

## Vattenfall AB (publ)

(incorporated with limited liability under the laws of the Kingdom of Sweden with Reg. No. 556036-2138)

### EUR10,000,000,000

## Euro Medium Term Note Programme

Under the Medium Term Note Programme described in this Prospectus (the “**Programme**”) Vattenfall AB (publ) (the “**Issuer**”) may from time to time issue notes (the “**Notes**”), denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined herein). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR10,000,000,000 (or the equivalent in other currencies).

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the “**SFSA**”) pursuant to Article 20 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete. The SFSA only approves this 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 the Issuer or the quality of the Notes that are subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus is not a recommendation to subscribe for or to acquire Notes issued under the Programme and does not constitute an offer to sell or the solicitation of an offer, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes. Any recipients of this Prospectus and/or any Final Terms, must make their own assessment of the Issuer and the Notes based on this Prospectus, the documents incorporated by reference (see the section “*General and Legal Information - Documents incorporated by reference*”), the Final Terms of each Tranche (as defined herein) of Notes and any supplements to this Prospectus. Copies of the Final Terms will be available from the specified office set out below of the Fiscal Agent (as defined herein), each of the Paying Agents (as defined herein).

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. With the exception of the approval and registration by the SFSA of this Prospectus, the Issuer has not taken any measures to allow for a public offer of Notes under the Programme, nor for possession or distribution of material regarding such offer, in any country or jurisdiction where measures for such purposes are required. Persons that are provided with this Prospectus and any Final Terms undertake in relation to the Issuer to comply with all applicable laws, regulations and other rules in each country and jurisdiction where they buy, offer, sell or deliver Notes or possess or distribute such offering material, in each case at their own expense. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes (including Notes in bearer form that are subject to U.S. tax law requirements) have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or any U.S. State securities laws or securities laws of other jurisdictions outside the Kingdom of Sweden and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “*Subscription and Sale*”.

Each Series (as defined herein) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). Notes in registered form will be evidenced by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be evidenced 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 to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Global notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depository**”). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “*Summary of Provisions Relating to the Notes while in Global Form*”.

The Issuer has been rated A3 (Senior Unsecured) and Baa2 (Subordinated) by Moody’s Investors Service Ltd (“**Moody’s**”) and BBB+ (Senior Unsecured) and BB+ (Subordinated) by S&P Global Ratings Europe Limited (“**S&P**”). Each of Moody’s and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such, each of Moody’s and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

This Prospectus will be valid for a year following 30 June 2023. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period. This Prospectus and all documents incorporated by reference herein will be published in electronic form on the website of the Issuer (<https://group.vattenfall.com>).

**Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Prospectus.**

Arranger

NatWest Markets

Dealers

NatWest Markets

Citigroup

Nordea

## IMPORTANT INFORMATION

This Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus and the Final Terms is in accordance with the facts and this Prospectus as completed by the Final Terms makes no omission likely to affect the import of such information. For further details, see “*General and Legal Information – Responsibility*”. This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*General and Legal Information - Documents Incorporated by Reference*”). The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Notes may come are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction (see “*Subscription and Sale*”). This Prospectus does not constitute an offer to sell or the solicitation of an offer, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes. Further legal information is set out in “*General and Legal Information*”.

To the fullest extent permitted by law, none of the Arranger, the Dealers or the Fiscal Agent, the Paying Agent, the Transfer Agent, the Registrar or any other Paying Agent (together, the “Agents”) accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger, each Dealer and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Dealers or the Agents that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Arranger or the Agents undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arranger or the Agents.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – The Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “MiFID II”) is responsible for undertaking its own target market assessment in respect of the Notes (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 Notes is a manufacturer in respect of such Notes, 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.

**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (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 UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 (the “EEA”). 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 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. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the

FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“UK MiFIR”). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**BENCHMARKS REGULATION** – Interest and/or other amounts payable under Floating Rate Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the “Benchmarks Regulation”). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

**FORWARD LOOKING STATEMENTS** – This Prospectus includes statements that are, or may be deemed to be, ‘forward-looking statements’. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, or ‘should’ or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuer and the Group concerning, amongst other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group’s operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Except to the extent required by laws and regulations, the Issuer does not intend, and does not assume any obligation, to update any forward-looking statements set out in this Prospectus.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

References in this Prospectus to the “Group” shall mean the Issuer and its subsidiaries taken as a whole. All references in this Prospectus to “SEK” refer to Swedish kronor, those to “U.S. dollars”, “U.S.\$” and “\$” refer to United States dollars, those to “Sterling” and “£” refer to pounds sterling, those to “CHF” refer to Swiss Francs, those to “Yen” refer to Japanese Yen and those to “EUR”, “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union as amended. All references in this Prospectus to “U.S.” refer to the United States of America.

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## OVERVIEW OF THE PROGRAMME

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The following overview does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions (the “**Conditions**”) of any particular Tranche of Notes, the applicable Final Terms.

Words and expressions defined in “*Terms and Conditions of the Notes*” below shall have the same meanings in this overview.

<b>Issuer</b>	Vattenfall AB (publ), Swedish Reg. No. 556036-2138
<b>Legal Entity Identifier (LEI)</b>	549300T5RZ1HA5HZ3109
<b>Website of the Issuer</b>	<a href="https://group.vattenfall.com/">https://group.vattenfall.com/</a> <i>The information on <a href="https://group.vattenfall.com/">https://group.vattenfall.com/</a> does not form part of this Prospectus, except where that information has otherwise expressly been incorporated by reference into this Prospectus.</i>
<b>Description</b>	Euro Medium Term Note Programme
<b>Size</b>	Up to EUR10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time
<b>Arranger</b>	NatWest Markets N.V.
<b>Dealers</b>	Citigroup Global Markets Europe AG NatWest Markets N.V. Nordea Bank Abp  The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
<b>Fiscal Agent</b>	Citibank, N.A., London Branch
<b>Paying Agent, Transfer Agent and Registrar</b>	Citibank, N.A., London Branch
<b>Method of Issue</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “ <b>Final Terms</b> ”).
<b>Green Bonds</b>	The Issuer may issue Notes for the purpose of using an amount equal to the net proceeds for certain eligible green projects in

accordance with the terms of a green financing framework, which shall be published on its website (<https://group.vattenfall.com/investors/funding-and-ratings/green-financing>) in connection with such issuance (the “**Green Financing Framework**”). The Green Financing Framework is applicable to a specific Tranche of Notes as specified in the applicable Final Terms. The Green Financing Framework may be amended and updated from time to time and no amendments or updates after the relevant issue date will affect Notes already issued. Furthermore, any failure by the Issuer to use the proceeds of Notes in accordance with the applicable Green Financing Framework or to otherwise comply with the applicable Green Financing Framework will not constitute an event of default under the Notes or entitle Noteholders to request an early redemption or repurchase of the Notes.

**Issue Price**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

**Form of Notes**

The Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in “*Overview of the Programme – Selling Restrictions*” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.

**Clearing Systems**

Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

**Initial Delivery of Notes**

On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate evidencing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided

that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Currencies**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer.

**Maturities**

Subject to compliance with all relevant laws, regulations and directives and unless previously redeemed or cancelled, such maturities as may be agreed between the Issuer and the relevant Dealer.

**Specified Denomination**

Notes will be in such denominations as may be specified in the relevant Final Terms save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount of such currency).

**Fixed Rate Notes**

Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or
- (ii) by reference to the Reference Rate set out in the Final Terms as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

**Benchmark Discontinuation**

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer may (subject to the Conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, in either case, the applicable Adjustment Spread and any Benchmark Amendments.

**Zero Coupon Notes**

Zero Coupon Notes (as defined in “*Terms and Conditions of the Notes*”) may be issued at their nominal amount or at a discount to it and will not bear interest.

**Interest Periods and Interest Rates**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different



rates in the same interest period. All such information will be set out in the relevant Final Terms.

### **Redemption**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

### **Optional Redemption**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

### **Status of the Notes**

The Notes will be direct, unconditional, (subject to the provisions of Condition 3(a)) unsecured and unsubordinated obligations of the Issuer and (subject as aforesaid) will at all times rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### **Negative Pledge**

The terms of the Notes will contain a negative pledge provision as described in Condition 3(a).

### **Ratings**

The Issuer has been rated A3 (Senior Unsecured) and Baa2 (Subordinated) by Moody's and BBB+ (Senior Unsecured) and BB+ (Subordinated) by S&P.

As per the rating services of Moody's, obligations rated "A" are judged to be upper-medium grade and subject to low credit risk. The modifier "3" indicates a ranking in the lower end of that rating category. Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier "2" indicates a mid-range ranking in that rating category.

As per the rating services of S&P, obligations rated "BBB" exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the Issuer's capacity to meet its financial commitments on the obligations. Obligations rated "BB" are regarded as having significant speculative characteristics, with "BB" indicating the least degree of speculation in a scale consisting of "BB", "B", "CCC", "CC" and "C". While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions. The plus (+) sign shows relative standing within the rating categories.

Each of Moody's and S&P is established in the European Union and is registered under the CRA Regulation. As such, each of

Moody's and S&P is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

#### **Early Redemption**

Except as provided in "*Overview of the Programme – Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".

#### **Withholding Tax**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Sweden, as the case may be, unless the withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in "*Terms and Conditions of the Notes – Taxation*".

#### **Governing Law**

Swedish law.

#### **Listing**

If listing is specified in the relevant Final Terms, the Issuer shall apply to list the Tranche of Notes at the specified listing venue.

#### **Selling Restrictions**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Belgium and France), the UK, Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*" below.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) ("**TEFRA D**") unless (i) the relevant Final Terms states that the Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) ("**TEFRA C**") or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

## **RISK FACTORS**

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*In this section, material risk factors are illustrated and discussed, including the Issuer's business risks, legal and regulatory risks as well as the market risks associated with the Notes issued under the Programme. The risk factors described below are those the Issuer currently views as material, and any of these could impact the Issuer's ability to make payments on, and adversely affect the price of, Notes issued under the Programme. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the magnitude of their negative impact. The descriptions are based on information available and estimates made on the date of this Prospectus.*

*The risk factors are presented in categories where the most material risk factors in each category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only in the most relevant category for such risk factor.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### ***Electricity, fuel and CO<sub>2</sub> emission allowances price risk***

Through electricity generation and sales activities, the Group is exposed to fluctuations in the prices of electricity, fuel, and CO<sub>2</sub> emission allowances, which are affected by several fundamental factors, such as the global macroeconomic and geopolitical situation, local supply, demand, and political decisions, but also climate-related factors. Changes in the volumes of hydro power generation have a large bearing on the Nordic electricity prices and are thus particularly important for the Group. The amount of power generated through hydroelectric dams is directly linked to prevailing meteorological conditions such as water levels and streamflow resulting from precipitation and snowmelt. This affects the volumes of power produced and supplied to the market, which in turn has an impact on Nordic electricity prices.

With the current portfolio structure, the most significant risks relate to Nordic nuclear and hydro power base load generation, i.e. a pure exposure to changes in the electricity price which is volatile. Average Nordic electricity spot prices were 118 per cent. higher in 2022 than in 2021, mainly owing to higher electricity prices in Continental Europe. The development on the Continent (Germany and the Netherlands) was mainly affected by higher fuel prices and higher prices for CO<sub>2</sub> emission allowances.

The Group also has a risk exposure to the spread between the electricity price and the costs of fuel (mainly coal and gas) and CO<sub>2</sub> emissions allowances in Continental Europe, all of which are to a large extent subject to volatility. A significant downturn in electricity prices as well as a substantial increase in the fuel price or the price of CO<sub>2</sub> emission allowances would have a material adverse effect on the Group's results and presents a significant risk for the Issuer's ability to make payments in respect of the Notes.

Furthermore, the relative importance of the electricity price risk is increasing for the Group due to changes in support schemes for renewable energy. This is especially true for offshore wind investments where subsidies and support schemes are being gradually phased out which means that the Group's risk exposure to the electricity price is likely to increase over time.

#### ***Strategic risks***

The Group has a goal of enabling fossil-free living within one generation. Failure to reach this goal could negatively affect its brand image and lead to loss of market share. Inability to develop and provide sufficient solutions to support decarbonising of customers and partners could also lead to loss of existing and potential

market shares. The Group's competitiveness could be reduced by insufficient speed in developing its renewable production portfolio and phasing out fossil fuels. One example of this is the Group's heat portfolio, where the pathway to phasing out coal by 2030 is relatively clear, but where the pathway for a complete phase-out of fossil fuels is uncertain. This can lead to the need for building-out several technologies in order to bridge the uncertainty. The lack of speed in the transition could commit the Group to less profitable technologies and result in a loss of market share. The degree to which a perceived or real failure to reach the Group's fossil-free living goal, or a failure in its investments in future technologies, would affect the Group is uncertain and presents a significant risk for the Group's market position, reputation and financial position.

### ***Geopolitical risks, other macroeconomic risks and pandemics***

On 24 February 2022, Russia launched a military assault on Ukraine. The assault started after a prolonged military build-up and the Russian recognition of the self-proclaimed Donetsk People's Republic and the Luhansk People's Republic in the days prior to the military assault. The situation in Eastern Europe has led to significant volatility in the global credit markets and in the global economy. The main business risks for the Group due to this development relate to increasing and fluctuating energy prices as well as counterparty risks, including the risk that a counterparty in a transaction may fail to fulfil its obligation as a result of the situation and thus causing the Group to incur loss.

Global pandemics (including imposed measures to prevent outbreaks) could have adverse effects on the world economy and the financial markets, and consequently on the Group's activities. The most relevant risks as a result of a pandemic are the risk of declining prices for electricity and other commodities (such as decreases in industrial demand for power), supply chain risks, the risk for higher costs for raw materials and the risk for delays in projects due to shortage of raw materials.

The degree to which geopolitical factors, such as the situation in Ukraine, or pandemics as well as other macroeconomic factors may affect the Group is uncertain and presents a significant risk for the Group, its operations, results and financial position.

### ***Employee risks***

The Group has approximately 20,000 employees. Given the technical nature of many of the Group's operations, a failure to attract, recruit and retain a sufficient number of employees with key technical competences would negatively impact the Group's business operations. Important competences for the Group lie in the areas of analytics, various engineering specialties, digital know-how and nuclear power technology. The goal of fossil-free living within one generation is an important reason for employees to choose to work for the Group and a perceived or real failure to live up to this could negatively affect the Group's attractiveness as an employer. Also, to attract and retain the right competence, the Group may need to increase its levels of salaries and other remunerations, which during 2022 totalled SEK 20,557 million (including social security costs, but excluding pension costs). There is a risk that an inability to attract and retain the right competence on satisfactory terms would have a significant adverse effect on the Group's business and financial position.

Furthermore, work in the energy sector is often physical and dangerous particularly for personnel that operate industrial machinery and equipment and for those who are charged with constructing, maintaining and repairing the Group's production and distribution assets. Unfortunately, work place accidents and incidents occur from time to time. In 2022, the Lost Time Injury Frequency was 1.1 (i.e. the number of work-related accidents resulting in absence longer than one day or fatality per 1 million hours worked expressed as a ratio of total hours worked). Accidents and incidents can also lead to operational stoppages which, depending on severity and frequency, could have a significant adverse effect on workforce productivity and the Group's attractiveness as an employer.

## Operational risks

As an energy company, the Group develops and operates technologically complex production, generation, storage, distribution and handling facilities that are used in the generation and distribution of heat and power, such as conventional power stations, nuclear power plants, hydro-electric dams and largescale onshore and offshore wind and solar farms. Material risks can arise at any point in the lifecycle of such complicated assets; be it at investment and procurement stages or during construction, operation and maintenance of such assets or indeed whilst they are being modernised and updated and even during decommissioning.

The most common of these risks pertain to operational failures and extended production stoppages of the facilities as well as physical damage to the facilities (including integral machinery and/or mechanical components thereof). If these risks materialise, they are likely to result in substantial lost earnings whilst the facilities are not generating heat or power as well as an increased cost base due to necessary repairs. For example, in one of the Group's nuclear reactors, Ringhals 4, the restart after the annual maintenance and fuel replacement shutdown was postponed as the plant's pressure vessel was damaged while undergoing mandatory testing. Moreover, there are consequential risks in that not all such production losses are fully recoverable under the Group's insurance arrangements and that the cost of maintaining such insurance significantly increases due to the occurrences of such incidents.

Less likely, but more severe in nature, are risks related to operational failures that result in major environmental damage or in any other way negatively impact third parties. This could lead to substantial fines and severe reputational damage as well as the Group losing its social license to operate, which it has procured over the years through building trust with the communities located around it, bases of operations and other similar stakeholders. This is important to the Group as such stakeholder discontent could, among other things, manifest itself as increased opposition to proposed projects and decreased interest in joining the Group by prospective employees. The degree to which operational failures, extended production stoppages or physical damage to the Group's facilities may affect the Group is uncertain and presents a highly significant risk for the Group, its operations as well as its results and financial position.

The Group continues to invest in wind power but also aims to further diversify within the renewables space such as solar power and battery storage, as well as exploring new business models. The Group has a total capex budget of SEK 77 billion in 2023–2024 of which SEK 38 billion is earmarked for growth investments in wind power. Renewable projects of all kinds can be, and often are, large and complex and during their construction, maintenance, modernisation and decommissioning, delays and cost increases can occur due to, among other things, accidents, defects in parts and materials, high inflation, late deliveries and time-consuming approval processes. There is a risk that substantial delays and cost increases would have a significant adverse effect on the profitability of these projects and, in the long term, the Group's competitiveness. Although the Group is continuously addressing human rights risks in its supply chain, there is a residual risk that the Group's ability to import goods and materials may be hampered due to a potential EU ban of products produced from forced labour. This risk would be particularly relevant in relation to specific sources of supply required for some of the Group's renewable investments; and where the risk of state-imposed forced labour is prevalent and alternative sourcing is limited.

As part of its business, the Group deals with activities and infrastructure of vital public importance such as electricity and heat generation and distribution. These are security-sensitive activities involving assets, the operation and safety of which are fundamentally dependent on the continued and proper functioning of secure IT-systems. Given their importance and the potentially devastating consequences if compromised, assets such as nuclear power plants and hydroelectric dams could be considered targets for organised crime and terrorist groups and other potential threats. Furthermore, the Group's nuclear power plants, which operate through complex processes, could be the target for actors looking to develop nuclear technology further in various ways. The Group also deals with sensitive personnel and client information. The Group is therefore exposed to the risk

of data loss and privacy breaches, leakage of sensitive information and disruptions in IT-systems, due to, among other things, inadequate software and/or hardware, malware attacks or fraud, which could lead to the Group becoming subject to material fines and other substantial damages which would have a significant adverse effect on the Group's reputation and financial position.

Climate change affects the Group through physical effects on its assets and operations, many of which are open to the elements. Risk drivers including higher temperatures, increased precipitation and other extreme weather events such as severe storms and flooding, any of which could lead to structural damage to operational assets and other vital infrastructure. For example, the Group's total costs for the storm "Alfrida" in Sweden in 2019 were approximately SEK 800 million, of which approximately half was outage compensation and the other half was cost for repair work. Climate change could also lead to material supply chain disruption as well as materially reduced production due to increased cooling water temperatures, which, in the worst case, would lead to the need to temporarily or permanently shut down power plants.

If any of these risks materialise, there is a risk that this would have a material adverse effect on the Group's business, earnings and financial position and therefore adversely impact the Issuer's ability to make payments in respect of the Notes.

## **Financial risks**

### ***Liquidity and credit risk***

In addition to operating profits, the Issuer finances the Group's operations through accessing the international and domestic loan and debt capital markets. Long-term funding which currently has an average tenor of approximately five years is arranged through committed credit facilities and the issuance of notes under the Programme. Short term funding is mainly achieved through the issuance of commercial paper in accordance with the Issuer's Euro commercial paper programme. As at 31 March 2023, the Group had outstanding bonds (excluding hybrid capital), short-term debt, commercial paper and repo and liabilities to credit institutions totalling approximately SEK 82,522 million. Accordingly, the Group is exposed to disruptions to the debt capital markets such that if investors in these markets were to stop investing or the markets were otherwise unavailable the Issuer's ability to finance its operations would be negatively impacted. Additionally, sufficient liquidity levels form part of the rating criteria of S&P such that reduced access to the debt capital markets or the inability to arrange alternative funding could result in a rating downgrade which in turn may negatively impact the Group's access to the debt capital markets and/or its cost of funds. If the Group were to be unable to finance its operations with funding from the debt capital markets on terms satisfactory to it, and other sources were not available, it would have a significant adverse effect on the Group's operations and financial position and adversely impact the Issuer's ability to make payments in respect of the Notes.

Liquidity risks also arise as a result of the Group's commodity trading business which involves, amongst other things, the forward buying and selling of energy and energy-related products in the wholesale energy markets. Collateral pledged for such forward transactions can have a significant effect on liquidity. Cash collateral levels are determined by the extent to which the contractually agreed prices deviate from market quotations as of the applicable settlement dates. These differences can be substantial particularly in times of high market volatility, resulting in a potential increase in volume and size of margin calls made on one of the parties to these bilateral trading contracts. There is a risk that discrepancies between the buy-side and sell-side collateral arrangements that are in place in respect of a significant number of open positions at times of high volatility would significantly depreciate reserves of liquidity and thereby materially restrict the Group's financial preparedness.

Operational profits and liquidity reserves can also be negatively impacted if contractual counterparties fail to, or only partially, deliver on agreed considerations for services rendered or their payment obligations owed to the Group. Such credit risk arises in all parts of the Group's operations, including the commodity trading business

where it most notably takes the form of a risk of contractual counterparties failing to post margin when so required.

### ***Currency risk***

The Group's international business operations expose it to risks from currency fluctuations. These can be manifested as transaction risk arising when payments are made in a currency other than the specific Group company's functional currency. Currency risks may also be manifested as translation risk, which arises when currency fluctuations lead to accounting effects when assets and liabilities and income and expenses of Group companies that are not located in Sweden are translated into SEK and entered into the Group's consolidated financial statements. Furthermore, certain commodities are traded in currencies other than SEK, such as coal and oil which are traded in U.S. dollars. As such, trading in certain commodities may expose the Group to additional foreign exchange risks. The Group's largest exposure is EUR and, as exemplified through the Group's sensitivity analysis in the annual and sustainability report 2022, a 5 per cent. change in exchange rates would affect the Group's equity by approximately SEK 5.0 billion. There is a risk that substantial exchange rate fluctuations would materially and adversely affect the Group's cost base and earnings.

