons*).
Receiver	means any receiver, manager or administrative receiver in respect of the whole or any part of the Security.
Redemption Amount	means the amount provided under Condition 8 (*Redemption, Purchase and Options*), unless otherwise specified in the relevant Final Terms.
Reference Banks	means the principal London offices of any bank or financial institution appointed as such by Ellevio or Facility Agent, as applicable.
Register	has the meaning given to it on page 110 of this Prospectus.
Registered Bonds	means those Bonds (if any) which are for the time being in registered form.
Registered Definitive Bond(s)	means a Registered Bond in definitive form issued or, as the case may require, to be issued by Ellevio in accordance with the provisions of the Dealer Agreement or any other agreement between Ellevio and the Relevant Dealer(s), the Agency Agreement and the Trust Deed either on issue or in exchange for a Registered Global Bond or part thereof (all as indicated in the applicable Final Terms), such Registered Definitive Bond being in the form or substantially in the form set out Schedule 2 (*Form of Bonds, Receipts, Coupons and Talons*) to the Trust Deed with

	such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Registrar, the Bond Trustee and the Relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and having a Form of Transfer endorsed thereon.
Registered Global Bond	means a Regulation S Global Bond.
Registrar	means Citigroup Global Markets Deutschland AG (or, if applicable, any successor registrar appointed pursuant to the Bond Programme Documents) in relation to all or any Tranche of Bonds.
Regulated Market	means the regulated market of Euronext Dublin.
Regulation S	means Regulation S adopted by the U.S. Securities and Exchange Commission under the Securities Act.
Regulation S Global Bond	means a registered global bond in the form or substantially in the form scheduled to the Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Registrar, the Bond Trustee and the Relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Registered Bonds of the same Tranche sold to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act, issued by Ellevio pursuant to the Dealer Agreement or any other agreement between Ellevio and the Relevant Dealer(s) relating to the Bond Programme, the Agency Agreement and the Trust Deed.
Regulatory Asset Value or **RAV**	means the annually calculated net present value of the electricity network, derived from the aggregate Replacement Value and weighted average techno-economic lifetime value (as provided by the Ei) of all groups of components across the network.
Regulatory Authority	means the Swedish Energy Market Inspectorate (*Sw. Energimarknadsinspektionen*).
Regulatory Consent	means any Authorisation that is or may in the future be required to be obtained from the Regulatory Authority under the terms of a licence, or under any relevant statutory provision or other law or regulation or any undertaking or assurance agreed with the Regulatory Authority in each case applicable to the activities of the Security Group.

Regulatory Period means the period in respect of which the maximum charges to electricity network users are fixed by the Ei.

Relevant Currency means the currency specified as such or, if none is specified, the currency in which the Bonds are denominated.

Relevant Dealer means, in the case of an issue of Bonds being (or intended to be) subscribed by more than one Dealer, all Dealers agreeing to subscribe to such Bonds.

Relevant Debt means the Secured Debt (other than the notional amount under any Hedging Agreement and the uncancelled commitments under any Class A Liquidity Facility, Class B Liquidity Facility, Class A Capex Facility, Class B Capex Facility and WC Facility).

Relevant Historic Period means each period of twelve months ending on a Calculation Date.

Relevant Jurisdiction means, in relation to an Obligor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Security to be created by it is situated; and

(c) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

Relevant Month means the month that is to be considered for determining the Index Figure.

Relevant Period means in respect of:

(a) the Financial Covenants, each Relevant Historic Period;

(b) the Backward Lock-Up Tests, each Relevant Historic Period;

(c) the Forward Lock-Up Tests, each Relevant Projected Period; and

(d) the Extended Forward Lock-Up Tests, each period of 36 months ending after each Calculation Date;

Relevant Projected Period means each period of twelve months commencing on the day after a Calculation Date.

Repeating Representations means the representations set out in:

(a) paragraphs 1 (*Status*) to 6 (*Governing law and enforcement*), 8 (*No filing or stamp taxes*), 10.2 (*No default or Trigger Event*) and 20 (*Good title to assets*) of part 1 (*General*) of schedule 1 (*Security Group Representations*) to the Common Terms Agreement; and

(b) in respect of the most recent financial statements only, paragraph 12 (*Financial Statements*) of part 1 (*General*) of schedule 1 (*Security Group Representations*) to the Common Terms Agreement.