### ***Interest rate risk***

The Group is exposed to various interest rate risks. Where the Group has invested in interest-bearing assets or securities, the value of such investments may change when the interest rate changes. For example, a rise in market interest rates can lead to reductions in the price of any fixed income securities that the Group may hold. Moreover, an increase in interest rates will cause financing costs associated with any outstanding floating-rate debt to increase. Also, as regards debt coming to maturity at a time of higher interest rates, such interest rates may prevent the Group from obtaining funding on the same amounts and terms as that being refinanced. Furthermore, market interest rates have an effect on the Group's provisions, as they are the point of reference for the discount rates used for determining the net present values of obligations. This means that, all other things being equal, if market interest rates fall then provisions rise and vice versa. For example, pursuant to the Group's sensitivity analysis in the annual and sustainability report 2022, if interest rates would increase by 100 basis points, the Group's equity after tax would be reduced by SEK 158 million, including derivatives and hybrid capital, but excluding loans from minority owners and associated companies (figures in nominal amounts).

The Group's interest rate risk arises mainly from its borrowings and the Group quantifies the interest rate risk in its debt portfolio in terms of duration, which describes the average term of fixed interest rates. As at 31 December 2022, the duration of the Group's debt portfolio was 3.2 years, including hybrid capital (measured at respective first call dates). There is a risk that the Group will fail to successfully implement measures to reduce its exposure to interest rate changes, which could lead to it becoming particularly sensitive to any interest rate volatility or have a less efficient financing structure in place. The degree to which interest rate risks may affect the Group is uncertain and presents a significant risk for the Group's cost base and earnings.

## **Legal & regulatory risks**

### ***Political and regulatory risks***

The Group operates in the highly regulated energy sector and as such its business operations are conducted in accordance with applicable regulatory frameworks. Therefore, any changes to, or the introduction of new regulations or government or public policy could directly impact some of the Group's operations, which could potentially lead to a decrease in profitability or to certain operations being prematurely shut down. This includes changes to the regulation of electricity distribution in Sweden, which could reduce the scope for the Group to make investments in the electricity network and to improve capacity and quality. The legal proceedings regarding the electricity grid companies' revenue frames for 2020–2023 continued in 2022. In June 2022, the Court of Appeal issued a ruling which was appealed by the electricity grid companies to the Supreme

Administrative Court. The appeal was not granted. Thus, the Court of Appeal's verdict stands and the Energy Market Inspectorate will take new decisions about revenue frames in 2023. The long permit processes for electricity networks in Sweden are also a significant risk and are already delaying projects and thereby delaying improvements in quality of supply. Other issues include long permit processes for wind power and the risk of increased costs or impact on production in respect of hydro power due to new requirements in connection with permit revaluations and environmental conditions. The degree to which political decisions and/or regulatory changes may affect the Group is uncertain and presents a significant risk for the Group's operations.

In addition, new risks may arise from increasing and broadening legal sustainability requirements, including as a result of the continued implementation of the EU Green Deal. By way of example, as of 1 January 2023 for the reporting period 2022, the Group is legally obliged to annually disclose its alignment with the EU Taxonomy (as defined below). If the Group does not meet investors' expected level of EU Taxonomy alignment, it could lead to higher capital costs for new investments and have a significant adverse effect on the Group's reputation and business.

Moreover, commodity trading businesses have also become, in recent years, much more regulated through the implementation and amendments of financial markets regulations and directives such as the European Market Infrastructure Regulation, the Regulation on Energy Market Integrity and Transparency and the Markets in Financial Instruments Directive. The responsible agencies monitor compliance with these regulations closely, resulting in material compliance risk for, and internal risk and compliance monitoring of, the Group's commodity trading businesses. In addition, any further changes to or the introduction of additional financial market regulations could significantly increase administrative burdens and result in the need for additional liquidity.

### ***Legal risks***

The Group operates in the private as well as the public domain, with business ranging from private contracts with suppliers to the supply of energy to the general public. The Group also operates in various jurisdictions with different business requirements and laws. The Group is thereby exposed to legal risks across a wide area, including risks of litigation, fines and claims, governance and compliance related issues as well as risks related to contracts and permits. One example is the legal process relating to revenue frames for Swedish electricity distribution companies mentioned above. The Group may become exposed to legal liabilities (not all of which the Group is insured against) which risk having a significant adverse effect on the Group's business and results.

## **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features.

***If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.***

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from



a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.***

Changes in market interest rates may affect the market value of the Notes. There is a risk that the market value of the Notes will decrease if the market interest rates rise, while the market value of the Notes should increase if the market interest rates fall. Further, the market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Under the Programme, Notes may be issued at a substantial discount (such as Zero Coupon Notes) or at a premium and there is a risk that the Noteholders of such Notes will experience substantial price volatility in response to changes in market interest rates, thus presenting a significant risk for individual Noteholders that intend to sell their Notes on the secondary market.

***If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Risks related to Notes issued with reference to the Issuer's Green Financing Framework***

The Final Terms relating to a specific Tranche of Notes may specify that the Issuer's green financing framework (published on the Issuer's website (<https://group.vattenfall.com/investors/funding-and-ratings/green-financing>)) (the "**Green Financing Framework**") applicable at the relevant Issue Date is applicable to the Notes, and that the proceeds from the offer of such Notes will therefore be applied to the financing or refinancing of new or existing eligible green projects ("**Eligible Green Projects**") that meet the requirements in accordance with the Issuer's Green Financing Framework.

A prospective investor in such Notes must determine for themselves the relevance of the information on the use of proceeds contained in this Prospectus (together with any other investigation that such investor deems necessary) and consult with their legal and other advisers before making an investment in the Notes. In addition, the Issuer's Green Financing Framework can be amended by the Issuer from time to time. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds or the terms of the Notes will satisfy, whether in whole or in part, 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, whether by any present or future applicable law or regulations or standards (including any standards resulting from the proposal for a European Green Bond Standard, as described below) or by its own by-laws or other governing rules or investment portfolio mandates in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any relevant Eligible Green Projects. Each investor should obtain up to date information about the risks and principles applicable to the Notes, since these

risks and principles change over time. Furthermore, there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” asset or project or as to what precise attributes are required for a particular project to be defined as “green” (including as a result of the introduction of the EU Taxonomy (as defined below) and similar classifications schemes in other jurisdictions), and there is a risk that no clear definition or consensus will develop over time (but if developed in the future, the Eligible Green Projects may not reflect these developments). Accordingly, there is a risk that the uses of Notes issued with reference to the Issuer’s Green Financing Framework may not meet investor expectations regarding “green” performance objectives and that adverse environmental, social and/or other impacts will occur during the use of the proceeds of such Notes. A basis for the determination of what may constitute a “green”, “social”, “sustainable” or equivalently-labelled project has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 (the “EU Taxonomy”), a common classification system aimed at facilitating the classification of sustainable investments and economic activities. However, the EU Taxonomy remains subject to further developments. In any case, the alignment of the Issuer’s Green Financing Framework with the EU Taxonomy or any other sustainability framework is not certain and no assurance is or can be given (whether by the Issuer, the Dealers or any other person) to any investor that (a) any Eligible Green Projects or uses the subject of, or related to, any Eligible Green Projects will meet any or all of such investor’s expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or investment criteria (including any future requirements of any European Green Bond Standard), or (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects.

Provisional political agreement was reached in February 2023 on the legislative proposal for a European Green Bond Standard, which will be a voluntary label for issuers of green use of proceeds bonds (such as the Capital Securities) where the proceeds will be invested in economic activities aligned with the EU Taxonomy. However, the provisional political agreement remains subject to change and there is no assurance if or when such European Green Bond Standard will be confirmed and adopted by the Council of the EU and European Parliament. It is not clear at this stage the impact which the European Green Bond Standard, if and when implemented, may have on investor demand for, and pricing of, green use of proceeds bonds (such as the Notes issued with reference to the Green Financing Framework) that do not meet such standard. It could reduce demand and liquidity for such Notes and their price.

In the event that Notes issued with reference to the Green Financing Framework are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market, there is a risk that such listing or admission will not satisfy 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, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, the criteria for any such listing or admission to trading may vary from one stock exchange or securities market to another. There is also a risk that any such listing or admission to trading will not be obtained in respect of such Notes or, if obtained, that any such listing or admission to trading will not be maintained during the life of the Notes.

There is further a risk that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will not be capable of being implemented in, or substantially in, the intended manner and/or in accordance with any timing schedule and that accordingly such amount will not be totally or partially disbursed for such Eligible Green Projects. There is also a risk that such Eligible Green Projects will not be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an event of default under any Notes issued.

Any such event or failure to invest an amount equal to the net proceeds from an issue of Notes into Eligible Green Projects as aforesaid and/or such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other securities of the Issuer which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Notes linked to or referencing such “benchmarks”***

Interest rates and indices which are deemed to be “benchmarks” (including the Euro Interbank Offered Rate (“EURIBOR”)) are the subject of recent national and international 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 an adverse effect on any Notes referencing such a “benchmark”.

The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, the Benchmarks Regulation (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a benchmark, in particular, if the methodology or other terms of a benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the benchmark.

For example, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on euro risk-free rates (the “**Working Group**”) recommended Euro Short-term Rate (“**ESTR**”) as the new risk free rate. ESTR has been published by the ECB since October 2019. In addition, on 21 January 2019, the Working Group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system. Further, on 24 July 2020, the European Commission (“**EC**”) made a formal proposal to the European Parliament and the European Council to amend the EU Benchmark Regulation which would, amongst other things, give the EC the power to impose a statutory replacement rate where a benchmark whose cessation would result in significant disruption in the functioning of financial markets in the European Union ceases to be published. The proposal notes that, in determining the appropriate statutory replacement rate, the EC would have regard to the recommendations of the various risk-free rate working groups. Policy around benchmark reform continues to progress. On 15 February 2021, the Working Group published the results of its public consultation

with market participants, which showed widespread support for the fallback triggers proposed by the Working Group.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than it has done in the past, and may have other consequences which cannot be predicted. Such factors may have the following effects on certain “benchmarks”: (i) discouraging market participants from continuing to administer or contribute to the “benchmark”; (ii) triggering changes in the rules or methodologies used in the “benchmark” and/or (iii) leading to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have an adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon, a “benchmark”.

***The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes***

Where the applicable Final Terms for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to SONIA, SOFR or €STR, the Rate of Interest will be determined on the basis of the relevant reference rate (all as further described in the Conditions). All such rates are based on ‘overnight rates’. Overnight rates differ from interbank offered rates in a number of material respects, including (without limitation) that such rates are backwards-looking, risk-free overnight rates, whereas EURIBOR, for example, is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that overnight rates may behave materially differently as interest reference rates for Notes issued under the Programme compared to interbank offered rates. The use of overnight rates as reference rates for eurobonds is subject to continued change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such overnight rates.

Accordingly, prospective investors in any Notes referencing any overnight rates should be aware that the market continues to develop in relation to such rates in the capital markets and their adoption as an alternative to interbank offered rates such as EURIBOR. Market participants, industry groups and/or central bank-led working groups have explored compounded and weighted average rates and observation methodologies for such rates (including so-called ‘shift’, ‘lag’, and ‘lock-out’ methodologies) and such groups may also explore forward-looking ‘term’ reference rates derived from these overnight rates. The adoption of overnight rates may also see component inputs into swap rates or other composite rates transferring from EURIBOR or another reference rate to an overnight rate.

The market or a significant part thereof may adopt overnight rates in a way that differs significantly from those set out in the Conditions of the Notes issued under the Programme. In addition, the methodology for determining any overnight rate index by reference to which the Rate of Interest in respect of certain Notes may be calculated could change during the life of any Notes. Furthermore, the Issuer may in the future issue Notes referencing SONIA, SOFR or €STR that differ materially in terms of interest determination when compared with any previous SONIA-, SOFR- or €STR-referenced Notes issued by it under the Programme. The nascent development of overnight rates as interest reference rates for the eurobond markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise adversely affect the market price of any such Notes issued under the Programme from time to time.

Furthermore, the Rate of Interest on Notes which reference overnight rates is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference overnight rates to estimate reliably the amount of interest which will be payable on such Notes, and

some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes.

In addition, the manner of adoption or application of overnight rates in the eurobond markets may differ materially when compared with the application and adoption of the same overnight rates for the same currencies in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of overnight rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing overnight rates.

Investors should carefully consider these matters when making their investment decision with respect to any such Notes.

***Floating Rate Notes – Benchmark Unavailability and Discontinuation***

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by an agent appointed by the Issuer by reference to quotations from banks communicated to the agent appointed by the Issuer.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), and subject as provided in the following paragraphs in relation to Benchmark Events or Benchmark Transition Events, the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event or a Benchmark Transition Event and its related Benchmark Replacement Date (as applicable) occurs, there is a possibility that the Rate of Interest could be set by reference to a Successor Rate, failing which an Alternative Rate together, in either case, with the applicable Adjustment Spread and any Benchmark Amendments or Benchmark Replacement and any Benchmark Replacement Conforming Changes, as applicable, all as fully described in Condition 5(j). It is possible that the adoption of a Successor Rate, failing which an Alternative Rate together, in either case, with the applicable Adjustment Spread and any Benchmark Amendments or Benchmark Replacement and any Benchmark Replacement Conforming Changes, may result in Notes initially linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

**Risks related to the Notes generally**

Set out below is a description of material risks relating to the Notes generally:

***The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors.***

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes of the relevant Series (as defined herein) who for the time being are entitled

to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the Clearing Systems, the Issuer will be entitled to rely upon:

- (i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems 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 Notes of the relevant Series for the time being outstanding; and
- (ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer by accountholders in the clearing systems with entitlements to such global note or certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and the Issuer has taken reasonable steps to ensure such holding does not alter following the given of such consent/instruction and prior to effecting such resolution.

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Agency Agreement, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Issuer may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 10.

Any such matters described above decided by or on behalf of the sufficient majority of Noteholders, or without the consent of the Noteholders, could impact the Noteholders' rights under Notes in a manner that might be undesirable for some of the Noteholders, for example by altering the risks associated with the relevant Notes. The degree to which any such decisions may affect Noteholders is uncertain and presents a significant risk for individual Noteholders.

***The Notes may be subject to withholding taxes.***

The Conditions generally apply a gross-up mechanism to any withholding and other taxes charged by the Kingdom of Sweden such that any withholding or similar taxes on payments on or with respect to the Notes shall be grossed-up by the Issuer. However, in certain cases further described in the Conditions, the Issuer has no obligation to make such gross-up. For example, no gross-up payment will be made with respect to any Note or Coupon to, or to a third party on behalf of, a Noteholder who is liable to such withholding or similar taxes in respect of such Note by reason of it having some connection with the Kingdom of Sweden other than the mere holding of a Note or Coupon.

Further, no gross-up mechanism applies with respect to any deductions or withholding imposed or required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (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 fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement).

Hence, the Notes may in certain circumstances be subject to withholding, deductions or similar taxes without the Issuer being obliged to make gross up payments. This would result in certain Noteholders receiving less interest than expected which could significantly adversely affect their return on the Notes, thus presenting a significant risk to single Noteholders.

***Investors who hold Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a nominal amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes such that its holding amounts to the minimum Specified Denomination.

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### **Risks related to the market in respect of the Notes**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate (for example as set out in the risk factor entitled “Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.” set out above), currency or market risks are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes 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. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

***Third-party ESG classifications or ratings may not accurately reflect risks based on environmental, social and governance matters and increasing scrutiny and changing expectations from investors and other market participants may adversely affect the value of the Notes.***

Several parties have conducted an environmental, social and governance ("**ESG**") evaluation and assigned the Issuer with relevant classifications and/or ratings in relation to its exposure to ESG risks and the management arrangements established to mitigate those risks. ESG classifications and ratings may vary amongst ESG rating providers as the methodologies used to determine ESG classifications and ratings may differ. The Issuer's ESG classifications and/or ratings are not necessarily indicative of its current or future operating or financial performance and are only current as of the dates on which such were initially issued. There is also no assurance that a classification or rating assigned to the Issuer will not be lowered or withdrawn by the relevant ESG rating provider or the Issuer at any time. A decision by any ESG rating provider to downgrade or withdraw the Issuer's ESG classification or rating (for whatever reason) could reduce its funding options, increase its cost of borrowings and adversely affect its net income. Furthermore, the providers of ESG classifications and ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG classifications and/or ratings. Prospective investors must determine for themselves the relevance of any such ESG classification or rating information contained in this Prospectus or elsewhere before making an investment decision. For more information regarding the evaluation methodologies used to determine ESG classifications and/or ratings, investors should refer to the relevant ESG rating provider's website. For the avoidance of doubt, any such website is not, and shall not be deemed to be, incorporated by reference into or otherwise form part of this Prospectus.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that the market value of the Fixed Rate Notes may be negatively affected by movements in market interest rates. For example, the market value of Fixed Rate Notes will decrease if the market interest rates increase, since the market value of Fixed Rate Notes tends to develop reversely to the applicable market interest rates. This entails the risk that investors in Fixed Rate Notes lose part of their investment. Generally, the longer the remaining term of the securities, the greater the risk and an increase in the general market interest rates may result in the value of Fixed Rate Notes decreasing. The value of Fixed Rate Notes is thus to a large extent dependent on the level of the market interest rates, which entails a risk for holders of such Notes since the development of the market interest rates in the future is difficult to predict.



***Hedging positions of Dealers may adversely affect future trading prices of Notes.***

Certain of the Dealers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their respective 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 Notes issued under the Programme. There is a risk that any such positions could adversely affect future trading prices of Notes issued under the Programme.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

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### 1 Initial Issue of Notes

Each Series of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in new global Note (“**NGN**”) form or to be held under the New Safekeeping Structure (“**NSS**”) (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGN form**”) and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a common depository on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depository**”).

If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or evidenced by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note or the registered holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). In relation to Notes represented by a Global Note or evidenced by a Global Certificate, payments made in respect of such Notes by or on behalf of the Issuer to or to the order of Euroclear or Clearstream, Luxembourg, as the case may be, and otherwise in accordance with these Conditions shall to that extent be a good discharge to the Issuer (including whether or not in circumstances where the corresponding entries have not yet been made in the records of Euroclear or Clearstream, Luxembourg as the case may be).

### 3 Provisions relating to Notes in Global Form

The terms and conditions of the Notes set out in this Prospectus contain certain provisions that apply to Notes that are represented by a Global Note or evidenced by a Global Certificate. In addition, the temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent or evidence (as applicable), some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

#### 3.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or evidenced by the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 7(i) (*Non-Business Days*).

All payments in respect of Notes evidenced by a Global Certificate 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 “**record date**” which shall be on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a day on which Euroclear and Clearstream, Luxembourg are operating.

Payments so made in respect of such Notes by or on behalf of the Issuer to or to the order of the holder of the Global Note or the person whose name is entered on the Register at the close of business on the record date, and otherwise in accordance with these Conditions shall to that extent be a good discharge to the Issuer (including in circumstances where the corresponding entries have not yet been made in the records of Euroclear or Clearstream, Luxembourg as the case may be). Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

#### 3.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

#### 3.3 Meetings

The holder of a permanent Global Note or of the Notes evidenced by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents or evidences (as applicable) only one Note) be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each integral

currency unit of the Specified Currency of the Notes. If resolutions of the Noteholders shall be made by way of a meeting or by means of a vote without a meeting, the convening notice or the request for voting, as applicable, will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Noteholders together with the convening notice or the request for voting, as applicable. The exercise of voting rights is subject to the Noteholders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with the Conditions in text form and by submission of a blocking instruction by the relevant Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

### **3.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

### **3.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

### **3.6 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes represented by a permanent Global Note which is a NGN, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard 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) or any other Alternative Clearing System (as the case may be).

### **3.7 Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

### **3.8 NGN nominal amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

### **3.9 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. So long as Notes are represented by a Global Note or evidenced by a Global Certificate the relevant notice from a Noteholder shall be delivered to the Fiscal Agent together with evidence by means of a certificate of the relevant Noteholder's Custodian that such Noteholder is at the time of giving the written notice, the holder of a co-ownership interest in the relevant Notes and the extent thereof.

### **3.10 Notices**

So long as any Notes are represented by a Global Note or evidenced by a Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by it to Noteholders.

## **4 Exchange**

### **4.1 Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

### **4.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 4.3 below, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so. If a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### 4.3 Permanent Global Certificates

If the Final Terms state that the Notes are to be evidenced by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes evidenced by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 4.3(i) or 4.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### 4.4 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### 4.5 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## 5 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer 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 Noteholders holding a co-ownership interest in not less than 75 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (i) by accountholders in the clearing system(s) with entitlements to such Global Note or Global Certificate and/or, (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, Euroclear, Clearstream, Luxembourg or any other relevant Alternative Clearing System (the “**relevant clearing system**”) and in the case of (ii) above, the relevant clearing system and the relevant Custodian identified as accountholder identified by the relevant clearing system for the purposes of (ii) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons and Talons, whether or not they participated in such Written Resolution and/or Electronic Consent.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(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 (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. 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. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Euro Medium Term Note Programme of the Issuer (the “Programme”).*

The Notes are issued pursuant to an agency agreement originally dated 18 April 2018 (as most recently amended and restated on 30 June 2023) (the “**Agency Agreement**”) between Vattenfall AB (publ) (the “**Issuer**”), Citibank, N.A., London Branch as fiscal agent and the other agents named in it. The fiscal agent, the 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 “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. A copy of the Agency Agreement is available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

As used in these terms and conditions (the “**Conditions**”), a “**Series**” means a series of Notes comprising one or more Tranches (as defined below), whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number. “**Tranche**” means, in relation to a Series, those Notes of that Series that are issued on the same date at the same issue price and in respect of which the first payment of interest is identical. “**Final Terms**” means, in relation to a Tranche, the final terms document issued by the Issuer specifying the relevant issue details of such Tranche.

References to Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Issuer.

These terms and conditions shall apply to Notes represented by a Global Note, in the case of Bearer Notes, or evidenced by a Global Certificate, in the case of Registered Notes (each as defined below) as well as Notes in definitive form; unless otherwise specified, the provisions relating to the Global Note or Global Certificate, as the case may be, shall supersede the provisions relating to definitive Notes.

### 1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) set out in the applicable Final Terms. The minimum Specified Denomination of Notes issued under the Programme shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).



This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis set out in the applicable Final Terms.

Bearer Notes will be represented on issue by a temporary global note (a “**Temporary Global Note**”) held by the common depository or the common safekeeper for Euroclear and Clearstream, Luxembourg which is exchangeable for interests in a permanent global note (a “**Permanent Global Note**”), or by a Permanent Global Note held by the common depository or the common safekeeper for Euroclear and Clearstream, Luxembourg. The Permanent Global Note is exchangeable for definitive notes in accordance with its terms and shall represent the aggregate nominal amount of the Notes outstanding (together with a Temporary Global Note, each being a “**Global Note**”).

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes will be evidenced on issue by a global certificate registered in the name of a nominee for a common depository or a common safekeeper for Euroclear and Clearstream, Luxembourg (a “**Global Certificate**”) which shall evidence the aggregate nominal amount of the Notes outstanding. If Registered Notes are not evidenced by a Global Certificate, they shall be evidenced by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall evidence the entire holding of Registered Notes by the same Noteholder. References to Certificates herein shall, unless the context otherwise requires, be deemed to include a reference to a Global Certificate.

The nominal amount of Notes represented by a Global Note or evidenced by a Global Certificate shall be the aggregate amount from time to time entered in the records of both Euroclear or Clearstream, Luxembourg. The records of Euroclear or Clearstream, Luxembourg (which expression means the records that each of Euroclear or Clearstream, Luxembourg holds for its customers which reflect the amount of such customer’s interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by the Global Note or evidenced by the Global Certificate, as the case may be, and, for these purposes, a statement issued by Euroclear or Clearstream, Luxembourg stating the nominal amount of Notes so represented at any time shall be conclusive evidence of the records of Euroclear or Clearstream, Luxembourg at that time.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note or evidenced by the Global Certificate the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note or Global Certificate shall be entered *pro rata* in the records of Euroclear or Clearstream, Luxembourg and, upon any such entry being made, the nominal amount of the Notes recorded in the records of Euroclear or Clearstream, Luxembourg and represented by the Global Note or evidenced by the Global Certificate, as the case may be, shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of Euroclear or Clearstream, Luxembourg.

In these Conditions:

“**Noteholder**” means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes; and

“**holder**” (in relation to a Note, Coupon or Talon) means any Noteholder or holder of a proportionate co-ownership or other beneficial interest or right in the Coupons or Talons, except in relation to a Global Note or Global Certificate, in which case it means the common depository or the common safekeeper (or a nominee

thereof) acting, and holding, the Global Note or the Global Certificate, for Euroclear and Clearstream, Luxembourg, on behalf of Noteholders as applicable.

Capitalised terms have the meanings given to them in the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 No Exchange of Notes and Transfers of Notes

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

(b) **Transfer of Notes:**

(i) Notwithstanding Condition 2(e) (in the case of Registered Notes only), transfers of the ownership interests in Global Notes, in the case of Bearer Notes, or Registered Notes evidenced by a Global Certificate, will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests, and the book-entries made by Euroclear or Clearstream, Luxembourg (as the case may be) to effect such transfers shall be deemed to constitute notice to the Issuer of the relevant transfers. For the avoidance of doubt, ownership interests in a Global Note or in Registered Notes evidenced by a Global Certificate will constitute each Noteholder's proportionate co-ownership of the Global Note or the Registered Notes evidenced by a Global Certificate, as applicable.

An ownership interest in a Global Note or in Registered Notes evidenced by a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Notes in definitive form or for an ownership interest in another Global Note or a Registered Note evidenced by a Global Certificate, as the case may be, only in the Specified Denominations set out in the Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the provisions of the Agency Agreement.

(ii) Title to the Bearer Notes in definitive form, the Coupons and Talons shall pass by delivery. One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes 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 Notes evidenced 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 Notes and entries on the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**") will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Extraordinary Resolution of Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes evidenced 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 Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes 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 Notes to a person who is already a holder of Registered Notes, a new Certificate evidencing the enlarged holding shall only be issued against surrender of the Certificate evidencing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) 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(d), "**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).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option 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 as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder (or Custodian (as defined below) or other person acting on behalf of a Noteholder) may require the transfer of a Registered Note to be registered (i) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date.

### 3 Status

The Notes and the Coupons relating to them constitute direct, unconditional (subject to Condition 4) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, subject to Condition 4, at all times rank at least equally with all other outstanding unsecured and unsubordinated obligations of the Issuer, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement) the Issuer will not itself, create or have outstanding any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking or assets present or future, to secure any existing or future Securities of itself or another (or to secure any guarantee or indemnity in respect thereof) without in any such case at the

same time according to the Notes and the Coupons either the same security as is granted to or is outstanding in respect of such Securities (or such guarantee or indemnity in respect thereof) or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In this Condition, “**Securities**” means any loan or other indebtedness in the form of, or represented or evidenced by, bonds, debentures, notes or other securities which are or are to be quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market.

## 5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including 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 5(f).

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

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date 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 5(f). Such Interest Payment Date(s) is/are either set out in the applicable Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are set out in such Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in such Final Terms 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 Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and the provisions below relating to either ISDA Determination, Screen Rate Determination and/or Linear Interpolation shall apply, depending upon which is specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA

Rate plus or minus (as indicated hereon) the Margin (if any). 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 in the applicable Final Terms;
- (y) the Designated Maturity is a period specified in the applicable Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

*provided that*, if no Rate of Interest can be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the Rate of Interest determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or, if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (though substituting, where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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 Notes – Term Rate

This Condition 5(b)(iii)(B) applies where both Screen Rate Determination and Term Rate are specified hereon to be Applicable.

- (x) Subject to Condition 5(j), 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 the Relevant Screen Page Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation

Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case at the Relevant Screen Page Time, the Issuer (or the Determination Agent (as defined in Condition 6(d))) shall request each of the Reference Banks to provide its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer (or the Determination 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 Determination Agent; and
- (z) if paragraph (y) above applies and the Issuer (or the Determination 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 Issuer (or the Determination Agent) by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Screen Page 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 Relevant Inter-Bank Market. If fewer than two of the Reference Banks provide the Issuer (or the Determination 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, at approximately the Relevant Screen Page 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 Issuer (or the Determination Agent) it is quoting to leading banks in the Relevant Inter-Bank Market; 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 Rate of Interest 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 Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or, if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (though substituting, where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

## (C) Screen Rate Determination – Overnight Rate – Compounded Daily SONIA – Non-Index Determination

This Condition 5(b)(iii)(C) applies where: (1) Screen Rate Determination and Overnight Rate are specified hereon to be Applicable; (2) Compounded Daily SONIA is specified hereon as the Reference Rate; and (3) Index Determination is specified hereon to be Not Applicable.

- (x) Subject to Condition 5(j), the Rate of Interest for an Interest Accrual Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded Daily SONIA**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up)):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“**d**” is the number of calendar days in:

- (i) where “Lag” is specified hereon as the Observation Method, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant Observation Period;

“**D**” is the number specified hereon (or, if no such number is specified hereon, 365);

“**d<sub>o</sub>**” means:

- (i) where “Lag” is specified hereon as the Observation Method, the number of London Banking Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the number of London Banking Days in the relevant Observation Period;

“**T**” is a series of whole numbers from one to “**d<sub>o</sub>**”, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where “Lag” is specified hereon as the Observation Method in, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant Observation Period;

“**London Banking Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“ $n_i$ ” for any London Banking Day “ $i$ ”, means the number of calendar days from (and including) such London Banking Day “ $i$ ” up to (but excluding) the following London Banking Day;

“**Observation Period**” means the period from (and including) the date falling “ $p$ ” London Banking Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “ $p$ ” London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

“ $p$ ” means:

- (i) where “Lag” is specified hereon as the Observation Method, the number of London Banking Days specified hereon as the “Lag Period” (or, if no such number is so specified, five London Banking Days); or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the number of London Banking Days specified hereon as the “Observation Shift Period” (or, if no such number is specified, five London Banking Days);

the “**SONIA reference rate**” in respect of any London Banking Day (“**LBD<sub>x</sub>**”), a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such **LBD<sub>x</sub>** as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such **LBD<sub>x</sub>**; and;

“**SONIA<sub>i</sub>**” means the SONIA reference rate for:

- (i) where “Lag” is specified hereon as the Observation Method, the London Banking Day falling “ $p$ ” London Banking Days prior to the relevant London Banking Day “ $i$ ”; or
  - (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant London Banking Day “ $i$ ”.
- (y) Subject to Condition 5(j), if, where any Rate of Interest is to be calculated pursuant to Condition 5(b)(iii)(C)(x) above, in respect of any London Banking Day on which an applicable SONIA reference rate is required to be determined, such SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the SONIA reference rate in respect of such London Banking Day shall be the rate determined by the Calculation Agent as:
- (1) the sum of (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days



in respect of which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

- (2) if the Bank Rate under (1)(i) above is not available at the relevant time, either
  - (i) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or
  - (ii) if this is more recent, the latest rate determined under (1) above,

and, in each case, references to “SONIA reference rate” in Condition 5(b)(iii)(C)(x) above shall be construed accordingly.

- (z) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(iii)(C), and without prejudice to Condition 5(j), the Rate of Interest shall be:
  - (1) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or
  - (2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, Maximum Rate of Interest or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Calculation Agent.

- (D) Screen Rate Determination – Overnight Rate - Compounded Daily SONIA – Index Determination

This Condition 5(b)(iii)(D) applies where: (1) Screen Rate Determination and Overnight Rate are specified hereon to be Applicable; (2) Compounded Daily SONIA is specified hereon as the Reference Rate; and (3) Index Determination is specified hereon to be Applicable.

- (x) Subject to Condition 5(j), the Rate of Interest for an Interest Accrual Period will, subject as provided below, be the Compounded Daily SONIA Rate with respect to such Interest Accrual Period plus or minus the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded Daily SONIA Rate**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) (expressed as a percentage and rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up)) determined by the Calculation Agent by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed on the Relevant Screen Page specified hereon or, if no such page is so specified or if such page is unavailable at the relevant time, as otherwise published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date (the “**SONIA Compounded Index**”) and in accordance with the following formula:

$$\text{Compounded Daily SONIA Rate} = \left( \frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{365}{d}$$

where:

“*d*” is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

“**London Banking Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**Relevant Number**” is the number specified hereon (or, if no such number is specified, five);

“**SONIA Compounded Index<sub>start</sub>**” means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Accrual Period; and

“**SONIA Compounded Index<sub>End</sub>**” means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period).

- (y) If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Accrual Period for which the SONIA Compounded Index is not available shall be “Compounded Daily SONIA” determined in accordance with 5(b)(iii)(C) above as if Index Determination were specified hereon as being Not Applicable, and for these purposes: (i) the Observation Method shall be deemed to be Observation Shift and

(ii) the Observation Shift Period shall be deemed to be equal to the Relevant Number of London Banking Days.

(E) Screen Rate Determination – Overnight Rate – SOFR – Non-Index Determination

This Condition 5(b)(iii)(E) applies where: (1) Screen Rate Determination and Overnight Rate are specified hereon to be Applicable; (2) either Compounded Daily SOFR or Weighted Average SOFR are specified hereon as the Reference Rate; and (3) Index Determination is specified hereon to be Not Applicable.

Where Compounded Daily SOFR is specified hereon as the Reference Rate, the provisions of paragraph (x) below of this Condition 5(b)(iii)(E) apply.

Where Weighted Average SOFR is specified hereon as the Reference Rate, the provisions of paragraph (y) below of this Condition 5(b)(iii)(E) apply.

(x) *Compounded Daily SOFR*

Subject to Condition 5(j), where this paragraph (x) applies, the Rate of Interest for an Interest Accrual Period will, subject as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded Daily SOFR**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up)):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“*d*” is the number of calendar days in:

- (i) where “Lag” or “Lock-out” is specified hereon as the Observation Method, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant Observation Period;

“*D*” is the number specified hereon (or, if no such number is specified, 360);

“*d<sub>o</sub>*” means:

- (i) where “Lag” or “Lock-out” is specified hereon as the Observation Method, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the number of U.S. Government Securities Business Days in the relevant Observation Period;

“*i*” is a series of whole numbers from one to “*d<sub>o</sub>*”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” or “Lock-out” is specified hereon as the Observation Method, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant Observation Period;

“**Lock-out Period**” means the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date;

“**New York Fed’s Website**” means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

“*n<sub>i</sub>*” for any U.S. Government Securities Business Day “*i*”, means the number of calendar days from (and including) such U.S. Government Securities Business Day “*i*” up to (but excluding) the following U.S. Government Securities Business Day;

“**Observation Period**” means the period from (and including) the date falling “*p*” U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “*p*” U.S. Government Securities Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

“*p*” means:

- (i) where “Lag” is specified hereon as the Observation Method, the number of U.S. Government Securities Business Days specified hereon as the “Lag Period” (or, if no such number is so specified, five U.S. Government Securities Business Days);
- (ii) where “Lock-out” is specified hereon as the Observation Method, zero U.S. Government Securities Business Days; or
- (iii) where “Observation Shift” is specified hereon as the Observation Method, the number of U.S. Government Securities Business Days specified hereon as the “Observation Shift Period” (or, if no such number is specified, five U.S. Government Securities Business Days);

“**Reference Day**” means each U.S. Government Securities Business Day in the relevant Interest Accrual Period, other than any U.S. Government Securities Business Day in the Lock-out Period;

“**SOFR**” in respect of any U.S. Government Securities Business Day (“**USBD<sub>x</sub>**”), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed’s Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such USBD<sub>x</sub>;

“**SOFR<sub>r</sub>**” means the SOFR for:

- (i) where “Lag” is specified hereon as the Observation Method, the U.S. Government Securities Business Day falling “*p*” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “*t*”;
- (ii) where “Lock-out” is specified hereon as the Observation Method:
  - (a) in respect of each U.S. Government Securities Business Day “*t*” that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or
  - (b) in respect of each U.S. Government Securities Business Day “*t*” that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or
- (iii) where “Observation Shift” is specified hereon as the Observation Method, the relevant U.S. Government Securities Business Day “*t*”; and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(y) *Weighted Average SOFR*

Subject to Condition 5(j), where this paragraph (y) applies, the Rate of Interest for an Interest Accrual Period will, subject as provided below, be the Weighted Average SOFR with respect to such Interest Accrual Period plus or minus the applicable Margin (if any), all as calculated by the Calculation Agent as of the Interest Determination Date (rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up)), where:

“**Weighted Average SOFR**” means:

- (i) where “Lag” is specified hereon as the Observation Method, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant SOFR by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day; and
- (ii) where “Lock-out” is specified hereon as the Observation Method, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Interest Accrual Period, calculated by multiplying each relevant SOFR by the number of days such rate is in effect, determining the sum of

such products and dividing such sum by the number of calendar days in the relevant Interest Accrual Period; *provided however*, that for any calendar day of such Interest Accrual Period falling in the Lock-out Period, the relevant SOFR for each day during that Lock-out Period will be deemed to be the SOFR in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall, subject to the proviso above, be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day.

Defined terms used in this paragraph (y) and not otherwise defined herein have the meanings given to them in paragraph (x) above of this Condition 5(b)(iii)(E).

(z) *SOFR Unavailable*

Subject to Condition 5(j), if, where any Rate of Interest is to be calculated pursuant to this Condition 5(b)(iii)(E), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(iii)(E) but without prejudice to Condition 5(j), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 5(b)(iii)(C)(z).

(F) Screen Rate Determination – Overnight Rate - SOFR - Index Determination

This Condition 5(b)(iii)(F) applies where: (1) Screen Rate Determination and Overnight Rate are specified hereon to be Applicable; (2) Compounded Daily SOFR is specified hereon as the Reference Rate; and (3) Index Determination is specified hereon to be Applicable.

(x) Subject to Condition 5(j), the Rate of Interest for an Interest Accrual Period will, subject as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded SOFR**” means, with respect to an Interest Accrual Period, the rate (rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up)) determined by the Calculation Agent in accordance with the following formula:

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d_c}$$

where:

“ $d_c$ ” is the number of calendar days from (and including) the day in relation to which  $SOFR\ Index_{Start}$  is determined to (but excluding) the day in relation to which  $SOFR\ Index_{End}$  is determined;

“**Relevant Number**” is the number specified hereon (or, if no such number is specified, five);

“**SOFR**” means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator’s Website;

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

“**SOFR Administrator’s Website**” means the website of the SOFR Administrator, or any successor source;

“**SOFR Index**”, with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator’s Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the “**SOFR Determination Time**”);

“**SOFR Index<sub>start</sub>**”, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

“**SOFR Index<sub>End</sub>**”, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period); and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (y) If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator’s Website, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be Compounded Daily SOFR determined in accordance with Condition 5(b)(iii)(E) above as if Index Determination were specified hereon as being Not Applicable, and for these purposes: (i) the Observation Method shall be deemed to be Observation Shift and (ii) the Observation Shift Period shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days.

- (G) Screen Rate Determination – Overnight Rate – Compounded Daily €STR – Non-Index Determination

This Condition 5(b)(iii)(G) applies where: (1) Screen Rate Determination and Overnight Rate are specified hereon to be Applicable; (2) Compounded Daily €STR is specified hereon as the Reference Rate; and (3) Index Determination is specified hereon to be Not Applicable.

- (x) Subject to Condition 5(j), the Rate of Interest for an Interest Accrual Period will, subject as provided below, be Compounded Daily €STR with respect to such

Interest Accrual Period plus or minus the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded Daily €STR**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up)):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

the “**€STR reference rate**”, in respect of any TARGET Business Day (“**TBD<sub>x</sub>**”), is a reference rate equal to the daily euro short-term rate (“**€STR**”) for such TBD<sub>x</sub> as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Business Day immediately following such TBD<sub>x</sub> (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

“**€STR<sub>i</sub>**” means the €STR reference rate for:

- (i) where “Lag” is specified hereon as the Observation Method, the TARGET Business Day falling “p” TARGET Business Days prior to the relevant TARGET Business Day “i”; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant TARGET Business Day “i”.

“**d**” is the number of calendar days in:

- (i) where “Lag” is specified hereon as the Observation Method, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant Observation Period;

“**D**” is the number specified hereon (or, if no such number is specified, 360);

“**d<sub>o</sub>**” means:

- (i) where “Lag” is specified hereon as the Observation Method, the number of TARGET Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the number of TARGET Business Days in the relevant Observation Period;



“ $i$ ” is a series of whole numbers from one to “ $d_o$ ”, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in:

- (i) where “Lag” is specified hereon as the Observation Method, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the relevant Observation Period;

“ $n_i$ ” for any TARGET Business Day “ $i$ ”, means the number of calendar days from (and including) such TARGET Business Day “ $i$ ” up to (but excluding) the following TARGET Business Day;

“**Observation Period**” means the period from (and including) the date falling “ $p$ ” TARGET Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “ $p$ ” TARGET Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

“ $p$ ” means:

- (i) where “Lag” is specified hereon as the Observation Method, the number of TARGET Business Days specified hereon as the “Lag Period” (or, if no such number is so specified, five TARGET Business Days); or
- (ii) where “Observation Shift” is specified hereon as the Observation Method, the number of TARGET Business Days specified hereon as the “Observation Shift Period” (or, if no such number is specified, five TARGET Business Days); and

“**TARGET Business Day**” means any day on which the TARGET2 System is operating.

- (y) Subject to Condition 5(j), if, where any Rate of Interest is to be calculated pursuant to Condition 5(b)(iii)(G)(x) above, in respect of any TARGET Business Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Business Day shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (z) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(iii)(G) but without prejudice to Condition 5(j), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 5(b)(iii)(C)(z).

(H) Linear Interpolation

Where Linear Interpolation is specified in the applicable Final Terms 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 in the applicable Final Terms as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms 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.

In this Condition, “**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.

- (I) Floating Rate Notes linked to Reference Rates other than EURIBOR, STIBOR, NIBOR, CIBOR, TIBOR, AFMA BBSW, WIBOR, HIBOR, SOFR, SONIA or €STR.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR, STIBOR, NIBOR, CIBOR, TIBOR, AFMA BBSW, WIBOR, HIBOR, SOFR, SONIA or €STR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note 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 5 to but excluding the Relevant Date (as defined in Condition 8).
- (e) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding:**
- (i) If any Margin is specified in the applicable Final Terms (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 5(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 Rate of Interest or Minimum Rate of Interest or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (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 figure 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 Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the applicable Final Terms, 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 Note 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.

For so long as the Notes are represented by a Global Note or evidenced by a Global Certificate, interest shall be calculated as set out above, save that the calculation is made in respect of the total aggregate amount of the Notes outstanding.

- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption 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 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 or Optional Redemption Amount 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 or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes 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 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes 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. 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 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, any day on which the T2 is open for the settlement of payments in euro (a **“TARGET Business Day”**); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively, or if no currency is indicated, generally in each of the Business Centres;

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note 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 in the applicable Final Terms, 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 in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/365 (Sterling)”** or **“Sterling/FRN”** is specified in the applicable Final Terms, 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 in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the applicable Final Terms, 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:

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

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

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

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

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

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

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, 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:

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

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

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

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

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

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

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Final Terms, 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:

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

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

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

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

“**D<sub>1</sub>**” 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<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the 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<sub>2</sub>** will be 30;

- (viii) if “**Actual/Actual-ICMA**” is specified in the applicable Final Terms,

- (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 in the applicable Final Terms 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 Notes, and unless otherwise specified in the applicable Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable Final Terms 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 in the applicable Final Terms;

**“Interest Determination Date”** means the date specified in the applicable Final Terms or if none is so specified:

- (i) if the Reference Rate is the Euro-zone interbank offered rate (“**EURIBOR**”), the second TARGET Business Day prior to the start of each Interest Period;
- (ii) if the Reference Rate is the Stockholm interbank offered rate (“**STIBOR**”), the second Stockholm business day prior to the start of each Interest Period;

- (iii) if the Reference Rate is the Norwegian interbank offered rate (“**NIBOR**”), the second Oslo business day prior to the start of each Interest Period;
- (iv) if the Reference Rate is the Copenhagen interbank offered rate (“**CIBOR**”), the second Copenhagen business day prior to the start of each Interest Period;
- (v) if the Reference Rate is the Tokyo interbank offered rate (“**TIBOR**”), the second Tokyo business day prior to the start of each Interest Period;
- (vi) if the Reference Rate is the Sydney interbank offered rate (“**AFMA BBSW**”), the first day of each Interest Period;
- (vii) if the Reference Rate is the Warsaw interbank offered rate (“**WIBOR**”), the second Warsaw business day prior to the start of each Interest Period;
- (viii) if the Reference Rate is the Hong Kong interbank offered rate (“**HIBOR**”), the first day of each Interest Period;
- (ix) if the Reference Rate is the Sterling Over Night Index Average (“**SONIA**”), the first London business day prior to the start of each Interest Period;
- (x) if the Reference Rate is the Secured Overnight Financing Rate (“**SOFR**”), the first day of each Interest Period; and
- (xi) if the Reference Rate is the Euro Short-Term estimated rate (“**€STR**”), the first day of each Interest Period;

“**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 in the applicable Final Terms;

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the applicable Final Terms;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable Final Terms;

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the applicable Final Terms;

“**Reference Banks**” means (i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, (ii) in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, (iii) in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, (iv) in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Copenhagen inter-bank market, (v) in the case of a determination of TIBOR, the principal Tokyo office of ten major banks in the Tokyo inter-bank market, (vi) in the case of a determination of AFMA BBSW, the principal Sydney office of four major banks in the Sydney inter-bank market, (vii) in the case of a determination of WIBOR, the principal Warsaw office of five major banks in the Warsaw inter-bank market, and (viii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market, in each case selected by the Issuer following consultation with a leading investment bank which is an active market participant in the relevant market;

“**Reference Rate**” means (i) EURIBOR, (ii) STIBOR, (iii) NIBOR, (iv) CIBOR, (v) TIBOR, (vi) AFMA BBSW, (vii) WIBOR, (viii) HIBOR, (ix) SONIA, (x) SOFR and (xi) €STR in each case for the relevant period, as specified in the applicable Final Terms;

“**Relevant Financial Centre**” means (i) Brussels, in the case of a termination of EURIBOR, (ii) Stockholm, in the case of a determination of STIBOR, (iii) Oslo, in the case of a determination of NIBOR, (iv) Copenhagen, in the case of a determination of CIBOR, (v) Tokyo, in the case of a determination of TIBOR, (vi) Sydney, in the case of a determination of AFMA BBSW, (vii) Warsaw, in the case of a determination of WIBOR and (viii) Hong Kong, in the case of a determination of HIBOR, each as specified in the applicable Final Terms;

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service);

“**Relevant Screen Page Time**” means such time as specified in the applicable Final Terms;

“**Specified Currency**” means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated; and

“**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system.

- (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 in the applicable Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall 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.

(j) **Benchmark Discontinuation**

This Condition 5(j) applies in respect of each issue of Floating Rate Notes unless Benchmark Discontinuation is specified hereon to be Not Applicable.

If Benchmark Replacement is specified hereon to be Applicable, the provisions of Condition 5(j)(i) apply, together with the other provisions of this Condition 5(j) (other than Condition 5(j)(ii)).

If Benchmark Replacement is specified hereon to be Not Applicable, the provisions of Condition 5(j)(ii) apply, together with the other provisions of this Condition 5(j) (other than Condition 5(j)(i)).

(i) *Benchmark Replacement*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(A) *Independent Adviser*



The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(j)(i)(B)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(j)(i)(D)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(j) shall act in good faith as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, or the Noteholders or the Couponholders for any determination made by it and for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(j).

If the Issuer (i) is unable to appoint an Independent Adviser; or (ii) fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(j) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the relevant Interest Determination Date. 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 shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(j).

(B) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser, determines that:

- (x) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j)); or
- (y) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j)).

(C) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread,

then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(j) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(j)(i)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(j)(i), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) *Definitions:*

As used in this Condition 5(j):

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) (if no such recommendation as referred to in (i) above has been made, or in the case of an Alternative Rate) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or;
- (iii) (if the Independent Adviser determines that no such spread is customarily applied as referred to in (ii) above) the Issuer, following consultation with the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been re-placed by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with this Condition 5(j) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 5(j)(i)(D).

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (v) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

“**business day**” means (in this Condition 5(j) only) a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 5(j)(i).

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

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

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

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(ii) *Benchmark Transition*

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(A) *Independent Adviser*

The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer on determining a Benchmark Replacement which will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent application of this Condition 5(j)(ii)(A) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes. In making such determination, the Independent Adviser appointed pursuant to this Condition 5(j)(ii)(A) shall act in good faith as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5(j)(ii)(A).

Any Benchmark Replacement so determined shall have effect for any subsequent determination of any Rate of Interest (subject to any further application of this Condition 5(j)(ii)(A) with respect to such Benchmark Replacement), subject, if any associated Benchmark Replacement Conforming Changes are required in connection therewith, to such Benchmark Replacement Conforming Changes becoming effective in accordance with the following provisions.

If the Issuer (i) is unable to appoint an Independent Adviser; or (ii) fails to determine a Benchmark Replacement or, failing which, a Benchmark Replacement and any Benchmark Replacement Conforming Changes in accordance with this Condition 5(j)(ii)(A) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately

preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(j)(ii)(A).

(B) *Benchmark Replacement Conforming Changes*

If the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Benchmark Replacement (such amendments, the “**Benchmark Replacement Conforming Changes**”) and (ii) the terms of the Benchmark Replacement Conforming Changes, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(j)(ii)(C), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 5(j)(ii)(B), neither the Calculation Agent nor any Paying Agent is obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(j)(ii)(B) which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5(j)(ii)(B), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(C) *Definitions*

As used in these Conditions:

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

- (iii) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the Original Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

“**Benchmark Replacement Adjustment**” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“**Benchmark Replacement Date**” means the earliest to occur of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than (where the Rate of Interest is to be determined pursuant to Condition 5(b)(iii)(B)) the Specified Time or (in any other case) the customary or scheduled time for publication of the relevant reference rate in accordance with the then-prevailing operational procedures of the administrator of such reference rate or, as the case may be, of the other relevant information service publishing such reference rate, on, the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to such time for such determination;

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Original Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Original Reference Rate (or

such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or

- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate (or such component), the central bank for the currency of the Original Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Original Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Original Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Original Reference Rate, which states that the administrator of the Original Reference Rate (or such component) has ceased or will cease to provide the Original Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative;

**“Corresponding Tenor”** means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the Original Reference Rate;

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer;

**“ISDA Fallback Adjustment”** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate;

**“ISDA Fallback Rate”** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**“Original Reference Rate”** means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (provided that if, following one or more Benchmark Transition Events, such originally specified benchmark or screen rate (or any benchmark used in any Benchmark Replacement which has replaced it (the Replacement Benchmark)) has been replaced by a (or a further) Replacement Benchmark and a Benchmark Transition Event subsequently occurs in respect of such Replacement Benchmark, the term “Original Reference Rate” shall be deemed to include any such Replacement Benchmark);

**“Relevant Governmental Body”** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(iii) *Notices, etc.*

Any Benchmark Event, Benchmark Transition Event, Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Replacement, and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) determined under this Condition 5(j) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Fiscal Agent, the Calculation Agent and the Paying Agents. In accordance with Condition 12, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by an authorised officer of the Issuer:

- (x) confirming (a) that a Benchmark Event or a Benchmark Transition Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate and, in either case, the applicable Adjustment Spread or the Benchmark Replacement and (c) the specific terms of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), in each case as determined in accordance with the provisions of this Condition 5(j); and
- (y) certifying that the Benchmark Amendments are necessary to ensure the proper operation of (a) such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or (b) such Benchmark Replacement.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence of the matters referred to therein. The Successor Rate or Alternative Rate and the Adjustment Spread, Benchmark Replacement, the Benchmark Amendments and/or Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such matters and without prejudice to the Fiscal Agent’s or the Calculation Agent’s or the Paying Agents’ ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(j), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Event Benchmark Amendments and/or Benchmark Replacement Conforming Changes (if any), in the Calculation Agent’s opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(j), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own negligence, willful default or fraud) to make such calculation or



determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such negligence, willful default or fraud) shall not incur any liability for not doing so.

(iv) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under this Condition 5(j), the Original Reference Rate and the fallback provisions provided for in Condition 5 will continue to apply unless and until the Calculation Agent has been notified, in accordance with Condition 5(j)(ii)(C) of (as the case may be):

- (x) the Successor Rate or the Alternative Rate (as the case may be), and (in either case) the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 5(j)(ii)(A); or
- (y) the Benchmark Replacement and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 5(j)(ii)(B).

(v) *Fallbacks*

If, following the occurrence of:

- (i) a Benchmark Event; or
- (ii) a Benchmark Transition Event (and its related Benchmark Replacement Date),

in respect of the Original Reference Rate, on the immediately following Interest Determination Date:

- (x) (in the case of (i) above) no Successor Rate or Alternative Rate (as applicable) is determined pursuant to Condition 5(j) or (as the case may be) a Successor Rate or Alternative Rate (as applicable) is determined, but no Adjustment Spread is determined pursuant to Condition 5(j); or
- (y) (in the case of (ii) above) no Benchmark Replacement is determined in accordance with Condition 5(j),

then the original benchmark or screen rate (as applicable) will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided in Condition 5(j), as applicable, will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of Condition 5(j), *mutatis mutandis*, on one or more occasions until:

- (a) (in the case of (i) above) a Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments; or
- (b) (in the case of (ii) above) the Benchmark Replacement and any Benchmark Replacement Conforming Changes,

have been determined and notified in accordance with Condition 5(j) (and, until such determination and notification (if any), the fallback provisions provided in Condition 5(j), as applicable, will continue to apply).

(vi) *Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event*

If the Issuer anticipates that a Benchmark Event or a Benchmark Transition Event, as applicable, will or may occur, nothing in these Conditions shall prevent the Issuer (in its sole discretion) from taking, prior to the occurrence of such Benchmark Event or a Benchmark Transition Event, such actions as it considers expedient in order to prepare for applying the provisions of this Condition (including, without limitation, appointing and consulting with an Independent Adviser, and seeking to identify any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes, as applicable), provided that no Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes will take effect until the relevant Benchmark Event, or the relevant Benchmark Transition Event and its related Benchmark Replacement Date, as applicable, has occurred.

## 6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which, unless otherwise provided in the applicable Final Terms, is its nominal amount).
- (b) **Early Redemption:**
- (i) *Zero Coupon Notes:*
- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the applicable Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is set out in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction set out in the applicable Final Terms.

- (ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than any Zero Coupon Note or any Note which is redeemed pursuant to Condition 6(d) where the relevant redemption amount is expressed to be the Sterling Make-Whole Redemption Amount or Make-Whole Redemption Amount), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the applicable Final Terms.
- (c) **Redemption for Taxation Reasons**: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or, at any time, (if this Note is not a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice as specified in the applicable Final Terms to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or any political subdivision or 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 Notes, 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 Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent (to make available for inspection by Noteholders at its specified office) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (d) **Redemption at the Option of the Issuer**: If Call Option is specified in the applicable Final Terms, the Issuer may, on giving not less than the minimum period nor more than the maximum period of notice as specified in the applicable Final Terms to the Noteholders (which notice shall be irrevocable) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the applicable Final Terms (which may be the Early Redemption Amount (as described in Condition 6(b) above) or the Sterling Make-Whole Redemption Amount or Make-Whole Redemption Amount (as described below)), together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

If Sterling Make-Whole Redemption Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount per Note shall be equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date(s): (i) the nominal amount of the Note; and (ii) the nominal amount of the Note multiplied by the price (as reported in writing to the Issuer by the Determination Agent) expressed as a percentage (with 0.000005 of a percentage point being rounded up) at which the Gross Redemption Yield on the Notes at the Determination Time specified in the applicable Final Terms on the Determination Date specified in the applicable Final Terms (or, where the Determination Agent advises the Issuer that, for reasons of illiquidity or otherwise, such Reference Stock is not appropriate for such purpose, such other government stock as such Determination Agent may recommend) plus any applicable Margin specified in the applicable Final Terms.

If Make-Whole Redemption Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount per Note shall be equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date(s): (i) the nominal amount of the Note; and (ii) the sum of the then present values of the remaining scheduled payments of principal and interest, discounted to the Optional Redemption Date on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Dealer Rate (as defined below), plus any applicable Margin specified in the applicable Final Terms, in each case as determined by the Determination Agent.

Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the Noteholder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

In these Conditions:

“**Determination Agent**” means a financial adviser or bank which is independent of the Issuer appointed by the Issuer;

“**Gross Redemption Yield**” on the Notes and the Reference Stock will be expressed as a percentage and will be calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields” page 4, Section One: Price/Yield Formulae “Conventional Gilts”; “Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published on 8 June 1998 and updated on 15 January 2002 and as further updated or amended from time to time) on a semi-annual compounding basis (converted on an annualised yield and rounded up (if necessary) to four decimal places);

“**Reference Dealer Rate**” means with respect to the Reference Dealers and the Optional Redemption Date, (a) if the Reference Bond is still outstanding, (i) the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond specified in the applicable Final Terms, (ii) if the Determination Agent obtains fewer than five, but more than one, such quotations, the average of all such quotations, or (iii) if only one such quotation is obtained, the amount of that quotation; or (b) if the Reference Bond is no longer outstanding, a similar security in the reasonable judgement of the Reference Dealers, at the Quotation Time specified in the applicable Final Terms on the Determination Date specified in the applicable Final Terms quoted in writing to the Issuer and the Determination Agent by the Reference Dealers; and

“**Reference Dealers**” means those Reference Dealers specified in the applicable Final Terms.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified in the applicable Final Terms, the Issuer shall, at the option of each Noteholder, upon the relevant Noteholder giving not less than the minimum period nor more than the maximum period of notice as specified in the applicable Final Terms to the Issuer (which notice shall be irrevocable) (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption

Amount specified in the applicable Final Terms (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the relevant Noteholder must procure the deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For so long as a Bearer Note is represented by a Global Note, the option of the Noteholders provided for in this Condition 6(e) in respect of such Note shall be exercised by the holder of the Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in this Condition 6(e) substantially in the form of the redemption notice available from any Paying Agent and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Global Note to the Fiscal Agent for notation accordingly. The holder of the Global Note shall exercise each such notice upon receipt of instructions from the relevant Noteholder(s) submitted by or on behalf of such Noteholder(s) in accordance with the procedures of Euroclear and Clearstream, Luxembourg.

For so long as a Registered Note is evidenced by a Global Certificate, the option of the Noteholders provided for in this Condition 6(e) in respect of such Note shall be exercised by the registered holder of the Global Certificate giving notice to the Transfer Agent or the Registrar within the time limits set out in this Condition 6(e) substantially in the form of the redemption notice available from the Transfer Agent or the Registrar and stating the nominal amount of Notes in respect of which the option is exercised. The registered holder of the Global Certificate shall exercise each such notice upon receipt of instructions from the relevant Noteholder(s) submitted by or on behalf of such Noteholder(s) in accordance with the procedures of Euroclear and Clearstream, Luxembourg.

- (f) **Clean-Up Call Option:** If Clean-Up Call is specified in the applicable Final Terms and 75 per cent. or more in nominal amount of the Notes originally issued (which shall for this purpose include any further Notes issued pursuant to Condition 13) have been redeemed or purchased and cancelled, the Issuer may, having given:
- (i) not less than the minimum period nor more than the maximum period of notice as specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption); and
  - (ii) not less than 10 days (or such shorter notice as the Fiscal Agent may accept) before the giving of the notice referred to in (i), notice to the Fiscal Agent,

redeem or, at the Issuer’s option, purchase (or procure the purchase of) on any Interest Payment Date (if the relevant Note is a Floating Rate Note) or at any time (if the relevant Note is not a Floating Rate Note), all but not some only of the Notes then outstanding at the Clean-Up Redemption Amount specified in the applicable Final Terms together with interest accrued (if any) to (but excluding) the date fixed for redemption.

- (g) **Purchases:** The Issuer and its Subsidiaries (as defined in the Agency Agreement) may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Any Notes so purchased may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation. For long as a Bearer Note

is represented by a Global Note, Notes may only be purchased by the Issuer or any of its Subsidiaries if they are purchased together with the right to receive all future payments of interest thereon.

- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate evidencing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

In the case of cancellation of Notes represented by a Global Note, in the case of Bearer Notes, or evidenced by a Global Certificate, in the case of Registered Notes, the nominal amount of the Global Note or Global Certificate, as the case may be, will be reduced accordingly.

- (i) **Late Payment on Zero Coupon Notes:** If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph Condition 6(a), Condition 6(c), Condition 6(d) or Condition 6(e) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:
- (i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
  - (ii) five days after the date on which the full amount of the moneys payable has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders either in accordance with Condition 14 or individually.

## 7 Payments and Talons

(a) **Bearer Notes:**

- (i) Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(g)(v)) or Coupons (in the case of interest, save as specified in Condition 7(g)(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 T2.
- (ii) Payments of principal and interest in respect of Bearer Notes represented by a Global Note shall be paid to or to the order of the holder of the Global Note against presentation and (if no further payment falls to be made on it) surrender of it to or to the order of the Fiscal Agent in respect of the Notes (or to or to the order of such other Paying Agent as shall have been notified to the Noteholders for this purpose) which shall endorse such payment or cause such payment to be endorsed in the appropriate schedule thereto (such endorsement being prima facie evidence that the payment in question has been made) or cause the records of Euroclear and/or Clearstream, Luxembourg to be updated, as appropriate, as the case may be, and such payments so delivered to or to the order of the holder of the Global Note shall be credited to the accounts of each relevant Custodian for onward payment to

the Noteholders in accordance with the customary procedures of Euroclear and/or Clearstream, Luxembourg.

(b) **Registered Notes:**

- (i) Payments of principal in respect of Registered Notes 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 on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency to the holder (or to the first-named of joint holders) of such Note by way of bank deposit at the relevant Bank appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
  - (iii) Notwithstanding the above, all payments in respect of Registered Notes evidenced by a Global Certificate 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 record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a day on which Euroclear and Clearstream, Luxembourg are operating and such payments so delivered shall be made to Euroclear or Clearstream, Luxembourg, as the case may be, or to its order for credit to the accounts of each relevant Custodian for onward payment to the Noteholders in accordance with the customary procedures of Euroclear and/or Clearstream, Luxembourg.
- (c) **No set-off:** Save as otherwise required by applicable law, neither the Issuer nor any Noteholder shall be entitled to exercise any rights of set-off in respect of any Note.
- (d) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes 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 Notes 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.
- (e) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment. No commission or expenses in each case shall be charged to the holder of the Global Note, holder of the Global Certificate, the Noteholders or the Couponholders in respect of such payments.
- (f) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal 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) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where these

Conditions so require and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (d) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14.

(g) **Unmatured Coupons and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired 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 9).
  - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (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 Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note 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.
  - (v) If the due date for redemption of any Note 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 Note representing it or Certificate evidencing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note representing it, or Certificate evidencing it, as the case may be.
- (h) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal 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 9).
- (i) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder or Couponholder 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 Condition 7(i), “**business day**” means a day on which banks and foreign exchange markets are open for business in the relevant place of



presentation (except in the case of Bearer Notes represented by a Global Note), in such jurisdictions as shall be specified as “**Financial Centres**” in the applicable Final Terms 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 (which if the relevant currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively); or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.
- (j) **Discharge:** In relation to Notes represented by a Global Note or evidenced by a Global Certificate, payments made in respect of such Notes by or on behalf of the Issuer to or to the order of the holder of the Global Note or 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, and otherwise in accordance with these Conditions shall to that extent be a good discharge to the Issuer (including in circumstances where the corresponding entries have not yet been made in the records of Euroclear or Clearstream, Luxembourg as the case may be).

In these Conditions “**Custodian**” means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which a Noteholder, directly or indirectly, maintains a securities account in respect of the Notes and includes Euroclear or Clearstream, Luxembourg.

## 8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld, deducted or assessed by the Kingdom of Sweden or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Kingdom of Sweden other than the mere holding of the Note or Coupon; or
- (b) **Declaration of non-residence:** to, or to a third party on behalf of, a Noteholder or Couponholder who would not be liable or subject to withholding or deduction by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate evidencing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer 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, as amended, (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 fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement (any such withholding or deduction, a “**FACTA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FACTA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Prescription

Claims against the Issuer for payment in respect of the Notes 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.