Replacement Value or **RV** means the cost of replacing electricity distribution network components, with the price being supplied by the Ei.

Representative	means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.
Reserved Matters	means matters in respect of which a Secured Creditor will be free to exercise its discretion in accordance with its rights under the Finance Documents to which it is a party (which are not Common Documents). Generally, a Secured Creditor may agree to any modifications to and give consent or grant waiver in respect of the Finance Documents to which it is a party (which are not Common Documents) without the consent of the Security Trustee provided that the modification, consent or waiver does not conflict with any provisions of the Common Documents in which case the terms of the Common Documents would prevail.
Resident Holder	has the meaning given to it on page 233 of this Prospectus.
Restricted Payment	means a payment under paragraph (d) of the definition of "Permitted Distribution".
Revolving Credit Facility	has the meaning given to it in the Initial Authorised Credit Facilities Agreement.
RN or **Regional Network**	has the meaning given to it on page 62 of this Prospectus.
Rollover Loan	means either a Capex Facility Rollover Loan or a WC Facility Rollover Loan.
RP1, **RP2** and **RP3**	means the first, second, and third regulatory periods respectively under the EA.
S&P and **Standard & Poor's**	means Standard & Poor's Credit Market Services Europe Limited, or any successor to its rating business.
SAIDI or **System Average Interruption Duration Index**	means the System Average Interruption Duration Index.
SAIFI or **System Average Interruption Frequency Index**	means the System Average Interruption Frequency Index.
Sanctioned Country	means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (including, at the date of the Common Terms Agreement, Crimea, Cuba, Iran, Burma, North Korea, Sudan and Syria).
Sanctioned Person	means, at any time: (a) any person listed in any Sanctions-related list of designated persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or by the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, any EU member state or the Government of Canada; (b) any person operating, organised or resident in a Sanctioned Country; or

(c) any person owned or controlled by any such person or persons described in paragraphs (a) and (b) above.

Sanctioning Authority	means: (a) the United Nations Security Council; (b) the United States of America; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) Australia; and (f) the governments and official institutions or agencies of any of paragraphs (a) to (e) above, including the Office of Foreign Assets Control, the U.S. Department of State and Her Majesty's Treasury.
Sanctions	means any trade, economic or financial sanctions laws, regulations or embargoes administered, enacted or enforced by a Sanctioning Authority.
SCADA	means Supervisory Control and Data Acquisition system for the high and medium voltage networks.
Securities Act	means the United States Securities Act of 1933, as amended.
Security Asset	means the assets which from time to time are, or are expressed to be, the subject of the Security or any part of those assets.
Secured Creditors	means: (a) the Initial ACF Lenders; (b) the Class B Senior Term Facility Lenders; (c) the Class A Bondholders; (d) the Class B Bondholders; (e) the Class B Capex Facility Lenders; (f) the Initial PP Noteholders; (g) any Class A PP Noteholders; (h) any Class B PP Noteholders; (i) the Initial Authorised Institutional Loan Providers; (j) the Class A Institutional Loan Providers; (k) the Class B Institutional Loan Providers; (l) the Class A LF Providers; (m) the Class B LF Providers; (n) the Class A Hedge Counterparties; (o) the Class B Hedge Counterparties; (p) the Super Senior Hedge Counterparties;

(q) the Account Bank;

(r) the Security Trustee (in its own capacity and on behalf of the other Secured Creditors);

(s) the Facility Agent(s);

(t) the Bond Trustee;

(u) the Issuing and Paying Agent;

(v) each Paying Agent;

(w) the Transfer Agent;

(x) the Registrar;

(y) the Exchange Agent;

(z) each other Authorised Credit Provider;

(aa) each Secured Creditor Representative;

(bb) each Calculation Agent;

(cc) any Receiver or Delegate,

(dd) the Standstill Cash Manager, and

(ee) each Additional Secured Creditor,

and "**Secured Creditor**" means any one of them.