## 10 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, each Noteholder may give written notice to the Fiscal Agent at its specified office that its entire claims arising from the Note is immediately payable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

- (a) **Non-Payment:** default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment in the Specified Currency on the due date of interest or principal in respect of any of the Notes; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
- (c) **Cross-Default:** (i) any other indebtedness for borrowed money of the Issuer or any Principal Subsidiary becomes due and repayable prematurely by reason of an event of default (however described), or (ii) the Issuer or any Principal Subsidiary fails to make any payment in respect of any other indebtedness for borrowed money on the due date for payment as extended by any applicable grace period, or (iii) any security given by the Issuer or any Principal Subsidiary for any other indebtedness for borrowed money becomes enforceable, or (iv) if default is made by the Issuer or any Principal Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any other indebtedness for borrowed money of any other person, provided that no event mentioned in this paragraph (c) shall constitute an Event of Default unless the indebtedness for borrowed money or other relative liability either alone or when aggregated with other indebtedness for borrowed money and/or other liabilities relative to all (if any)

other events which shall have occurred and be at the relevant time outstanding shall amount to at least U.S.\$50,000,000 (or its equivalent in any other currency); or

- (d) **Winding up:** any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Principal Subsidiary save for the purposes of an amalgamation, merger, consolidation, reorganisation, reconstruction or other similar arrangement (i) in the case of a Principal Subsidiary not involving or arising out of the insolvency of such Principal Subsidiary and under which all or substantially all of its assets are transferred to the Issuer or any of its Principal Subsidiaries, or (ii) in the case of a Principal Subsidiary under which all or substantially all of its assets are transferred to a third party or parties (whether associated or not) for consideration received by the Issuer or a Principal Subsidiary on an arm's length basis, or (iii) in the case of a Principal Subsidiary under which all or substantially all of its assets are transferred and the transferee is or immediately upon such transfer becomes a Principal Subsidiary; or
- (e) **Insolvency:** the Issuer or any Principal Subsidiary stops or threatens to stop payment of, or is unable to or admits inability to pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) **Enforcement Proceedings:** (i) proceedings are initiated against the Issuer or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any Principal Subsidiary or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 45 days; or
- (g) **Analogous Events:** the Issuer or any Principal Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

In the case of Notes represented by a Global Note or evidenced by a Global Certificate the relevant notice from a Noteholder shall be delivered to the Fiscal Agent together with evidence by means of a certificate of the relevant Noteholder's Custodian that such Noteholder is at the time of giving the written notice, the holder of a co-ownership interest in the relevant Notes and the extent thereof.

In these Conditions:

“**Auditor**” means the independent auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these presents, such other firm of accountants as may be nominated by the Issuer;

“**Generally Accepted Accounting Principles**” means (a) in relation to the consolidated financial statements of the Issuer and its consolidated Subsidiaries, International Financial Reporting Standards and (b) in relation to the Issuer and any of its Subsidiaries, generally accepted accounting principles, standards and practices in its jurisdiction of incorporation;

**“indebtedness for borrowed money”** means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (a) money borrowed, (b) liabilities under or in respect of any acceptance or acceptance credit or (c) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

**“Principal Subsidiary”** means at any time a Subsidiary of the Issuer:

- (a) whose total net sales, attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose Total Tangible Assets (defined below) consolidated in the case of a Subsidiary which itself has Subsidiaries represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited consolidated financial statements of the Issuer and its consolidated Subsidiaries (determined in accordance with Generally Accepted Accounting Principles) relate, are equal to) not less than 15 per cent. of the consolidated total net sales, attributable to the Issuer and its consolidated Subsidiaries, or, as the case may be, consolidated Total Tangible Assets of the Issuer and its consolidated Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary (or, if such Subsidiary has no such audited financial statements, determined in accordance with Generally Accepted Accounting Principles) and the then latest audited consolidated financial statements of the Issuer and its consolidated Subsidiaries (determined as aforesaid), provided that:
  - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited consolidated financial statements relate, the reference to the then latest audited consolidated financial statements for the purposes of the calculation above shall, until consolidated financial statements for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned financial statements as if such Subsidiary had been shown in such financial statements by reference to its then latest relevant audited financial statements, adjusted as deemed appropriate by the Auditors; and
  - (ii) if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated financial statements are prepared and audited, its consolidated total net sales, attributable to the Issuer and consolidated Total Tangible Assets shall be determined on the basis of pro forma consolidated financial statements of the relevant Subsidiary and its Subsidiaries prepared and audited for this purpose by the Auditors or the auditors for the time being of the relevant Subsidiary; or
- (b) to which is transferred the whole or substantially the whole of the business, undertaking or assets of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this sub-paragraph (b) on the date on which the consolidated financial statements of the Issuer and its consolidated Subsidiaries (determined as aforesaid) for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or before, on or at any time after such date by virtue of the provisions of this sub-paragraph (b).

For the purposes of this definition if there shall at any time not be any relevant audited consolidated financial statements of the Issuer and its consolidated Subsidiaries (determined as aforesaid), references thereto herein shall be deemed to refer to a consolidation by the Auditors of the relevant audited financial statements of the Issuer and its consolidated Subsidiaries (determined as aforesaid).

A report by the Auditors that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

“**Total Tangible Assets**” means the aggregate of the book values of the property, plant and equipment of any company or group of companies as at any time and from time to time valued and disclosed in the most recent audited balance sheet or, as the case may be, audited consolidated balance sheet of such company or group of companies.

## 11 Meeting of Noteholders, Written Resolution and Modifications

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or the Agency Agreement. Such a meeting may be convened by Noteholders holding a co-ownership interest in not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes 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 Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest or Redemption Amount is set out in the applicable Final Terms, 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, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders (including the terms of this proviso) or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing a co-ownership interest in not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that (i) a resolution in writing signed by or on behalf of Noteholders with a co-ownership interest in not less than 75 per cent. of the aggregate nominal amount of Notes outstanding shall for all purposes be as valid (which may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders) or (ii) consents given by way of electronic consent through the Euroclear or Clearstream, Luxembourg as the case may be by or on behalf of Noteholders holding co-ownership interests in not less than 75 per cent. of the aggregate nominal amount of the Notes outstanding, shall, in any such case, be effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

In the case of Notes represented by a Global Note or evidenced by a Global Certificate, if resolutions of the Noteholders shall be made by way of a meeting the convening notice will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Noteholders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Noteholders' registration. The registration must be

received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the relevant Custodian in accordance with Condition 16(c) in text form and by submission of a blocking instruction by the relevant Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

In the case of Notes represented by a Global Note or evidenced by a Global Certificate, if resolutions of the Noteholders shall be made by means of a vote without a meeting the request for voting will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Noteholders together with the request for voting. The exercise of voting rights is subject to the Noteholders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with Condition 16(c) in text form and by submission of a blocking instruction by the relevant Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

The consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to Condition 5(j) to vary the method basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 5(j), where the Issuer has delivered to the Fiscal Agent a certificate pursuant to Condition 5(j)(iii).

For the purposes of voting on behalf of and at the direction of Noteholders, the holder of a Global Note or a Global Certificate, as the case may be, shall (unless the Global Note represents, or a Global Certificate evidences, only one Note) be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each Specified Denomination of the Notes to be so voted.

- (b) **Modification of Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.
- (c) **Substitution:** The Issuer, or any previous substituted company, may at any time, without the consent of the holder, the Noteholders, the Couponholders or any other person, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons, any of any Subsidiary of the Issuer (the "**Substitute**"), provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a substitution agreement (the "**Substitution Agreement**"), to be substantially in the form scheduled to the Agency Agreement as Schedule 9, and may take place only if (i) the Substitute shall, by means of the Substitution Agreement, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon, Talon and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) the obligations of the Substitute under the Substitution Agreement, the Notes, Coupons and Talons shall be unconditionally guaranteed by the Issuer by means of the Substitution Agreement, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Substitution Agreement, the Notes, Coupons and Talons represent valid, legally binding and enforceable obligations of the Substitute,

and in the case of the Substitution Agreement of the Issuer have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) where the Substitute is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the Kingdom of Sweden or any political sub division thereof or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the Substitute in terms corresponding to the provisions of Condition 8 with the substitution for (or, as the case may be, the addition to) the references to the Kingdom of Sweden of references to that other or additional territory in which the Substitute is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 7(b) shall be modified accordingly, (vi) the Issuer shall procure that the Substitute delivers to the Fiscal Agent a certificate signed by two Directors of the Substitute that the Substitute is solvent at the time at which the relevant transaction is proposed to be effected and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Substitution Agreement, and, where the Substitution Agreement contains a guarantee, the events listed in Condition 10 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

## 12 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, 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 Fiscal Agent (in the case of Bearer Notes, 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 Noteholders, 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 Note, Certificate, 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 Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

## 13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

## 14 Notices

14.1 For so long as the aggregate nominal amount of the Notes is represented by a Global Note, in the case of Bearer Notes, or evidenced by a Global Certificate, in the case of Registered Notes, held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by it to Noteholders in substitution

for publication in the manner described in Condition 14.2 below. Any such notice shall be given in English and shall be deemed to have been given on the business day after the date that such notice was given to Euroclear and/or Clearstream, Luxembourg.

14.2 Save in circumstances where Condition 14.1 applies:

14.2.1 notices required to be given to the holders of Registered Notes pursuant to these Conditions shall be given in English and mailed to them at their respective addresses in the Register and deemed to have been given on the second weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

14.2.2 notices required to be given to the holders of Bearer Notes pursuant to these Conditions shall be valid if published in English in the *Financial Times*

If any such publication is not practicable, notice required to be given pursuant to these Conditions shall be validly given if published in English in another leading daily 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 date of the first publication as provided above. So long as the Notes are listed and/or admitted to trading, notices required to be given to the Noteholders pursuant to these Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are listed and/or admitted to trading.

14.3 Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders relating to Bearer Notes in accordance with this Condition.

14.4 For so long as the Notes are represented by a Global Note, in the case of Bearer Notes, or evidenced by a Global Certificate, in the case of Registered Notes, notices to be given by any Holder of the Notes shall be given to the Fiscal Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose. In other circumstances, notices to be given by any Holder of the Notes shall be in writing and given by lodging the same, together with any relevant Note or Notes, with the Fiscal Agent.

## 15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the bankruptcy or liquidation of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.



## 16 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes, 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, Swedish law.
- (b) **Jurisdiction:** The Courts of the Kingdom of Sweden are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Issuer irrevocably submits to the jurisdiction of the courts of the Kingdom of Sweden and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and Couponholders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Enforcement:** Any Noteholder which holds Notes which are represented by a Global Note or evidenced by a Global Certificate may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under or in connection with such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (A) stating the full name and address of the Noteholder, (B) specifying the aggregate nominal amount of Notes credited to such securities account on the date of such statement and (C) confirming that the Custodian has given written notice to Euroclear or Clearstream, Luxembourg as the case may be containing the information pursuant to paragraphs (A) and (B) above, and (ii) a copy of the Global Note or Global Certificate certified as being a true copy by the Fiscal Agent or the common depositary or common safekeeper for the Notes, without the need for production in such proceedings of the actual records or the Global Note or the Global Certificate, as the case may be, representing the Notes.

Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.

## FORM OF FINAL TERMS

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*The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:*

**[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 (the “**EEA**”). 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 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. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes 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 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Final Terms dated [●]****Vattenfall AB (publ)****LEI: 549300T5RZ1HA5HZ3109**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
 under the EUR10,000,000,000 Euro Medium Term Note Programme

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated [date] [and the base prospectus supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the base prospectus supplement(s)] [has][have] been published on the Issuer’s website (<https://group.vattenfall.com>)<sup>1</sup>

*[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 Conditions (the “**Conditions**”) set forth in the Prospectus dated [original date] [and the supplement(s) to it dated [●]] which are incorporated by reference in the Prospectus dated [●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and must be read in conjunction with the Prospectus dated [●] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”), save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement(s) to it dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus [and the supplement(s) dated [●]]. The Base Prospectus [and the base prospectus supplement(s)] [has][have] been published on the Issuer’s website (<https://group.vattenfall.com>)<sup>2</sup>

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.]*

- 1 (i) Series Number: [●]  
 (ii) Tranche Number: [●]

<sup>1</sup> This website is not incorporated by reference and does not form part of this Prospectus.

<sup>2</sup> This website is not incorporated by reference and does not form part of this Prospectus.

(iii) Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below [which is expected to occur on or about [insert date]]]</i> ].
2 Specified Currency or Currencies:	[Sterling/Euro/Swedish Kronor/Norwegian Krone/Danish Krone/Japanese Yen/Australian Dollar/New Zealand Dollar/Polish Złoty/Hong Kong Dollar/[●]]
3 Aggregate Nominal Amount:	[●]
(i) Series:	[●]
[(ii) Tranche:	[●]]
4 Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> ( <i>if applicable</i> )]
5 (i) Specified Denominations:	[●] (or if the Notes are denominated in a currency other than euro, the equivalent amount of such currency).
(ii) Calculation Amount:	[●]
6 (i) Issue Date:	[●]
(ii) Interest Commencement Date	<i>[Specify/Issue Date/Not Applicable]</i>
7 Maturity Date:	<i>[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
8 Interest Basis:	[[●] per cent. Fixed Rate] [[●] month] [EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/AFMA BBSW/WIBOR/HIBOR/SONIA/SOFR/€STR] [+/- [●] per cent. Floating Rate] [Zero Coupon] (See paragraph [13/14/15] below)
9 Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.
10 Change of Interest Basis:	<i>[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 13 and 14 below and identify there/Not Applicable]</i>
11 Put/Call Options:	[Call Option] [Put Option] [(See paragraph 16/17 below)]
12 (i) Status of the Notes:	Senior

- (ii) Date [Board] approval for issuance of [●]  
Notes obtained: *(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 13 Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [●] per cent. per annum payable in arrears on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount(s): [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA / Actual/365 (Fixed) / Actual/365 (Sterling)/Sterling/FRN / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual – ICMA]
- (vi) Determination Dates: [[●] 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)*]/Not Applicable]
- 14 Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (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 Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]  
[Not Applicable]
- (vi) Business Centre(s): [Stockholm/ Oslo/ Copenhagen/ Tokyo/ Sydney/  
Auckland/ Warsaw/ Hong Kong/ London/ New York/[●]]
- (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: [Applicable/Not Applicable]
- (A) Reference Rate: [[●] month [EURIBOR/  
STIBOR/NIBOR/CIBOR/TIBOR/AFMA  
BBSW/WIBOR/HIBOR]]  
[Compounded Daily SONIA]  
[Compounded Daily SOFR]  
[Weighted Average SOFR]  
[Compounded Daily €STR]  
[[●] is provided by [*administrator legal name*].] [As at the date hereof, [*administrator legal name*]  
[appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011 (as amended, the “**BMR**”)]/[As far as the Issuer is aware, as at the date hereof, the [*specify benchmark*] does not fall within the scope of the BMR.]/  
[Not Applicable]
- (B) Term Rate: [Applicable/Not Applicable]
- (a) Specified Time: [[11.00 a.m./[●]] in the Relevant Financial Centre]/[Not Applicable]
- (b) Relevant Financial Centre: [Stockholm/ Oslo/ Copenhagen/ Tokyo/ Sydney/  
Auckland/Warsaw/ Hong Kong/London/New York/Brussels/[●]]/[Not Applicable]
- (C) Overnight Rate: [Applicable/Not Applicable]
- (a) Index Determination: [Applicable/Not Applicable]

- Relevant Number: [[5/[●]] [London Banking Days]/[U.S. Government Securities Business Days]/[Not Applicable]
- (If 'Index Determination' is 'Not Applicable', delete 'Relevant Number' and complete the remaining bullets below)*
- (If 'Index Determination' is 'Applicable', insert number of days (expected to be five or greater) as the Relevant Number, and the remaining bullets below will each be 'Not Applicable')*
- (b) D: [360/365/[●]] / [Not Applicable]
- (c) Observation Method: [Not Applicable][Lag][Observation Shift][Lock Out]
- Lag Period: [5/[●]] [London Banking Days]/[U.S. Government Securities Business Days]/[TARGET Business Days] [[City] Banking Days]/[Not Applicable]]
- Observation Shift Period: [5/[●]] [London Banking Days]/[U.S. Government Securities Business Days]/[TARGET Business Days] [[City] Banking Days]/[Not Applicable]]
- (NB: A minimum of 5 relevant business/banking days should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- (D) Interest Determination Date(s): [●] [TARGET/[●]] Business Days [in [●]] prior to the [●] day in each Interest Accrual Period/each Interest Payment Date]
- (E) Relevant Screen Page: [●]
- (F) Relevant Inter-Bank Market: [●]
- (G) Relevant Screen Page Time: [●] [in [●]/[the Relevant Financial Centre]]
- (x) ISDA Determination: [Applicable/Not Applicable]
- (A) Floating Rate Option: [●]
- (B) Designated Maturity: [●]
- (C) Reset Date: [●]
- (D) ISDA Definitions 2006
- (xi) Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (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] [Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)/Sterling/FRN] [Actual/360] [30/360 / 360/360 / Bond Basis] [30E/360 / Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual – ICMA]
(xvi) Benchmark Discontinuation:	[Applicable/Not Applicable]
- Benchmark Replacement:	[Applicable/Not Applicable][- Condition 5(j)][(i) / (ii)] applies]
15 Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Amortisation Yield:	[●] per cent. per annum
(ii) Day Count Fraction in relation to Early Redemption Amounts:	[Actual/Actual / Actual/Actual – ISDA / Actual/365 (Fixed) / Actual/365 (Sterling)/Sterling/FRN / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual – ICMA]
<b>PROVISIONS RELATING TO REDEMPTION</b>	
16 Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	[●]
(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount/Sterling Make-Whole Redemption Amount/Make-Whole Redemption Amount]
(iii) Sterling Make-Whole Redemption	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(A) Reference Stock:	[Insert applicable Reference Stock]
(B) Determination Time:	[●]
(C) Gross Redemption Yield:	[●]
(D) Margin:	[●] per cent.
(E) Determination Date:	[●]
(iv) Make-Whole Redemption	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>



- (A) Reference Bond: [Insert applicable Reference Bond]
- (B) Quotation Time: [●]
- (C) Margin: [●]
- (D) Determination Date: [●]
- (E) Reference Dealers: [●]
- (v) If redeemable in part:
- (A) Minimum Redemption Amount: [●] per Calculation Amount
- (B) Maximum Redemption Amount: [●] per Calculation Amount
- (vi) (A) Clean-Up Call [Applicable/Not Applicable]
- (B) Clean-Up Redemption Amount: [●] per Calculation Amount
- (vii) Notice period
- (A) minimum period: [●] days (*Specify minimum period which may not be less than five Business Days*)
- (B) maximum period: [●] days
- 17 Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
- (iii) Notice period:
- (A) minimum period: [●] days (*Specify minimum period which may not be less than 15 Business Days*)
- (B) maximum period: [●] days
- 18 Final Redemption Amount of each Note [●][Par] per Calculation Amount
- 19 Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●]/[Par] per Calculation Amount

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 20 Form of Notes: **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

**Registered Notes:**

[Regulation S Global Note (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]]

21 New Global Note/New Safekeeping Structure:

[Yes] [No]

22 Financial Centre(s):

[Not Applicable][Stockholm/ Oslo/ Copenhagen/ Tokyo/ Sydney/ Auckland/ Warsaw/ Hong Kong/ London/ New York/ [●]]. [Note that this paragraph relates to the date of payment, and not interest period end dates, to which sub-paragraph 14(vi) relates]

23 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[No/Yes. As the Notes 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.]

**THIRD PARTY INFORMATION**

[(*Relevant third party information*) has been extracted from (*specify 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 (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Signed on behalf of Vattenfall AB (publ):

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on [Nasdaq Stockholm/specify others]] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 GREEN BONDS

- Green Bonds: [Applicable/Not Applicable]  
*(If applicable, include the below reference)*  
 [The Green Financing Framework dated [date], as available on [website], is applicable to the Notes.]

### 3 RATINGS

- Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The Notes are not expected to be rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:
- [S&P Global Ratings Europe Limited: [●]]  
*[Insert description of rating]*
- [Moody’s Investors Service Ltd: [●]]  
*[Insert description of rating]*
- [Fitch Ratings Ltd.: [●]]  
*[Insert description of rating]*
- [[Other]: [●]]  
*[Insert description of rating]*
- [[S&P Global Ratings Europe Limited]/[Moody’s Investors Service Ltd.]/[Fitch Ratings Ltd.]/[●] is established in the [EEA]/[United Kingdom] and registered under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”), and is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation] / [[●] is not established in either the EEA or the United Kingdom and is not certified under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”); however, the rating is given to the Notes is endorsed by [●], which is established in the [EEA]/[United Kingdom] and registered under the CRA Regulation.]

4 **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 Notes has an interest material to the offer. 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. (*Amend as appropriate if there are other interests*)]

5 **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the Offer: The net proceeds from the sale of the Notes will be used for [general corporate purposes]/[eligible green projects in accordance with the Green Financing Framework (see paragraph 2 titled “Green Bonds” above)]/[give details].

Estimated net proceeds: [●]

6 **[Fixed Rate Notes 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.]

7 **OPERATIONAL INFORMATION**

ISIN: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes 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 common safekeeper] [*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst 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 Notes are capable of meeting them the Notes 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 common safekeeper] [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes 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/ <i>give names</i> ]  |
| (B) Stabilisation Manager(s) (if any):   | [Not Applicable/ <i>give names</i> ]  |
| (iii) If non-syndicated, name of Dealer: | [Not Applicable/ <i>give name</i> ]   |
| (iv) US Selling Restrictions:            | Reg. S Compliance Category [2];<br>[TEFRA C/ TEFRA D/ TEFRA not applicable] |

## USE OF PROCEEDS

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An amount equal to the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or for new or existing eligible green projects (“**Eligible Green Projects**”) in accordance with its Green Financing Framework, as specified in the applicable Final Terms. The Green Financing Framework is available on the following website: [https://group.vattenfall.com/siteassets/corporate/investors/funding\\_ratings/doc/green\\_financing\\_framework\\_220913.pdf](https://group.vattenfall.com/siteassets/corporate/investors/funding_ratings/doc/green_financing_framework_220913.pdf).

CICERO Shades of Green, now a part of S&P Global and a provider of independent reviews of green bonds has evaluated the Issuer’s Green Financing Framework and issued a second party opinion (the “**Second Party Opinion**”) on the Green Financing Framework verifying its credibility and alignment with the International Capital Market Association’s 2021 Green Bond Principles. The Second Party Opinion is available on the following website: [https://group.vattenfall.com/siteassets/corporate/investors/funding\\_ratings/doc/green\\_financing\\_second\\_opinion\\_may\\_2022.pdf](https://group.vattenfall.com/siteassets/corporate/investors/funding_ratings/doc/green_financing_second_opinion_may_2022.pdf).

The Green Financing Framework and the Second Party Opinion and any other documentation relevant to Green Bonds are subject to review and change and may be amended, updated, supplemented, replaced or withdrawn from time to time. Potential investors in Green Bonds should access the latest version of the relevant document on the Issuer’s website. The Green Finance Framework sets out the Issuer’s intention to provide allocation and impact reporting to investors, with any such reports to be made publicly available on the Issuer’s website.

For the avoidance of doubt, neither the Green Financing Framework, the Second Party Opinion nor any investor reports published on the Issuer’s website is, and shall not be deemed to be, incorporated by reference into or otherwise form part of this Prospectus.

## DESCRIPTION OF THE GROUP

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### OVERVIEW

#### General and History

The Group's history dates back to 1909 and the Issuer was incorporated and registered with the Swedish Companies Registration Office on 5 March and 18 June 1937, respectively. With effect from 1 January 1992 the Swedish State Power Board (Statens Vattenfallsverk) was converted from a public utility into a limited liability company, having been established under the name Vattenfall Aktiebolag in November 1990. The national high-voltage grid (together with its international connections), which was part of Statens Vattenfallsverk's operations, was not transferred but was demerged and incorporated into a new public utility, Svenska Kraftnät. With effect from 1 January 1995, the Issuer became a public limited company, regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The legal name of the Issuer (and its commercial name) is Vattenfall AB. The Issuer is registered (*säte*) in Solna, Sweden under registration number 556036-2138. It has its registered office at SE-169 92 Stockholm, Sweden and its head office at Evenemangsgatan 13, SE-169 79 Solna, Sweden. Its telephone number is +46 8 739 50 00 and its LEI code is 549300T5RZ1HA5HZ3109.

The Issuer is the parent company of the Group and is 100 per cent. owned by the Swedish state. The Issuer's activities are conducted on a commercial basis with the Swedish state's involvement limited to the role of a shareholder.

#### Group Vision and Operations

The Issuer's assignment, from its owner the Swedish state, is to generate a market rate of return by operating an energy business that enables the Issuer to be among the leaders in developing environmentally sustainable energy production. The Group's vision is to be a dedicated partner to its customers and society at large, providing convenient and innovative energy solutions, while being a leader in sustainable production and ensuring a reliable and cost-efficient energy supply. The Group's goal is to enable fossil-free living within one generation. The Group's main markets are Sweden, Germany, the Netherlands, Denmark, and the United Kingdom and its main products are electricity, heat and gas. In electricity and heat, the Group is active in all parts of the value chain: generation, distribution and sales. In gas, the Group is active in sales and storage. The Group is also engaged in energy trading. As at 31 March 2023, the Group had approximately 20,000 full time equivalent employees.

The Group's operations consist largely of production of electricity and heat; distribution of electricity and heat; and sales of electricity, gas and heat, each of which involves slightly varying business models.

Production of electricity and heat is conducted with various types of energy sources as input. Electricity and heat production are competitive businesses and the marginal cost per produced unit is the most important competitive factor.

Distribution of electricity is a regulated and legally unbundled business where revenue frameworks are set by the regulators, which are intended to cover investment costs and allow a reasonable return on invested capital. Distribution of heat (district heating) is not a regulated business but has characteristics similar to electricity distribution.

Sales of electricity, gas and heat are competitive businesses, where price and product are the key competitive factors. Add-on services, such as energy efficiency solutions and other advice on sustainable energy, are becoming an increasingly important competitive factor. The new energy landscape is opening a new market for customer-centric services as many customers are seeking to become more active as consumers and increasingly also want to become electricity producers themselves.

The figures presented for the sections titled “Electricity generation”, “Sales of electricity, heat and gas” and “Price hedging” below are based on the performance of the Group and the figures have been reported in the 2022 annual and sustainability report or in the year-end report 2022.

### ***Electricity generation***

Electricity generation decreased by 2 per cent. to 108.9 TWh in 2022 (111.4 TWh in 2021). Hydro power generation decreased by 1 per cent. and nuclear power generation decreased by 2 per cent. during 2022. Fossil-based power generation (coal and gas) decreased by 11 per cent. in 2022 as a result of lower clean spark spreads. The Group’s electricity generation from wind power increased by 9 per cent. in 2022, mainly due to new commissioned capacity and higher wind speeds.

### ***Sales of electricity, heat and gas***

Total sales of electricity, including sales to Nord Pool Spot and deliveries to minority shareholders, decreased by 2 per cent. from 168.9 TWh in 2021 to 165.3 TWh in 2022. Sales of gas decreased by 17 per cent., from 57.1 TWh in 2021 to 47.3 TWh in 2022 as a result of warmer weather and lower demand in Germany and the Netherlands. Sales of heat decreased by 10 per cent., from 15.6 TWh in 2021 to 14.1 TWh in 2022 as a result of warmer weather.

### ***Price hedging***

The Group continuously hedges its future electricity generation through sales in the forward and future markets, thus reducing the impact of spot prices on the Group’s earning in the short-term. The Group’s price hedging strategy is primarily focused on the Nordic generation assets but the Group also conduct hedging of continental thermal assets. As of 31 March 2023, the estimated Nordic<sup>3</sup> hedge ratio for 2023, 2024 and 2025 was 56 per cent, 42 per cent. and 24 per cent, respectively, and the average indicative Nordic hedge prices for 2023, 2024, and 2025 were 30 EUR/MWh, 45 EUR/MWh and 50 EUR/MWh, respectively. The achieved prices from the spot markets and hedges in 2022 (including Nordic hydro, nuclear and wind power generation) amounted to 27 EUR/MWh, compared to 31 EUR/MWh in 2021.

### **Strategy**

*The Group exists to help all of its customers power their lives in ever climate smarter ways and live free from fossil fuels within one generation.*

The Group wants to be a leader in the energy transition and support decarbonisation of society and is committed to reducing its emissions intensity by 77 per cent. from 2017 to 2030 and reach net zero in its full value chain by 2040.

The Group engages with customers, business leaders, governments and non-governmental organisations to define and visualise the road ahead – through research and development partnerships, policy discussions and innovative business endeavours. This brings a holistic understanding of customer needs, energy markets, the value chain and the Group’s social impact. Together with its partners, the Group is taking responsibility for finding new, sustainable and innovative ways to power the lives of its customers and electrify the transportation sector, heating and cooling, core industrial manufacturing processes and other areas beyond its industry, to ultimately reduce or eliminate the use of fossil fuels in society.

The Group believes that electrification is a key enabler for reducing CO<sub>2</sub> emissions from heating, cooling, transportation and industry, in turn leading to increased electricity demand. In combination with the phase-out of fossil-based electricity generation in the Group’s markets, this points to a strong, long-term market for fossil-free electricity generation. Therefore, a growing, sustainable and cost-effective generation portfolio is strategically

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<sup>3</sup>

Comprising Sweden, Denmark and Finland.



attractive. The build-out of the Group's renewables portfolio and the CO<sub>2</sub> roadmap for phasing out coal in the Group's heat operations are key components of the strategy. In addition, hydro and nuclear power generation play a key role in supporting the energy transition, stabilising the grid and supplying electricity based on fossil-free power generation. Electricity grids support the electrification of new sectors, whilst ensuring reliable supply to the Group's customers.

The Group also sees significant new business opportunities in decentralised, integrated and customised energy and network solutions. This is the Group's response to customers wanting sustainable, affordable and convenient energy solutions, combined with significantly lower costs for solar panels and batteries and a growing need for reliable power.

New businesses mean new ways of interacting with customers, technology and society. Additional skills and competences are therefore required. In a highly dynamic environment, the Group fosters an inclusive company culture that encourages individual and organisational learning, and that is open to diverse viewpoints and promotes active collaboration. The Group is also focusing on recruiting and retaining critical talent in a number of areas.

Cost and capital efficiency are prerequisites for success in an increasingly competitive environment. The Group's existing businesses serve as its financial anchor for the period ahead, while the Group invests in new opportunities.

The strategic focus areas of the Group are to drive decarbonisation with its customers and partners, connect and optimise the energy system, secure a fossil-free energy supply, deliver high-performing operations and empower its people.

### ***Investment plan for 2023-2024***

The Group annually revises and updates its investment plan. The latest investment plan was published in the 2022 annual and sustainability report and is described below. The Group plans to invest a total of SEK 77 billion during 2023 and 2024, of which SEK 16 billion and SEK 11 billion pertains to maintenance and replacement investments, respectively. Growth investments amount to SEK 50 billion<sup>4</sup> and the biggest individual share, SEK 38 billion, is planned for investments in wind power. Additional growth investments include electricity grids (SEK 3 billion) and the expansion of district heating operations (SEK 6 billion). Other growth investments (SEK 4 billion) include charging solutions, solar and battery projects as well as heat and energy solutions.

## **Sustainability**

Sustainability considerations are fully integrated in the Group's strategy and operations. The Group's strategy reflects the UN's Global Sustainable Development goals and six of these goals have been identified as most relevant to the Group and to which the Group can provide the most meaningful global contribution:

- Affordable and clean energy
- Industry, innovation and infrastructure
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Partnership for the goals

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<sup>4</sup>The growth investments are mainly intended to be allocated to projects in the Netherlands (SEK 18 billion), the United Kingdom (SEK 12 billion), Sweden (SEK 9 billion), Denmark (SEK 7 billion) and Germany (SEK 5 billion).

The Group also contributes to several other goals locally (for example 5 Gender equality, 8 Decent working conditions and economic growth, 15 Life on land) or via suppliers and partners (for example 1 No poverty and 4 Quality education).

Good environmental performance is fundamental for the success of the Group's business and environmental aspects are managed as an integrated part of the business. The Group's environmental policy includes commitments to become climate neutral, protect nature and biodiversity and work towards a sustainable resource use. The foundation is a strong and responsible environmental culture, with high emphasis on environmental management on all levels of the company and certified management systems, which is in place for almost 100 per cent. of the energy production and energy management sites.

Social commitments also follow other relevant frameworks. The Group base its work on the UN Global Compact, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD's guidelines for Multinational Enterprises, and the UN's Guiding Principles for Business and Human Rights.

The Group is assessed by several sustainability rating providers on the Group's environmental, social and governance ("ESG") performance. The ESG classifications and ratings of the Group, from time to time, are available on the following website: <https://group.vattenfall.com/investors/funding-and-ratings/esg>. For the avoidance of doubt, such website is not, and shall not be deemed to be, incorporated by reference into or otherwise form part of this Prospectus.

## GROUP GOVERNANCE, ORGANISATION AND BUSINESS STRUCTURE

### Corporate Governance

Corporate governance in the Group is based on numerous external and internal rules and regulations, the most important of which are set out below.

#### *External rules and regulations*

- Swedish and foreign legal rules, particularly the Swedish Companies Act and the Swedish Annual Accounts Act.
- The Swedish state's ownership policy and principles for state-owned enterprises 2020.
- The Swedish Corporate Governance Code (the "**Corporate Governance Code**"). Any deviations that the Issuer makes from the Corporate Governance Code are mainly due to the fact that the Issuer is 100 per cent. owned by the Swedish state, while the Corporate Governance Code is written primarily for listed companies with broad ownership.
- Stock exchange rules. The Issuer adheres to the stock exchange rules that apply for companies that have fixed-income securities registered on Nasdaq Stockholm.
- International Financial Reporting Standards (IFRS) and other accounting rules.
- Global Reporting Initiative (GRI) Standards and the UN Global Compact, as well as reporting according to Green Bonds Impact Reporting, Science Based Targets and the Task Force on Climate-related Financial Disclosures (TCFD).

#### *Internal rules and regulations*

- The Articles of Association.

- The rules of procedure of the board of directors and its committees (“**Rules of Procedure**”), including the Chief Executive Officer’s (“**CEO**”) instruction and the instruction for reporting to the board of directors.
- Internal documents, particularly those documenting the Vattenfall Management System (“**VMS**”), which include the Group’s code of conduct and integrity (the “**Code of Conduct**”) and instructions on roles and responsibilities, and on the delegation of duties.

### ***Corporate governance; the AGM***

As a Swedish public limited liability company, the Swedish Companies Act applies to the Issuer and requires that the Issuer must have a board of directors (“**Board**”) that is elected by the owner at the Annual General Meeting (“**AGM**”). The AGM decides the content of the Issuer’s Articles of Association, elects auditors (based on the proposal of the Board), adopts the income statement and balance sheet, grants discharge from liability and deals with other matters of business that are incumbent upon the AGM, pursuant to the Swedish Companies Act and the Issuer’s Articles of Association. Under Swedish law, the AGM will be held within six months of the end of each financial year and not later than 30 April, in accordance with the Swedish state’s ownership policy. The Board, in turn, appoints the President and CEO, who is responsible for the day-to-day administration of the Issuer in accordance with the Board’s guidelines and instructions.

### ***The board of directors***

For enterprises that are wholly owned by the Swedish state and that are not listed on a stock market, uniform and joint principles for a structured nomination of board members are applied. These principles take the place of the Corporate Governance Code’s rules on proposal decisions for the nomination of board members and auditors. The principles state that the process for nominating directors is co-ordinated by the Ministry of Finance (but prior to 1 January 2023, the Ministry of Enterprise and Innovation).

The Issuer’s Articles of Association stipulate that the Board shall have a minimum of five and a maximum of ten AGM-elected directors without deputies. The Chairman of the Board shall be elected by the AGM. In accordance with the Swedish state’s ownership policy, the Group’s CEO is not a director on the Board. The matters reserved for the Board are prescribed primarily by the Swedish Companies Act and the Rules of Procedure. Each year the Board adopts its Rules of Procedure and a number of central policies and instructions binding on the Issuer and other companies within the Group. The Rules of Procedure and instructions regulate matters such as reporting to the Board, the allocation of duties between the Board, the CEO and the Board’s committees, the Chairman’s duties, the form of board meetings, and evaluation of the work of the Board and the CEO. The Rules of Procedure stipulate, among other things, that the Board shall approve major investments, acquisitions and divestments, and adopt central policies and instructions. The Board shall also approve certain important contracts, including contracts between the Group and the CEO, and between the Group and such other persons in the Group who are defined as senior executives by the AGM. The Board’s duties pertain to the Issuer as well as the Group. The Chairman leads the work of the Board in accordance with the Swedish Companies Act and the Corporate Governance Code, and is responsible for, among other things, ensuring that the board members receive relevant information, discussing ownership matters with the owner, and conveying views from the owner to the Board.

Directors’ compensation and fees for committee work are set by the owner at the AGM, in accordance with the Swedish state’s ownership policy.

The Rules of Procedure stipulate that eight to twelve regular meetings are to be held each year. In addition to the regular meetings, the Board is summoned to further meetings if necessary. The Rules of Procedure stipulate, among other things, that the following items are to be included on the agenda once a year:

- strategic plan, business plan and investment plan;

- risk mandate and risk policy;
- report on security and resilience;
- strategic personnel issues; and
- annual and sustainability report and quarterly reports.

In addition, a report is presented at every regular meeting on important business events since the previous meeting, the financing situation, reports from board committees and matters that are not handled by the CEO in the day-to-day administration. The Board evaluates its own work and that of the CEO work once a year with the aim of improving the Board's processes and effectiveness. The Board sets the overall risk mandates for the Group in the areas of energy and commodity trading, as well as for financial, insurance and credit risks.

### ***Board committees***

The Board has established an audit committee (the “**Audit Committee**”) and a remuneration committee, and has drawn up rules of procedure for each of them. At the statutory board meeting, the Board appoints a number of directors elected at a general meeting for each committee, one of whom serves as committee chair. In addition, the Board can, where necessary, establish other board committees or temporary work groups to address matters in more defined areas.

The committees report on their work to the Board at the next regular board meeting, where the committee chair presents the report accompanied by minutes of the committee meeting. Except for minor issues considered by the Audit Committee, the committees are only drafting bodies. The Board's legal responsibility under company law for the Issuer's organisation and administration of the Issuer's affairs is not constrained by the committees' work.

The Audit Committee is, amongst other things, responsible for overseeing the Group's financial reporting, including sustainability reporting, and for meeting with the Group's external and internal auditors on a regular basis in order to stay informed about the planning, focus and scope of the Issuer's audit. The Audit Committee is also responsible for discussing coordination of the external and internal audit work and views of the Issuer's financial risks.

The Audit Committee has the right, on behalf of the Board, to decide on services other than auditing that the Group may procure from the Group's auditors. The internal audit's budget, the Internal Audit Charter and the internal audit plan are decided on by the Board.

The Chief Financial Officer (“**CFO**”) and the Head of Internal Audit serve in a reporting role on the Audit Committee.

### ***CEO and Executive Group Management, auditor, internal governance***

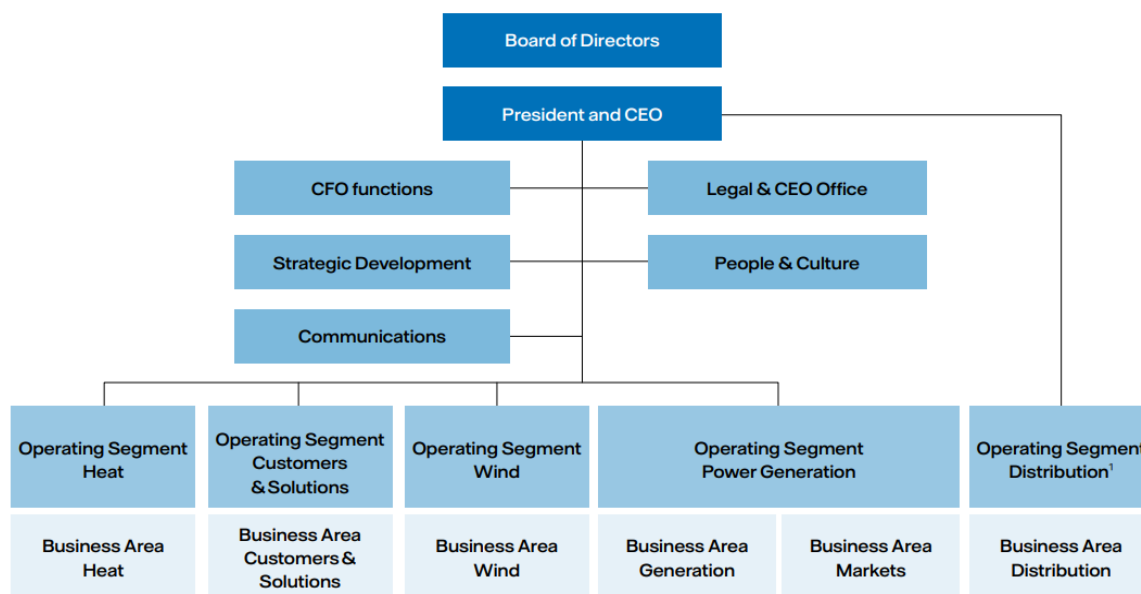
The President of the Issuer, who is also CEO of the Group, is responsible for the day-to-day administration of the Issuer in accordance with the Swedish Companies Act. The CEO has set up internal bodies for governance of the Group and makes decisions independently or with the support of these bodies. The most important of these bodies are the Executive Group Management (“**EGM**”) and the Vattenfall Group Risk Committee (“**VRC**”). The EGM focuses on the Group's overall direction and decides – within the framework of the CEO's mandate from the Board of Directors – on matters of importance for the Group, such as certain investments. The VRC makes decisions pertaining to, among other things, the risk mandate and credit limits, and exercises oversight of the risk management framework. Both the EGM and the VRC conduct preparatory drafting work on matters that are to be decided by the Board of Directors. No member of the EGM is also a director of the Board and this is in line with the Swedish state's ownership policy. Similarly, none of the Board members elected by the AGM were employed within the company.

The Swedish state’s ownership policy stipulates that the owner is responsible for the election of auditors and that the auditors are to be appointed by the Annual General Meeting. The Issuer’s Articles of Association stipulate that the Issuer shall have one or two auditors with or without one or two deputy auditors, or a chartered auditing firm as auditor. In accordance with the Act on Auditing of State Activities, the Swedish National Audit Office may appoint one or more auditors to participate in the annual audit but no such auditor is currently appointed.

The Issuer’s Code of Conduct is adopted by the Board and builds upon the four Vattenfall principles – open, active, positive and safety. Information about the Code of Conduct is provided on the Issuer’s intranet and in connection with new hiring and training. These measures have helped make employees more familiar with the Code of Conduct. The Issuer’s Code of Conduct also includes clear references to the VMS, which more clearly elaborates on the four principles. The VMS is the group system to develop, align and implement the rules and requirements decided by the Board, the President and the Group Staff Functions, and consists of binding policies and instructions. The VMS covers group level steering, while local management systems cover specific business and functional steering. It is an integrated management system that applies to the entire Group, along with the limitations that may arise from legal requirements, such as regarding the unbundling of the electricity distribution business.

### Organisation and Business Structure

The Group’s organisational structure, as depicted by the structure chart below, comprises of six business areas being Heat, Wind, Customers & Solutions, Generation, Markets and Distribution. The Group’s business areas are organised in five operating segments, where Generation and Markets make up a single operating segment.



<sup>1</sup> Vattenfall's electricity distribution operations are unbundled from other operations, in accordance with Swedish and UK legislation.

### Staff Functions and Shared Service Centres

A number of Group-wide staff functions (“**Staff Functions**”) support the Group’s business, as well as the decision-making process of the EGM and CEO. The Staff Functions also govern relevant business processes in the Group as a whole. The central Staff Functions are organised in a “Corporate Centre”, which supports and directs the business activities and which is managed and co-ordinated centrally, with employees located at both the management level and closer to the business.

## Business Operations

Operations are partly conducted through the Subsidiaries of the Issuer and the Issuer is thus dependent on its Subsidiaries to generate revenue and profit in order to be able to fulfil its payment obligations under the Notes.

The Issuer has approximately 300 subsidiaries. The direct and indirect main subsidiaries of the Issuer as at the date of this Prospectus are illustrated by the tables below.