Secured Creditor Representative means the Representative of a Secured Creditor appointed in accordance with clause 9 (*Appointment of Representatives*) of the STID.

Secured Debt means any financial accommodation pursuant to an Authorised Credit Facility that is, for the purposes of the STID, treated as Secured Debt and includes the Security Group's liabilities under:

(a) any Class A Debt;
(b) any Class B Debt;
(c) any Class A Liquidity Facility;
(d) any Class B Liquidity Facility;
(e) any and all net liabilities under the Super Senior Hedging Transactions;
(f) each other Authorised Credit Facility; and
(g) any further debt incurred in due course and permitted under the Finance Documents, the provider of which accedes to the relevant Finance Documents.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document to which such Obligor is a party.

Security Documents means:

(a) the Initial Parent Intragroup Loan Pledge;

(b) the Parent Share Pledge

(c) the Swedish law security agreement entered into between Ellevio and the Security Trustee relating to real property mortgage certificates issued in certain real properties owned by Ellevio;

(d) the Swedish law security agreement entered into between Ellevio and the Security Trustee relating to business mortgage certificates issued by Ellevio;

(e) the English Security Agreement;

(f) the STID and each deed of accession thereto, together with any deed supplemental to the STID and referred to in the STID as a "Supplemental Deed"; and

(g) any other document evidencing or creating security over any asset of the Obligors to secure any obligation of the Obligors to a Secured Creditor in respect of the Secured Debt.

Security Group means Ellevio, the Parent and each of their Material Subsidiaries.

Security Group Agent means Ellevio.

Security Trustee means Citibank, N.A., London Branch (if any successor trustee appointed pursuant to the STID) will act as security trustee for itself and on behalf of the Secured Creditors and will hold, and will be entitled to enforce, the security provided by the Obligors subject to the terms of the Security Documents.

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

Semi-Annual Financial Statements means the financial statements delivered pursuant to paragraph 1.2 (*Financial Statements*) of part 2 (*Information Covenants*) of schedule 2 (*Security Group Covenants*) to the Common Terms Agreement.

Senior Interest Cover Ratio means, in respect of any Relevant Period, the ratio of Funds from Operations (after adding Net Finance Charges) to Net Finance Charges in respect of any Relevant Period.

Senior Leverage Ratio means, in respect of any Relevant Period, the ratio of Class A Net Debt to Consolidated EBITDA on the last day of that Relevant Period.

Senior Total Net Debt means, at any time, the aggregate amount of all obligations of members of the Security Group for or in respect of Borrowings which are Class A Debt at that time, but:

(a) excluding any such obligations in respect of any Class B Debt;

(b) excluding any such obligations to any other member of the Security Group;

(c) excluding any such obligations in respect of any Subordinated Liabilities (as defined in the MDA);

(d) including, in the case of Finance Leases only, their capitalised value; and

(e) deducting the aggregate amount of Cash and Cash Equivalent Investments held by any member of the Security Group at that time,

and so that no amount shall be included or excluded more than once.

Series (of Bonds) means a Sub-Class of Bonds together with any further Sub-Class of Bonds which are:

(a) expressed to be consolidated and form a single series; and

(b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions "**Bonds of the relevant Sub-Class**", "holders **of Bonds of the relevant Sub-Class**" and related expressions shall (where appropriate) be construed accordingly.

SF6 means sulphur hexafluoride, a greenhouse gas.

SFSA has the meaning given to it on page 94 of this Prospectus.

Shareholders has the meaning given to it on page 16 of this Prospectus.

Signing Date means 19 August 2016.

SKI or **Svenskt Kvalitetsindex** means the market research organisation based in Sweden which conducts research into customer and employee satisfaction.

Solvency II means Article 254 of Regulation (EU) No. 2015/35.

Specified Currency means, subject to any applicable legal or regulatory restrictions, Euro, Sterling, U.S. Dollars, SEK, CAD, NOK and such other currency or currencies as may be agreed from time to time by Ellevio, the Relevant Dealer, the Paying Agent and the Bond Trustee and specified in the applicable Final Terms.

Specified Denomination(s) means, in respect of a Series of Bonds, the denomination or denominations of such Bonds specified in the applicable Final Terms.