## Shares and participations owned by the Issuer

	Corporate Identity Number	Registered office	Number of shares	Participation in %
<b>Sweden</b>				
Borås Elhandel AB.....	556613-7765	Borås	1,000	100
Chlorout AB.....	558640-9253	Stockholm	500	100
Enwell Holding AB.....	556813-3846	Stockholm	1,230,000	100
Forsmarks Kraftgrupp AB.....	556174-8525	Östhammar	198,000	66
Försäkrings AB Vattenfall Insurance ...	516401-8391	Solna	200,000	100
Gotlands Energi AB.....	556008-2157	Gotland	112,500	75
InCharge AB.....	559178-6081	Stockholm	50,000	100
Klimatum AB.....	559030-1148	Stockholm	100	100
Produktionsbalans PBA AB.....	556425-8134	Stockholm	4,800	100
Ringhals AB.....	556558-7036	Varberg	248,572	70
Svensk Kärnbränslehantering AB.....	556175-2014	Solna	360	36 <sup>1</sup>
Vattenfall Business Services Nordic AB.....	556439-0614	Stockholm	100	100
Vattenfall Computing Services AB.....	559217-9229	Stockholm	50,000	100
Vattenfall Elanläggningar AB.....	556257-5561	Solna	1,000	100
Vattenfall Eldistribution AB.....	556417-0800	Solna	8,000	100
Vattenfall Kundservice AB.....	556529-7065	Umeå	100,000	100
Vattenfall Nuclear Fuel AB.....	556440-2609	Solna	100	100
Vattenfall Power Management AB.....	556573-5940	Stockholm	6,570	100
Vattenfall Services Nordic AB.....	556417-0859	Stockholm	16,000	100
Vattenfall Vattenkraft AB.....	556810-1520	Stockholm	1,000	100
Vattenfall Vindkraft AB.....	556731-0866	Stockholm	1,000	100
Västerbergslagens Energi AB.....	556565-6856	Ludvika	14,674	51
<b>Denmark</b>				
Vattenfall A/S.....	213 11 332	Copenhagen	10,040,000	100
Vattenfall Network Solutions A/S	318 945 22	Copenhagen	5,000	100
Vattenfall Vindkraft A/S	315 975 44	Kolding	150,000	100
Vindstød A/S.....	340 451 43	Århus	1,333,333	90 <sup>2</sup>
<b>Finland</b>				
Vattenfall Oy.....	1842073-2	Helsinki	85	100
<b>Germany</b>				

<b>Corporate</b>			
<b>Identity Number</b>	<b>Registered office</b>	<b>Number of shares</b>	<b>Participation in %</b>
Vattenfall GmbH.....	(HRB) 124048Berlin	500,000,000	100
<b>Poland</b>			
Vattenfall IT Services Poland Sp.z.o.o.	0000402391Gliwice	58,000	100
<b>Netherlands</b>			
Vattenfall N.V.....	33292246Amsterdam	136,794,964	100
<b>Other countries</b>			
	Boulogne		
Vattenfall Eolien SAS.....	832352538Billancourt	1,000	100
Vattenfall HEAT UK Limited.....	2951085London	17,000,002	100
Vattenfall Network Ltd.....	2731769London	15,000,002	100
Vattenfall Network Solutions Ltd.....	2692708London	2,000	100
Vattenfall Wind Power Ltd.....	6205750London	646,000,001	100
Vattenfall UK Sales Limited.....	05461926London	104,000,400	100

## Notes:

- (1) The Group owns a further 30 per cent. via Forsmarks Kraftgrupp AB
- (2) The remaining 10 per cent. of the shares will be paid in 2023.

**Larger shareholdings owned by Group companies other than the Issuer**

Larger shareholdings owned by other Group companies than the parent company Vattenfall AB

When calculating the participation percentages, consideration is taken for the non-controlling interests in the respective companies.

	<b>Registered office</b>	<b>Participation in % 2022</b>	<b>Registered office</b>	<b>Participation in % 2022</b>	
<b>Sweden</b>			<b>Netherlands</b>		
Vattenfall Kraftgården AB.....	Ragunda	74	DELTA Energie B.V. ....	Middelburg	100
			Feenstra NV.....	Amsterdam	100
<b>Denmark</b>			Feenstra Verwarming B.V. ....	Lelystad	100
Vattenfall Vindkraft Nørrekaer Enge A/S.....	Esbjerg	100	Nuon Epe Gas Service BV.....	Amsterdam	100
			Vattenfall Storage BV.....	Amsterdam	100
			Vattenfall Customers & Solutions		
<b>Germany</b>			Netherlands NV.....	Amsterdam	100
DanTysk Sandbank Offshore Wind GmbH & Co KG.....	Hamburg	51	Vattenfall Duurzame Energie NV....	Amsterdam	100
			Vattenfall Energy Sourcing		
Fernheizwerk Neukölln AG.....	Berlin	81	Netherlands NV.....	Amsterdam	100
Kernkraftwerk Brunsbüttel GmbH & Co oHG.....	Hamburg	67	Netherlands NV.....	Amsterdam	100
			Vattenfall Energy Trading		
Kernkraftwerk Krümmel GmbH & Co oHG..	Hamburg	50	Vattenfall Klantenservice NV.....	Amsterdam	100

	Registered office	Participation in % 2022	Registered office	Participation in % 2022	
Nuon Epe Gasspeicher GmbH .....	Gronau	100	Vattenfall Eemshaven BV .....	Amsterdam	100
Vattenfall Energy Trading GmbH .....	Hamburg	100	Vattenfall Renewables NSW I BV ...	Amsterdam	100
Vattenfall Energy Solutions GmbH	Hamburg	100	Vattenfall Sales Nederland NV .....	Amsterdam	100
Vattenfall Europe Information Services GmbH .....	Hamburg	100	Vattenfall Warmte NV .....	Amsterdam	100
Vattenfall Europe New Energy GmbH .....	Hamburg	100	Zuidlob Wind BV .....	Amsterdam	100
Vattenfall Europe New Energy Ecopower GmbH .....	Rostock	100	UK		
			Aberdeen Offshore Wind		
Vattenfall Europe Sales GmbH .....	Hamburg	100	Farm Ltd .....	Aberdeen	100
Vattenfall Europe Windkraft GmbH .....	Hamburg	100	Kentish Flats Ltd .....	London	100
Vattenfall Next Energy GmbH	Berlin	100	Nuon UK Ltd .....	Cornwall	100
Vattenfall Real Estate Energy Sales GmbH	Berlin	100	Ormonde Energy Ltd .....	London	51
Vattenfall Smarter Living GmbH	Berlin	100	Pen Y Cymoedd Wind Farm Ltd .....	Cornwall	100
Vattenfall Wärme Berlin AG .....	Berlin	100	Thanet Offshore Wind Ltd .....	London	100
Vattenfall Wasserkraft GmbH .....	Berlin	100			

## INSURANCE COVER

The Group protects itself against economic loss through insurance. The Group has a Group-owned (captive) insurance company that insures the Group's own risks exclusively – Försäkringsaktiebolaget Vattenfall Insurance (“**Vattenfall Insurance**”). Vattenfall Insurance seeks to optimise the risk financing of insurable risks within the Group. Reinsurance is procured in the international reinsurance market. Vattenfall Insurance underwrites insurance for most of the Group's property and business interruption exposure, as well as for construction risks. In addition, Vattenfall Insurance provides Group-wide, general liability insurance, including consultant and product liability. Most of the power lines in the distribution networks are uninsured. This is due to the difficulty of finding cost-effective insurance solutions.

With respect to dam liability, Swedish dam owners have strict and unlimited liability for damage to third parties caused by dam accidents. In co-operation with other Nordic dam owners, the Group procures dam liability insurance with an insured amount of SEK 10.0 billion. Property insurance for the Group's operational nuclear power plants is issued by the European Mutual Association for Nuclear Insurance and by Nordic Nuclear Insurers. Nuclear liability in Sweden is strict and unlimited. Pursuant to the Swedish Act on Liability and Compensation for Radiological Accidents (LRO) (*lag om ansvar och ersättning vid radiologiska olyckor (2010:950)*) the owner of a nuclear power reactor shall have insurance that covers EUR 1.2 billion. Statutory nuclear liability insurance is issued by Nordic Nuclear Insurers and by the mutual insurance company, European Liability Insurance for the Nuclear Industry. In Germany, nuclear liability is strict and unlimited. By law, nuclear power plants are required to have insurance or other financial guarantees for up to EUR 2.5 billion. The German Atomic Insurance Pool issues insurance for up to EUR 256 million, which is complemented by up to EUR 2.5 billion through a solidarity agreement (*Solidarvereinbarung*) between the parent companies of the German nuclear operators (Vattenfall GmbH, E.ON, RWE and EnBW). Each party accepts liability vis-à-vis the other parties in proportion to the respective ownership interests the parent companies have in the nuclear power plant. Since the liability is unlimited, the nuclear power plants and their German parent companies are ultimately liable also for amounts in excess of this level.



## PENSIONS

The Group's pension obligations in its Swedish and German companies are predominantly defined benefit pension obligations. The pension plans in question are primarily retirement pensions, disability pensions and family pensions. The assets in these funds (the "**Plan Assets**") are reported at fair value. There are also pension plans in Sweden, Germany and other countries, including The Netherlands, which are defined contribution plans. The Group's net pension provision was SEK 27.8 billion at year-end 2022 (compared to SEK 40.3 billion in 2021). The decrease in pension provisions is mainly due to an increase in the discount rate. The total pension costs in 2022 were SEK 2.0 billion (compared to SEK 2.1 billion in 2021).

### *Swedish pension plans*

The Swedish pension plans supplement the Swedish social insurance system and are the result of agreements between employer and employee organisations. Almost all of the Group's employees in Sweden are covered by a pension plan that is known as ITP-Vattenfall. For employees born in 1978 and earlier, the plan is mostly a defined benefit plan, while for employees born in 1979 and later, the plan is entirely a defined contribution plan.

Certain of the Group's obligations in ITP-Vattenfall (such as spousal benefits and disability pensions) are secured through an insurance policy from Alecta (a Swedish mutual insurance company). According to a statement (UFR 10) issued by the Swedish Financial Reporting Board, this plan is a multi-employer defined benefit plan. As in previous years, the Group has not had access to such information as to make it possible to report this plan as a defined benefit plan.

### *German pension plans*

The pension plans in Germany are based on collective agreements in line with market terms and conditions. Substantial defined benefit plans exist in Germany for employees in Berlin and Hamburg.

#### *Berlin*

Two pension plans exist, both secured through Pensionskasse der Bewag, a mutual insurance company. Obligations are secured through funds paid in by the Group and its employees. Both plans are treated as a defined benefit plans, which are partly funded. The Plan Assets are reported as Plan Assets at fair value.

#### *Hamburg*

The Group has pension obligations for employees in Hamburg that mainly comprise the Group's obligations to personnel employed before 1 April 1991 and who have been employed for at least 10 years. The plan is an unfunded defined benefit plan.

### *Dutch pension plans*

In the Netherlands, the Group has the majority of its pension obligations secured through the ABP pension fund and the "Metaal en Techniek" pension fund. The ABP and "Metaal en Techniek" plans are classified and reported as defined contribution plans.

## RECENT ACTIVITIES

In February 2022, planning consent was granted for the offshore wind farm Norfolk Vanguard in the UK. Consent had previously been awarded for the sister project Norfolk Boreas. The two projects have a total capacity of 3.6 GW and will annually generate electricity for the equivalent of 3.9 million British households.

In March 2022, the biofuel-fired heat plant, Carpe Futurum, in Uppsala, Sweden, was inaugurated. It will lower CO<sub>2</sub> emissions by approximately 200,000 tonnes annually compared to the use of peat and other fossil fuels.

On 1 April 2022, it was announced that HYBRIT, the Group's partnership for fossil-free steel together with LKAB and SSAB, had been awarded EUR 143 million in support from the EU Innovation Fund. As part of the HYBRIT project, a hydrogen storage facility was inaugurated in June 2022.

In May 2022, the Group inaugurated its largest onshore wind farm Blakliden Fäbodberget. The wind farm is a collaboration with Vestas and AIP Management. The Group's ownership is 30 per cent.

In May 2022, the Group initiated a strategic review regarding the continued ownership of its heat business in Berlin. A decision is expected in 2023.

In June 2022, the Group initiated a pilot study together with Preem on the possibilities of developing a value chain in which offshore wind power and hydrogen are connected to the refinery industry on the west coast of Sweden to enable a rapid transition to fossil-free fuels, starting by 2030 at the latest

In June 2022, the Group entered into a partnership with St1 to jointly develop a fossil-free value chain using hydrogen to produce electrofuel for the aviation industry on a large scale.

In June 2022, the Group began a feasibility study to investigate construction of small modular reactors near Ringhals in Sweden. A potential first reactor could be in operation by the beginning of the 2030's given the right conditions.

In June 2022, the Group sold the Magnum gas-fired power plant in the Netherlands to RWE. The plant was handed over to RWE in January 2023.

In August 2022, the first electricity was delivered from the Group's offshore wind farm Hollandse Kust Zuid in the Netherlands and in September 2022, the foundation installation was completed. The wind farm is expected to be fully operational in 2023 and have a total installed capacity of 1,520 MW, equivalent to the annual electricity consumption of 1.5 million Dutch households.

In September 2022, the Group exercised its option to continue to develop the offshore wind power project Nordlicht I in Germany which is expected to have a capacity of 980 MW, corresponding to the annual electricity consumption of over one million German households.

In September 2022, the Group formed a joint venture with Midlothian Council to invest in low carbon energy solutions in Scotland. This project is expected to supply more than 3,000 homes, schools, and shops with low-carbon heat.

In October 2022, the Energy Markets Inspectorate approved the concession application for two 130 kV overhead power lines from Hedelunda to Oxelösund. The lines will enable the connection of SSAB's electric arc furnace, which will result in a substantial reduction in CO<sub>2</sub> emissions.

In December 2022, the Group entered a joint venture with the state owned enterprise Metsähallitus to build and operate Finland's first major offshore wind farm. The wind farm is expected to have a capacity of 1.3 GW, which corresponds to the annual electricity consumption for over 600,000 Finnish households. The wind farm is planned to be operational in the early 2030s.

In December 2022, the Group decided to invest in a Power-to-Heat boiler with a capacity of 150 MW at the heating plant in Diemen, Amsterdam.

In December 2022, the Group acquired an early-stage pumped storage hydro power project in Germany with the purpose of investigating the possibility of building a new 400 MW power plant. The decision whether or not to build a plant will not be made before the end of the decade.

During the first quarter of 2023, the repair of Ringhals 4 was completed. Also, important steps in the feasibility study of building small modular reactors at Ringhals were taken.

During the first quarter of 2023, the Group made a final investment decision for the Bruzaholm onshore wind farm in Eksjö, Sweden. The wind farm is planned to be operational in 2025 and is expected to have a capacity corresponding to the annual electricity consumption of approximately 91,500 Swedish households.

During the first quarter of 2023, the Group entered into a partnership with Stromma Group to electrify Stromma Group's boat fleet. The boat fleet in Amsterdam is planned to be fully electrified in 2025.

In June 2023, the South Kyle Onshore Wind Farm in south-west Scotland was inaugurated. Once fully commissioned, the wind farm will have an installed capacity of 240MW, corresponding to the annual electricity consumption of approximately 187,000 households. The wind farm was developed and constructed by the Group and will be owned by Greencoat UK Wind PLC. The Group will provide a route-to-market power purchase agreement to the wind farm and manage the asset on behalf of the owner.

In June 2023, the Science Based Targets initiative (“SBTi”) verified Vattenfall's target of net zero emissions in 2040. SBTi is a global body defining and promoting best practice in science-based target setting, offering resources and guidance to reduce barriers to adoption, and independently assessing and approving companies' targets.

### **Financial overview and analysis for the Group**

The Group's earnings reporting is broken down into the following operating segments: Customers & Solutions, Power Generation, Wind, Heat, and Distribution. In addition, the Staff Functions including treasury activities, and Shared Service Centres are reported under the heading “Other”. All operating segments are followed up according to underlying operating profit (i.e. operating profit (“EBIT”) excluding items affecting comparability). All segments apply International Financial Reporting Standards (“IFRS”). For services between segments, cost price generally applies, although in certain cases market prices are applied.

The information presented in this section “*Financial overview and analysis for the Group*” is derived from the audited annual and sustainability report for the year ended 2022 and the Q1 2023 Information.

### ***Net sales and financial performance***

For the financial year ended 31 December 2022 (“FY2022”), net sales increased by SEK 59.5 billion to SEK 239.6 billion (compared to SEK 180.1 billion in 2021). The increase is mainly attributable to higher electricity prices in the Netherlands, the Nordic countries and Germany.

The underlying operating profit for FY2022 increased to SEK 37.3 billion (compared to SEK 31.2 billion in 2021). The increase in the underlying operating profit for FY2022 is mainly attributable to the following:

- Higher earnings contribution from the Wind operating segment (SEK 8.6 billion), mainly owing to higher electricity prices on the Continent as well as new capacity
- Higher earnings contribution from the Customers & Solutions operating segment (SEK 5.1 billion) mainly due to temporary sourcing effects for electricity and an increase in the number of electricity customers in Germany and the Nordic countries
- Lower earnings contributions from the Distribution operating segment (SEK -1.1 billion) mainly due to the sale of Stromnetz Berlin on 1 July 2021, higher operating expenses and higher costs for the transmission network
- Lower earnings contributions from the Power Generation operating segment (SEK -2.8 billion) as a result of lower achieved prices in the Nordics as well as a lower realised trading result

- Lower earnings contributions from the Heat operating segment (SEK -3.2 billion) mainly as a result of higher gas prices, which contributed to lower price margins for gas-fired production

Items affecting comparability in FY2022 amounted to SEK -24.7 billion of which most pertains to changes in market value for energy derivatives and inventories (SEK -20.1 billion) and higher provisions (SEK -5.2 billion), mainly related to the nuclear power operations.

Items affecting comparability in the financial year ended 31 December 2021 totalled SEK 29.1 billion of which most pertain to compensation for the closure of nuclear power operations in Germany (SEK 12.5 billion), changes in market value for energy derivatives and inventories (SEK 10.0 billion), and the capital gain from the sale of Stromnetz Berlin (SEK 8.4 billion).

In 2022, EBIT was SEK 12.6 billion (compared to SEK 60.3 billion in 2021).

### ***Investment activities***

The total investments for FY2022 amounted to SEK 24.6 billion (compared to SEK 25.5 billion in 2021). Divestments for FY2022 amounted to SEK 0.8 billion (compared to SEK 19.6 billion in 2021).

### ***Cash flow***

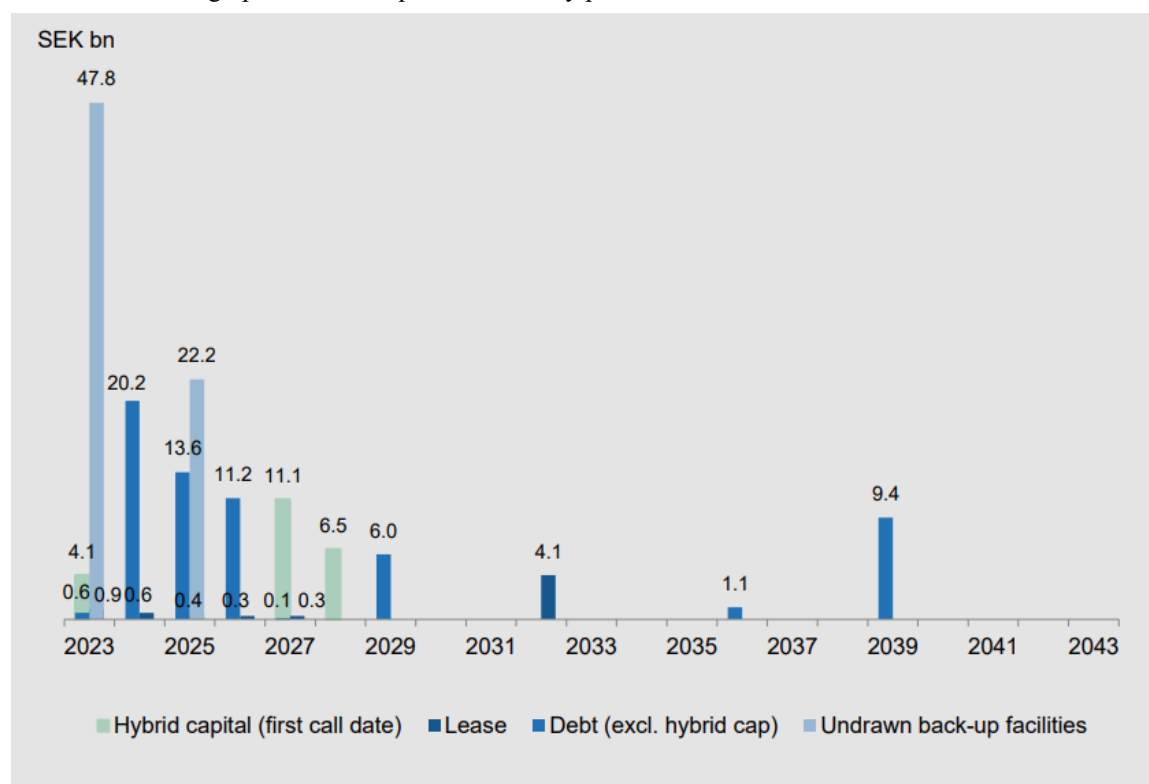
Funds from operations amounted to SEK 42.2 billion in 2022 (compared to SEK 46.1 billion in 2021). Cash flow from operating activities amounted to SEK 1.2 billion in 2022 (compared to SEK 101.8 billion in 2021). The cash flow from changes in working capital amounted to SEK -41.0 billion (compared to SEK 55.7 billion in 2021) for 2022. The biggest contributing factor was the net of received and paid margin calls (SEK -63.1 billion), which largely offsets the positive net of received and paid margin calls in 2021 (SEK 88.0 billion).

### **Liabilities**

As at 31 December 2022, the Group's total interest-bearing liabilities were SEK 176.8 billion. Interest-bearing liabilities included SEK 21.9 billion in hybrid capital (compared to SEK 20.4 billion as at 31 December 2021). Further interest-bearing liabilities included SEK 0.9 billion in loans from the Group's minority-owned companies (compared to SEK 1.5 billion as at 31 December 2021), and SEK 9.7 billion in loans from owners of non-controlling interests (compared to SEK 10.7 billion as at 31 December 2021).

The Group's reported net debt increased by SEK 48.6 billion to SEK 3.9 billion as at 31 December 2022 (compared to a net asset of SEK 44.7 billion as at 31 December 2021). Interest rate risk in the Group's debt portfolio is measured in terms of duration, for which the norm is to have a duration of between two and six years. The duration of the Group's debt portfolio at 31 December 2022 was 3.2 years including hybrid capital (compared to 4.8 years at 31 December 2021). To adjust the duration of borrowing, the Group uses, among other instruments, interest rate derivatives.

Set out below is a graph of the Group's debt maturity profile as at 31 December 2022.<sup>(1)</sup>



Note:

- (1) Short term debt (Repo's and Commercial paper: SEK 72.3 bn), loans from associated companies, minority owners, margin calls received (CSA) and valuation at fair value are excluded. Currency derivatives for hedging debt in foreign currency are included.

The average interest rate and the average time to maturity of the Group's debt portfolio at 31 December 2022 was 3.5 per cent. and 5.0 years, respectively (compared to 2.9 per cent. and 6.8 years, respectively, as at 31 December 2021). As of 31 March 2023, the Group had unutilised committed credit facilities amounting to SEK 56.4 billion (compared to SEK 20.5 billion as at 31 December 2021).

### Accounting Policies

The consolidated accounts for 2021 and 2022 have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as well as the interpretations issued by the IFRS Interpretations Committee ("IFRSIC") as endorsed by the European Commission for application within the EU. In addition, recommendation RFR 1 (Supplementary Accounting Policies for Groups), issued by the Swedish Financial Reporting Board, has been applied. RFR 1 specifies the mandatory additions to the IFRS disclosure requirements in accordance with the Swedish Annual Accounts Act. For a full description of the Group's Accounting Principles, please refer to the notes to the Issuer's consolidated accounts, incorporated by reference herein.

## RISK MANAGEMENT

The Board has the overall responsibility for risk management within the Group and decides on the risk appetite and risk tolerance, including the risk mandates, among other things, and exercises oversight of the risk management framework. It is also responsible for obtaining knowledge of the risks inherent in the operations of the Group. The main purpose of risk management in the Group is to identify, manage and control risks to which the Group is exposed, as well as ensuring that the risk exposure is aligned with strategic and financial targets. This provides transparency to the decision makers and the owner. Risk management is emphasised through the Three Lines model, which establishes the three different roles – risk ownership, control and assurance. The first line is primarily represented by units associated with the provision of products or services to the Group’s customers, such as Business Units and certain Staff Functions. It is responsible for executing the strategy and managing risks. The second line provides control, expertise, support, monitoring and challenge on risk-related matters. It consists of Staff Functions governing the organisation, among them Health & Safety, Environment, Integrity, Security, Group Internal Financial Control and Risk Management. The third line is made up of internal audit, which oversees and evaluates the first and second lines (as described above). The VRC, as mentioned above, is an internal body set up for governance of the Group and is chaired by the CEO. It serves both as a decision-making body (decisions are made by the CEO) and a preparatory body for the Board.

The Group’s Chief Risk Officer (“**CRO**”) is responsible for organising risk management within the Group. The CRO is responsible for this organisation at the Group level and is also accountable for the risk management framework within the Group. The CRO reports to the CFO, as well as provides information on risk issues to the Board or, if the Board so decides, to a Board committee. The CRO is entitled to access any information regarding risk within any entity of the Group. The CRO’s responsibilities are to:

- secure risk governance in the Group;
- co-ordinate and ensure risk control and transparency of the Group’s risk positions; and
- support the decision-making of the business and top management.

The CRO’s responsibilities include monitoring whether the organisation is implementing these practices at all appropriate levels.

### **The Enterprise Risk Management process in the Group**

The Group’s strategy serves as the basis for setting objectives for the respective business units in the business planning process. When setting these objectives, risks that could hinder their achievement are identified. In the Group’s risk management process, risks are quantified and analysed with respect to both financial and non-financial consequences (e.g. concerning the environment, including climate change, as well as reputation). These risks are assessed against the Group’s risk tolerance, and a decision is made on suitable risk measures. The business areas’ most important risks and risk management measures are followed up as part of the financial monitoring. After aggregating the risks, a composite overview of the Group’s risk situation is achieved. The potential financial impact is linked to financial key data that is used for the steering of the Group. Information is provided on a regular basis to the Executive Group Management and the Board of Directors.

**BOARD OF DIRECTORS AND EXECUTIVE GROUP MANAGEMENT OF THE ISSUER****Board of Directors**

<b>Name</b>	<b>Details of Directors</b>	<b>Principal activities outside the Issuer</b>
Mats Granryd	Chairman of the Board since 2022	Board member of SVT (Sveriges Television). Chairman of the board COOR. Director General GSMA. Member of the UN Broadband Commission.
Daniel Kristiansson	Board Member since 2022	Investment Director / Senior Advisor, Ministry of Enterprise and Innovation. Board member of Swedfund International AB and Stiftelsen Industrifonden.
Håkan Erixon	Board Member since 2011	Chairman of Hemnet Group AB. Board member of Tjftall AB.
Fredrik Rystedt	Board Member since 2017	Executive Vice President and CFO, Essity Aktiebolag (publ). Board member Vinda International Holdings Limited.
Ann Carlsson	Board Member since 2019	CEO Systembolaget AB. Board member Martin & Servera, The Swedish Pharmacy Association, The Confederation of Swedish Enterprise, The Swedish Trade Federation, SNS and Ruter Dam.
Ingemar Engkvist	Board Member since 2023	Board member ISEC Monitoring Systems AB.
Per Lindberg	Board Member since 2023	Chairman of Permascand AB and Nordic Brass Gusum AB. Board member Boliden AB, Valmet Oyj and ReOcean AB.
Carola Puusteli	Board Member since 2023	Board member Interpartner, Halton and Polarium.
Robert Lönnqvist	Board Member since 2017 (employee representative)	
Rolf Ohlsson	Board Member since 2017 (employee representative)	
Jeanette Regin	Board Member since 2011 (employee representative)	
<b>Deputy Members</b>		
Anders Bohlin	Board Member since 2019 (employee representative)	
Christer Gustafsson	Board Member, since 2013 (employee representative)	

<b>Name</b>	<b>Details of Directors</b>	<b>Principal activities outside the Issuer</b>
Joel Hersan	Board Member, since 2023 (employee representative)	

There are no potential conflicts of interest between any duties to the Issuer of the above board members and their interests and/or other duties.

The business address of the above board members and deputy members is SE-169 92 Stockholm, Sweden.



**Executive Group Management**

<b>Name</b>	<b>Position</b>	<b>Principal activities outside the Issuer</b>
Anna Borg	President and CEO	Board member of FAM AB and Ruter Dam
Kerstin Ahlfont	Senior Vice President, Chief Financial Officer	
Anne Gynnerstedt	Senior Vice President, General Counsel and Secretary to the Board of Directors	Board member of Swedish Space Corporation. Member of “Aktiemarknadens Självregleringskommitté”
Torbjörn Wahlborg	Senior Vice President, Business Area Generation	Board member of the Confederation of Swedish Enterprise. Chairman of EnergiFöretagens Arbetsgivareförening (EFA) AB
Christian Barthélémy	Senior Vice President, People & Culture	Managing Director Vattenfall Europe Business Services GmbH, VSG GmbH and other subsidiaries
Helene Biström	Senior Vice President, Business Area Wind	Board member of Boliden AB.
Martijn Hagens	Senior Vice President, Business Area Customers & Solutions	Managing Director of Vattenfall N.V. Netherlands
Andreas Regnell	Senior Vice President, Strategic Development	Board member of Svevia AB and chairman of HYBRIT Development AB and also member of RISE Research Council. Board member of Energiföretagen Sverige – Swedenergy AB.
Åsa Jamal	Senior Vice President, Group Communications	Chairman of the Board of Kasthall, Board Member of Stiftelsen Affärsvärlden
Anna-Karin Stenberg	Senior Vice President, Business Area Markets	Board member RISE AB

There are no potential conflicts of interest between any duties to the Issuer of any member of the Executive Group Management and their interests and/or other duties.

The business address of the executive group management is SE-169 92 Stockholm, Sweden.

## TAXATION

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*The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Conditions). Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.*

### SWEDISH TAXATION

The following summary outlines certain Swedish tax consequences relating to Noteholders, if not otherwise stated. The summary is based on the laws of Sweden as currently in effect and is only intended to provide General and Legal Information. This summary does not address, *inter alia*, situations where Notes are held in an investment savings account (Sw. *investeringssparkonto*) or the rules regarding reporting obligations for, among others, payers of interest. Prospective purchasers are urged to consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of double taxation treaties) of holding or transferring Notes.

Payments of any nominal amount or any amount that is considered to be interest for Swedish tax purposes to any Noteholder should not be subject to Swedish income tax, provided that such Noteholder is neither resident in Sweden for Swedish tax purposes nor engaged in trade or business in Sweden through a permanent establishment. An individual is resident in Sweden for Swedish tax purposes if he (a) is domiciled in Sweden; (b) has his habitual abode in Sweden (i.e. is present in Sweden for six consecutive months according to established practice); or (c) earlier has been domiciled in Sweden and after having moved abroad continues to have an essential connection with Sweden (for example, is engaged in trade or business in Sweden). An entity is resident in Sweden for Swedish tax purposes if it is organised under the laws of Sweden. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to any Noteholder. However, if amounts that are considered to be interest for Swedish tax purposes (and other yield on Notes) are paid to a Noteholder who is an individual or an estate of a deceased individual with tax residence in Sweden, Swedish preliminary taxes are normally withheld. 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 Sweden or have had their habitual abode in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption.

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences, however, may be applicable to certain categories of corporations (e.g. life insurance companies). Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on the Notes and to any currency exchange gains or losses.

### 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to

payments on instruments such as the Notes, 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 Notes, proposed regulations have been issued that provide such withholding would not apply 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, Notes that are characterised as debt (or which are not otherwise characterised 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 notes (as described under “*Terms and Conditions of the Notes — Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of such withholding.

## SUBSCRIPTION AND SALE

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### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement originally dated 18 April 2018 (as most recently amended and restated on 30 June 2023) (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers (subject to the aggregate nominal amount of Notes outstanding not at any time exceeding EUR10,000,000,000 or its equivalent in other currencies). However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement provides that the obligation of any Dealer to subscribe for Notes under any such agreement is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under any such agreement prior to the issue of the relevant Notes. In the Dealer Agreement, the Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

References in this Prospectus to “**Permanent Dealers**” are to Citigroup Global Markets Europe AG, NatWest Markets N.V. and Nordea Bank Abp as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

### Selling Restrictions

#### United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form 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 a United States person, 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 and Treasury regulations promulgated thereunder. The applicable Final Terms will specify whether TEFRA C or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date 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 Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the

offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exception from registration under the Securities Act.

### **Prohibition of Sales to EEA 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 Notes 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 EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning 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.

### **Prohibition of Sales to 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 Notes 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 United Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

### **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) 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 (b) it has not offered or sold and will not offer or sell any Notes 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 Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) 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 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Japan**

The Notes 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, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes 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.

## **France**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, any Notes in France to, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended.

## **Belgium**

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 that it will not sell, offer or otherwise make available, any Notes to any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended, in Belgium.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge and belief, comply in all material respects with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms in all cases at its own expense.

## **GENERAL AND LEGAL INFORMATION**

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### **Prospectus**

This Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of (i) the assets and liabilities, financial position, profit and losses and prospects of the Issuer, (ii) the rights attaching to the Notes and (iii) the reasons for any issuance of Notes under the Programme and the impact of any such issuance on the Issuer.

### **Responsibility**

The Issuer accepts responsibility for the information contained in the Prospectus and declares that the information in this Prospectus and the Final Terms is, to the best of its knowledge, in accordance with the facts and this Prospectus as completed by the Final Terms makes no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and the Final Terms and declares that the information contained in this Prospectus and the Final Terms is, to the best of its knowledge, in accordance with the facts and this Prospectus as completed by the Final Terms makes no omission likely to affect its import. The Dealers and the Arranger have not verified the content in this Prospectus and are thus not responsible for the information presented in this Prospectus.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for any act or omission of the Issuer or any other person in connection with the issue and offering of the Notes.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Agents. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the Arranger, the Dealers or the Fiscal Agent, the Paying Agent, the Transfer Agent, the Registrar or any other Paying Agent (together, the “**Agents**”) accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger, each Dealer and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Dealers or the Agents that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Arranger or the Agents undertakes to review the financial condition or affairs of the Issuer during the life of the

arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arranger or the Agents.

### **Authorisation**

The update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer passed on 15 December 2022.

### **Approval and Listing**

This Prospectus has been approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The SFSA only approves this 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 the Issuer or the quality of the Notes that are subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

If listing is specified in the relevant Final Terms, the Issuer shall apply to list the Tranche of Notes at the specified listing venue.

### **Stabilisation**

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or any person acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not occur. 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 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

### **Documents Available**

During the validity period of this Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and (other than the Agency Agreement) on the Issuer’s website (<https://group.vattenfall.com/>):

- (i) the certificate of registration and the articles of association (with an English translation thereof) of the Issuer;
- (ii) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2021 and 31 December 2022 (in English and together with the audit report prepared in connection therewith);
- (iii) the unaudited consolidated and non-consolidated interim report of the Issuer for the period ended 31 March 2023 (with an English translation thereof);
- (iv) the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Coupons and the Talons);



- (v) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus; and
- (vi) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

Any documents which have been translated from Swedish to English are accurate translations.

### Documents Incorporated by Reference

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated in, and form part of, this Prospectus:

- (a) the auditors' report (which can be found at pages 162–164), the consolidated and unconsolidated audited annual financial statements (including the notes thereto) (which can be found at pages 109–161) and the administration report (including risk management) (which can be found at pages 8, 20–21, 82–92 and 93–108) set out in the annual and sustainability report of the Issuer for the financial year ended 31 December 2022

<https://group.vattenfall.com/siteassets/corporate/investors/annual-reports/2022/vattenfall-annual-and-sustainability-report-2022.pdf>

- (b) auditors' report (which can be found at pages 167–170), the consolidated and unconsolidated audited annual financial statements (including the notes thereto) (which can be found at pages 106–166) and the administration report (including risk management) (which can be found at pages 14–15, 20–21, 62–71 and 90–105) set out in the annual and sustainability report of the Issuer for the financial year ended 31 December 2021

<https://group.vattenfall.com/siteassets/corporate/investors/annual-reports/2021/vattenfall-annual-and-sustainability-report2021.pdf>

- (c) the unaudited consolidated and unconsolidated financial information (which can be found at pages 15–37), information on the operating segments (which can be found at pages 8–14), and Group overview (which can be found at pages 3–7) (the “**Q1 2023 Information**”) set out in the interim report of the Issuer for the three-month period ended 31 March 2023

[https://group.vattenfall.com/siteassets/corporate/investors/interim\\_reports/2023/q1\\_report\\_2023.pdf](https://group.vattenfall.com/siteassets/corporate/investors/interim_reports/2023/q1_report_2023.pdf)

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents 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 the documents referred to above are incorporated by reference in this Prospectus, the parts of the document which are not incorporated by reference are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus.

With the exception of the information incorporated into this Prospectus in accordance with paragraphs (a) and (b) above, no information in the Prospectus has been audited or reviewed by the Issuer's auditor.

Any documents which have been translated from Swedish to English are accurate translations.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer at SE-169 92 Stockholm, Sweden or from the Issuer's website (<https://group.vattenfall.com/>).

## Clearing Systems

Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

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.

## Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

## Significant or Material Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2022 (being the end of the last financial period for which audited financial information of the Issuer was presented).

There has been no significant change in the financial position or financial performance of the Issuer and its subsidiaries taken as a whole since 31 March 2023 (being the end of the last financial period for which financial information of the Issuer was presented).

## Litigation

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or any of the Issuer's subsidiaries are aware) which may have or have had during the 12 months prior to the date hereof, a significant effect on the financial position or profitability of the Issuer or the Issuer and its subsidiaries taken as a whole.

## Auditors

The auditors of the Issuer are PricewaterhouseCoopers AB (Torsgatan 21, SE-113 97 Stockholm). Eva Carlsvi is auditor in charge (Certified Public Accountant and a member of FAR, the professional institute for accountants in Sweden).

The auditors have audited the Issuer's accounts prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 issued by the Swedish Financial Reporting Board and the Group's accounts prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU and recommendation RFR 1 issued by the Swedish Financial Reporting Board for the financial years ended 31 December 2021 and 31 December 2022, without qualification. The auditors of the Issuer and the Group have no material interest in the Issuer and the Group, as the case may be.

## TEFRA

The Notes issued in bearer form for U.S. federal income tax purposes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) ("TEFRA D") unless (i) the relevant Final Terms states that Notes are issued in

compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (“**TEFRA C**”) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

### **Bearer Notes**

Each Bearer Note having a maturity of more than one year, and any Coupon and Talon relating thereto will bear the following legend: “Any United States 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”.

### **Certain material interests**

The Dealers and their respective 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 or the Issuer’s affiliates. The Arranger and certain of the Dealers and their respective affiliates have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. In particular, the Arranger and certain of the Dealers and their respective affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. The Dealers and their respective 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. Accordingly, conflicts of interest may exist or may arise as a result of the Arranger and certain of the Dealers having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

### **Material Agreements**

The Issuer has not concluded any material agreements not entered into in the ordinary course of its business which could result in a member of the Group being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to the Noteholders.

### **Supplementary Prospectus**

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the SFSA in accordance with 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 be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to information contained in this

Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes.

### **Alternative Performance Measures**

The Issuer presents certain non-IFRS financial information in this Prospectus. These non-IFRS financial information are not recognised as measures under IFRS. The Issuer, however, uses this financial information because they believe that they are of use to their investors. According to the European Securities and Markets Authority (“ESMA”) guidelines on Alternative Performance Measures (“APM”), the Issuer considers the following information presented in this Prospectus as APMs: EBIT (earnings before interest and tax), EBITDA (operating profit before depreciation, amortisation and impairment losses), items affecting comparability (capital gains and capital losses from shares and other non-current assets, impairment losses and reversed impairment losses and other material items that are of an infrequent nature), underlying EBITDA (underlying operating profit before depreciation, amortisation and impairment losses), underlying operating profit (operating profit (EBIT) excluding items affecting compatibility), funds from operations, free cash flow (cash flow from operating activities less maintenance investments, interest-bearing liabilities, net debt, adjusted net debt and capital employed (total assets less financial assets, non interest-bearing liabilities and certain other interest-bearing provisions not included in adjusted net debt)). All alternative performance measures used by the Issuer relate to its respective or the Group’s past performance. The Issuer believes that these measures are useful in evaluating the Group’s operative performance, the net value of the Group’s portfolio, and the level of indebtedness and of cashflows generated by the Group’s business. For a reconciliation of certain of the APMs referred to above, their components as well as their basis of calculation see pages 107, 109, 111–112, 114, 118 and 182 of the annual and sustainability report of the Issuer for the financial year ended 31 December 2021, pages 110, 112–114, 116, 119, and 187 of the annual and sustainability report of the Issuer for the financial year ended 31 December 2022 and pages 35-37 of the interim report of the Issuer for the three-month period ended 31 March 2023.

### **Credit Ratings**

The Issuer has been rated A3 (Senior Unsecured) and Baa2 (Subordinated) by Moody’s Investors Service Ltd (“Moody’s”) and BBB+ (Senior Unsecured) and BB+ (Subordinated) by S&P Global Ratings Europe Limited (“S&P”).

As per the rating services of Moody’s, obligations rated “A” are judged to be upper-medium grade and subject to low credit risk. The modifier “3” indicates a ranking in the lower end of that rating category. Obligations rated “Baa” are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier “2” indicates a mid-range ranking in that rating category.

As per the rating services of S&P, obligations rated “BBB” exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the Issuer’s capacity to meet its financial commitments on the obligations. Obligations rated “BB” are regarded as having significant speculative characteristics, with “BB” indicating the least degree of speculation in a scale consisting of “BB”, “B”, “CCC”, “CC” and “C”. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions. The plus (+) sign shows relative standing within the rating categories.

Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Moody's and S&P is included in the list of credit rating agencies published by ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the UK and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to 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 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. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be disclosed in the Final Terms. The ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. If any rating assigned to the Notes or the Issuer is lowered, suspended, withdrawn or not maintained by the Issuer, there may be an adverse effect on the market value of the Notes.

The following table sets out the possible ratings assigned by Moody's and S&P.

<b>Moody's</b>	<b>S&amp;P</b>
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-
Ba1	BB+
Ba2	BB
Ba3	BB-
B1	B+
B2	B
B3	B-
Caa1	CCC+

Moody's	S&P
Caa2	CCC
Caa3	CCC-
Ca	CC
	C
C	RD
/	SD
/	D

## Benchmarks

Interest and/or other amounts payable under Floating Rate Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/2011 (the “**Benchmarks Regulation**”). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

## Green Bonds

Neither the Arranger nor any of the Dealers makes any representation as to the suitability of any Green Bonds, including the listing or admission to trading thereof on any dedicated ‘green’, ‘environmental’, ‘sustainable’, ‘social’ or other equivalently-labelled segment of any stock exchange or securities market, to fulfil any green, social, environmental or sustainability criteria required by any prospective investors. The Arranger and the Dealers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for eligible green projects (as set out in the Issuer’s Green Financing Framework), any verification of whether the eligible green projects meet such criteria, the monitoring of the use of proceeds of any Green Bonds (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular eligible green projects. Investors should refer to the Issuer’s Green Financing Framework which the Issuer may publish from time to time, any second party opinion delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Bonds for further information. Any such green financing framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Prospectus and neither the Arranger nor any of the Dealers makes any representation as to the suitability or contents thereof.

## ESG ratings

The Issuer’s exposure to Environmental, Social and Governance (“**ESG**”) risks and the related management arrangements established to mitigate those risks have been assessed by several ESG rating providers (“**ESG ratings**”). For more information on the Issuer’s ESG ratings, see “Description of the Group – Sustainability”.

The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. For more information on risks associated with ESG ratings, see "*Third-party ESG classifications or ratings may not accurately reflect risks based on environmental, social and governance matters and increasing scrutiny and changing expectations from investors and other market participants may adversely affect the value of the Notes.*" in the Risk Factors section of this Prospectus.

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