Standby Drawing means either a Class A Standby Drawing or a Class B Standby Drawing as the context may require.

Standstill means, as provided for in Clauses 19.1 (*Commencement of Standstill*) of the STID, a standstill of claims of the Secured Creditors against Ellevio or the Security Group immediately upon notification to the Security Trustee of the occurrence of an Event of Default.

Standstill Cash Manager	means, initially, Skandinaviska Enskilda Banken AB (publ) or any other person so appointed in such capacity as the Standstill Cash Manager under the CTA.
Standstill Period	means a period during which a standstill arrangement is subsisting, commencing on the date as determined in accordance with the STID, and ending on the date as determined in accordance with the STID.
Standstill Remedy	means any waiver or remedy (as set out in the STID) through which a Standstill Period may come to an end.
Sterling, GBP, pounds or **£**	means the lawful currency, for the time being, of the UK.
STIBOR	means the Stockholm Interbank Offered Rate.
STID or **Security Trust and Intercreditor Deed**	means the security trust and intercreditor deed dated 19 August between the parties to the Common Terms Agreement, together with any deed supplemental to the STID and referred to in the STID as a Supplemental Deed.
STID Direct Voting Matter	has the meaning given to it in the STID.
STID Proposal	means a proposal or request made by the Security Group Agent in accordance with the STID proposing or requesting the Security Trustee to concur in making any modification, giving any consent or granting any waiver under or in respect of any Common Document.
STID Voting Request	has the meaning given to it in Clause 12.7 (*STID Voting Request*) of the STID.
Stock Exchange	means Euronext Dublin or any other or further stock exchange(s) on which any Bonds may from time to time be listed, and references to the relevant stock exchange shall, in relation to any Bonds, be references to the Stock Exchange on which such Bonds are, from time to time, or are intended to be, listed.
Structure Memorandum	means the structure paper entitled "Project Lucia Tax Structure Paper" dated the Closing Date prepared by PwC.
Sub-Class	means a division of a Class.
Subordinated Creditor	means Ellevio Holding 3 AB and any entity which accedes to the in accordance with clause 2.4 (*Accession of Additional Subordinated Creditor*) of the STID and delivers an accession memorandum in the form set out in Part 5 (*Form of Accession Memorandum (New Subordinated Creditor)*) of Schedule 1 (*Form of Accession Memorandum*) to the STID.
Subordinated Hedge Amount	means any termination payment due or overdue to a Hedge Counterparty under any Hedging Agreement which arises as a result of the occurrence of an Event of Default (as defined in the relevant Hedging Agreement) where the relevant Hedge Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement).

Subordinated Intragroup Creditor means Ellevio Holding 4 AB and any other member of the Security Group which accedes to the STID as a Subordinated Intragroup Creditor in accordance with clause 2.3 (*Accession of Additional Subordinated Intragroup Creditor*) of the STID and delivers an accession memorandum in the form set out in Part 4 (*Form of Accession Memorandum (New Subordinated Intragroup Creditor)*) of Schedule 1 (*Form of Accession Memorandum*) to the STID.

Subordinated Intragroup Liabilities means all present and future liabilities at any time of any member of the Security Group to a Subordinated Intragroup Creditor in respect of any Financial Indebtedness.

Subordinated Liabilities means all present and future liabilities at any time of any member of the Security Group to a Subordinated Creditor in respect of any Financial Indebtedness.

Subordinated Liquidity Payments means the Class A Subordinated Liquidity Payments and the Class B Subordinated Liquidity Payments, as the case may be.

Subscribed Power Tariff has the meaning given to it on page 77 of this Prospectus.

Subsidiary(ies) means:

(a) a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 which, for this purpose, shall be treated as providing that:

   (i) an undertaking which has granted Security over its shares or other ownership interest in another undertaking, by which the recipient of the Security (or its nominee) holds the legal title to that interest, shall nevertheless be treated as a member of that other undertaking; and

   (ii) rights attached to shares or other ownership interests which are subject to Security shall be treated as held by the grantor of Security; and

(b) in relation to any person, any entity which at any time is a subsidiary (*Sw. dotterföretag*) of such person, directly or indirectly, as defined in the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*).

Super Senior Hedge Counterparty means the counterparty to any Super Senior Hedging Agreement.

Super Senior Hedging Transaction means a Hedging Transaction arising under a Super Senior Hedging Agreement.

Super Senior Hedging Agreement means a Hedging Agreement under which the obligations of a Borrower rank in priority to that Borrower's obligations in respect of Secured Debt (other than in respect of amounts under the Liquidity Facility Agreements).

Supplemental Account(s)	means any bank account or accounts of an Obligor (including any sub-account or sub-accounts relating to that account and any replacement account from time to time) which is held by an Obligor with Nordea Bank AB (publ).
Supplemental Account Bank	means Nordea Bank AB (publ)
Sustainability Policy	means Ellevio's policy on health and safety, among other things, as further described on page 22 of this Prospectus.
SVK or **Svenska kraftnät**	means Svenska kraftnät, the sole TSO in Sweden.
Swap Transaction	means a swap transaction, or the relevant portion of a swap transaction, entered into pursuant to a Hedging Agreement.
Swedish Consumer Price Index	means the consumer price index (Sw. *konsumentprisindex*) as published by Statistics Sweden (Sw. *Statistiska centralbyrån*) from time to time.
Swedish Krona or **krona** or **SEK** or **Kr**	means the lawful currency, for the time being, of the Kingdom of Sweden.
Swedish Krona Bond Maturity Date	means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of any Swedish Krona Bond is due and payable.
Swedish Security Agreements	means (a) the Swedish law security agreement entered into between Ellevio and the Security Trustee relating to real property mortgage certificates issued in certain real properties owned by Ellevio; (b) the Swedish law security agreement entered into between Ellevio and the Security Trustee relating to business mortgage certificates issued by Ellevio; and (c) the Swedish law security agreement entered into between the Parent and the Security Trustee relating to all shares in Ellevio owned by the Parent, each entered into or prior to the Closing Date.
Talon	means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Bearer Definitive Bonds, such talons being in the form, or substantially in the form, set out in Part E (*Form of Talon*) of Schedule 2 (*Form of Bonds, Receipts, Coupons and Talons*) to the Trust Deed or in such other form as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Paying Agent, the Bond Trustee and the Relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 17 (*Replacement of Bonds, Certificates, Receipts, Coupons and Talons*).
Talonholders	means the several persons who are for the time being holders of the Talons.

TARGET Day means any day on which TARGET2 is open for the settlement of payments in Euro.

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer System which utilises a single shared platform and which was launched on 19 November 2007.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), and Taxes, taxation, taxable and comparable expressions will be construed accordingly.

Temporary Bearer Global Bond means a temporary global bond comprising some or all of the Bearer Bonds of the same Series issued by the Issuer.

Temporary Global Bond means a temporary global bond in the form, or substantially in the form, scheduled to the Trust Deed, together with the copy of the applicable Final Terms annexed thereto with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between Ellevio, the Paying Agent, the Bond Trustee and the Relevant Dealer(s), comprising some or all of the Bearer Bonds of the same Tranche, issued by Ellevio pursuant to the Dealer Agreement or any other agreement between Ellevio and the Relevant Dealer(s) relating to the Bond Programme, the Agency Agreement and the Trust Deed.

Third Energy Package means the EU legislation introduced in 2009 to improve the functioning of the internal energy market and resolve structural problems.

Total Backward Lock-Up Tests means each of the following:

(a) the Total Interest Cover Ratio for the Total Relevant Period not being less than 1.50:1; and

(b) the Additional Total Leverage Ratio for the Total Relevant Period not being greater than 11.90:1.

Total Commitments means, at any time, the aggregate commitments under any Authorised Credit Facility.

Total Consolidated EBITDA has the meaning given to "Consolidated EBITDA" except that paragraph (o) of the definition shall be replaced with "for the purposes of determining compliance with the Total Default Ratios only, adding costs of any expenditure arising out of or in relation to any Certified Storm Event, provided that such addition may only be exercised three times in any Regulatory Period".

Total Default Ratio means in respect of the Total Interest Cover Ratio, 1:1.

Total Equity Cure Amount has the meaning given to it on page 211 of this Prospectus.

Total Equity Cure Right has the meaning given to it on page 211 of this Prospectus.

Total Forward Lock-Up Tests means each of the following:

(a) the Total Interest Cover Ratio for the Total Relevant Period not being less than 1.50:1; and

(a) the Additional Total Leverage Ratio for the Total Relevant Period not being greater than 11.90:1.

Total Funds from Operations means, in respect of any Total Relevant Period, (i) Total Consolidated EBITDA in (or projected to be in) that Total Relevant Period after deducting Total Net Finance Charges and tax for that Total Relevant Period, (ii) plus any Equity Cure Amount for that Total Relevant Period and the immediately preceding Total Relevant Period.

Total Interest Cover Ratio means the ratio of Total Funds from Operations (after adding Total Net Finance Charges) to Total Net Finance Charges in respect of any Total Relevant Period.

Total Leverage Ratio means, in respect of any Relevant Period, the ratio of Total Net Debt to Consolidated EBITDA on the last day of the relevant period.

Total Lock-Up Event means:

(o) the Compliance Certificate delivered in respect of the most recent Calculation Date states that any of the Total Lock-Up Tests were not satisfied on that Calculation Date (in each case adjusted to reflect an assumption that any proposed Restricted Payments have been made); and/or

(p) a Default has occurred and is continuing.

Total Lock-Up Tests means the Total Forward Lock-Up Tests and the Total Backward Lock-Up Tests

Total Net Debt means, at any time, the aggregate amount of all obligations of members of the Security Group for or in respect of Borrowings at that time, but:

(a) excluding any such obligations to any other member of the Security Group;

(b) excluding any such obligations in respect of any Subordinated Liabilities;

(c) including, in the case of Finance Leases only, their capitalised value; and

(d) deducting the aggregate amount of Cash and Cash Equivalent Investments held by any member of the Security Group at that time.

Total Net Finance Charges means, for any Total Relevant Period, the Finance Charges in respect of Class B Debt or any debt ranking pari passu with or in priority to Class B Debt for that Total Relevant Period after deducting any interest payable in that Total Relevant Period to any member of the Security Group on any Cash or Cash Equivalent Investment.

Total Relevant Period means in respect of:

(q) the New Financial Covenant, each Relevant Historic Period;

(r) the Total Backward Lock-Up Tests, each Relevant Historic Period; and

(s) the Total Forward Lock-Up Tests, each Relevant Projected Period.

Trade Instrument means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Security Group arising in the ordinary course of trading of that member of the Security Group.

Tranche means (a) in respect of any Bonds, all Bonds which are identical in all respects (save for the Issue Date, Interest Commencement Date and Issue Price); and (b) in respect of any PP Notes, all PP Notes which are issued under the same PP Note Purchase Agreement.

Transfer Agent(s) means, Citibank, N.A., London Branch (or any successor transfer agent appointed to the Bond Programme Documents) in relation to all or any Tranche of the Registered Bonds, the several institutions at their respective specified offices initially appointed as transfer agents in relation to such Bonds by Ellevio pursuant to the relative Agency Agreement and/or, if applicable, any successor transfer agents at their respective specified offices in relation to all or any Tranche of the Bonds.

Transparency Directive means Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004, as amended, on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market which came into force on 20 January.

Treasury Transactions means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index-linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in any rate or price or currency.

Trigger Event(s) means any of the events or circumstances identified as such in the Common Terms Agreement.

Trust Deed	means the bond trust deed to be entered into between Ellevio and the Bond Trustee in respect of the Bonds.
Trust Documents	means the Trust Deed, the STID, the Security Documents and any deed or other document executed in accordance with the Trust Deed, the STID or the Security Documents and expressed to be supplemental to the Trust Deed and the STID or the Security Documents.
TSA	means Transitional Service Agreement.
TSO	means the Transmission System Operator.
TWh	means terawatt-hour.
UCITS Directive	means Directive 2014/91/EU, amending Directive 2006/65/EC.
Underhedged Position	has the meaning given to it on page 213 of this Prospectus.
U.S. Dollar Bond	means a U.S. Dollar denominated Bond issued pursuant to the Bond Programme, and "**U.S. Dollar Bonds**" shall be construed accordingly.
U.S. Dollar Bond Maturity Date	means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of any U.S. Dollar Bond is due and payable.
U.S. Dollars or **dollars** or **USD** or **U.S.$** or **$**	means the lawful currency, for the time being, of the United States of America.
Utilisation	means a utilisation of a loan or Letter of Credit or, in the case of Bonds, Class A PP Notes and/or Class B PP Notes, issuance thereof, under an Authorised Credit Facility.
Utilisation Date	means the date of a Utilisation, being the date on which the relevant loan is to be made, Letter of Credit, Bonds, Class A PP Notes and/or Class B PP Notes issued.
Utilisation Request	means a notice substantially in the form set out in Part 1 (*Utilisation Requests*) of Schedule 3 (*Utilisation Requests*) to the Initial Authorised Credit Facilities Agreement.
Volcker Rule	means section 13 of the Bank Holding Company Act of 1956, as amended, and the rules and regulations promulgated thereunder, as described on page 6 of this Prospectus.
Vote(s)	means an instruction from a Bondholder to the Paying Agent or a tabulation agent to vote on its behalf as its proxy in respect of a Voting Matter, such instructions to be given in accordance with the Bond Trust Deed.
Voted Qualifying Debt	means the Qualifying Secured Debt which is actually voted in relation to a STID Matter.
Voting Closure Date	means: (a) in relation to an Ordinary STID Resolution, the date on which the Security Trustee has received votes sufficient to pass such Ordinary STID Resolution pursuant to Clause 14 (*Ordinary Voting Matters*) of the STID, respectively; and

(b) in relation to an Extraordinary STID Resolution, the date on which the Security Trustee has received votes sufficient to pass such Extraordinary STID Resolution pursuant to Clause 15 (*Extraordinary Voting Matters*) of the STID, respectively.

Voting Date has the meaning given to it in Schedule 3 (*Provisions for Voting*) to the Trust Deed.

Voting Matter means any matter which is required to be approved by the Secured Creditors including without limitation:

(a) any STID Proposal which requires the approval of the Secured Creditors;

(b) any direction to be given by the Secured Creditors to their Secured Creditor Representative (if any) to challenge the determination of the voting category made by the Security Group Agent, in a STID Proposal, and/or (where the Secured Creditors are Affected Secured Creditors) whether a STID Proposal gives rise to an Entrenched Right;

(c) any directions required or entitled to be given by Secured Creditors pursuant to the Finance Documents; and

(d) any other matter which requires the approval of or consent of the Secured Creditors.

Voting Period means the period ending on the Voting Date or, if earlier, the date of the Voting Notice issued by the Security Trustee in respect of such Voting Matter (if applicable).

Voting Qualifying Debt means the Outstanding Principal Amount (in the case of Bonds, for the time being outstanding) actually voted thereon by the Qualifying Secured Creditors.

WACC means weighted average cost of capital.

Working Capital or **WC Facility** means a revolving working capital facility provided by the WC Facility Lenders and made available pursuant to the Initial Authorised Credit Facilities Agreement or any other revolving working capital facility made available pursuant to an other Class A Permitted Additional Financial Indebtedness.

WC Facility Lenders means the Original Initial ACF Lenders in their capacity as lenders under the WC Facility and any bank or financial institution which has become a party to the Initial Authorised Credit Facilities Agreement, accedes to the Common Terms Agreement and the STID in its capacity as a WC Facility Lender and provides a Borrower with any WC Facility.

WC Facility Rollover Loan means one or more WC Facility Loans:

(a) made or to be made on the same day that a maturing WC Facility Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the maturing WC Facility Loan;

(c) in the same currency as the maturing WC Facility Loan (unless it arose as a result of the operation of Clause 6.2 of the Initial Authorised Credit Facilities Agreement (*Unavailability of a currency*)); and

(d) made or to be made to the same Borrower for the purpose of refinancing that maturing WC Facility Loan.

White Paper has the meaning given to it on page 24 of this Prospectus.

Yoda means the major storm in 2011.

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