



Securities Note

for

**ISIN: NO 001 0834005 FRN SpareBank 1 Næringskreditt AS
Covered Bonds due 15 December 2022
(Extended Maturity Date 15 December 2023)**

Oslo, 13 December 2018

Arranger:



Important information*

The Securities Note has been prepared in connection with listing of the securities on the Oslo Børs. The Norwegian FSA ("Finanstilsynet") has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. Finanstilsynet has not controlled or approved the accuracy or completeness of the information included in this Securities Note. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Securities Note. Finanstilsynet has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Securities Note.

New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the Loan. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

Only the Borrower, the Arranger are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Approval of the Securities Note by the Norwegian FSA implies that the Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Arranger to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The Securities Note included the Summary dated 13 December 2018 together with the Registration Document dated 13 December 2018 constitutes the Prospectus.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Borrower, the Arranger to receive copies of the Securities Note.

Factors which are material for the purpose of assessing the market risks associated with Bond:

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

*The capitalised words in the section "Important Information" are defined in Chapter 4: "Detailed information about the securities".

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1 Summary

The following introduction is required in the summary to give more guidance to readers of a summary:

'Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Where information is not included in the body of a prospectus in relation to a particular Element, a reference to 'not applicable' should appear followed by a short description of the disclosure requirement. 'Not applicable' should not be abbreviated to 'N/A'.

Section A Introduction and warning

Element	Disclosure requirement	Disclosure
A.1	Warning.	This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent	Not applicable There is no consent

Section B Issuer and any guarantor

Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name of the issuer.	The legal name is SpareBank 1 Næringskreditt AS, the commercial name is Sparebank 1 Næringskreditt.
B.2	Domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation.	SpareBank 1 Næringskreditt (Bloomberg ticker: Spacom) is a covered bond issuer. As a specialised credit institution, SpareBank 1 Næringskreditt must fully comply with regulations applicable for all banks (including the existing and proposed Basel regulatory framework) in addition to the regulation that applies specifically for covered bond issuing entities. The regulator in Norway is the Norwegian Financial Services Authority (Finanstilsynet).
B.4b	Description of any known trends affecting the issuer and the industries in which it operates.	With regard to cost of rent they seem to increase for commercial property in the Oslo-area, while the vacancy rate is somewhat lower than earlier (5.6% according to Akershus Eiendoms market report spring 2018). In other larger cities in Norway the cost of rent is moderately increasing. Market completion in particular from foreign banks seem to put pressure on the lending margins. An increasing oil price has been positive for the general economic environment in Norway. The recent decline may shift this trend.
B.5	If the issuer is part of a group, a description of the group and the issuer's position within the group.	The Issuer is not part of a group as no owner holds or controls more than 50% of the shares or votes. SpareBank 1 SMN is the largest shareholder with 34% shares/voting rates which

		gives them negative control on certain decisions including changes in the articles of association. All shareholders are part of the SpareBank 1-alliance. These shareholders own several other entities directly or indirectly mainly under the SpareBank 1-brand.
B.9	Where a profit forecast or estimate is made, state the figure.	Not applicable. There is no profit forecast or estimate made.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information.	Not applicable. There are no qualifications in the audit reports.
B.12	Selected historical key financial information regarding the issuer, a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change and a description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information.	Since the date of the last published audited financial statements, there has been no significant change in the financial or trading position and there is no material adverse change.

SpareBank 1 Næringskreditt AS – annual accounts (audited)

Profit and loss NOK 1 000)	2017	2016
Operating income	90 788	121 952
Operating expenses	9 230	10 233
Pre-tax operating result	78 763	111 719
Profit for the year	59 072	83 790

Balance Sheet (NOK 1 000)	2017	2016
Total assets	12 476 276	13 642 151
Total liabilities	10 424 990	11 559 072
Total equity	2 051 286	2 083 079
Total liabilities and equity	12 476 276	13 642 151

Cash flow statement (NOK 1 000)	2017	2016
Net Cash flow from operating activities	243 486	295 009
Net Cash flow from investing activities	1 044 751	2 198 591
Net Cash flow from financing activities	-1 447 885	-2 234 022
Cash and cash equivalents at end of period	-159 648	259 578

SpareBank 1 Næringskreditt AS – interims accounts (unaudited)

Profit and loss (NOK 1 000)	Q1 2018	Q1 2017	Q2 2018	Q2 2017	H1 2018	H1 2017
Operating income	21 202	30 755	19 473	22 079	40 675	52 834
Operating expenses	2 539	2 824	2 516	2 155	5 55	4 978
Pre-tax operating result	18 465	27 931	17 316	19 924	35 781	47 856
Profit for the year	13 849	20 948	13 345	14 943	27 194	35 892

Profit and loss (NOK 1 000)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Operating income	13 292	21 010	53 967	73 844
Operating expenses	2 262	2 142	7 316	7 121
Pre-tax operating result	11 131	18 867	46 912	66 723
Profit for the year	8 929	14 151	36 122	50 042

Balance Sheet (NOK 1 000)	31.03.2018	31.03.2017	30.06.2018	30.06.2017	30.09.2018	30.09.2017
Total assets	12 407 819	13 593 860	12 401 932	13 105 787	12 715 125	12 632 127
Total liabilities	10 340 447	11 493 181	10 374 700	11 075 541	10 680 895	10 589 421
Total equity	2 067 372	2 100 678	2 027 231	2 030 246	2 034 230	2 042 706
Total liabilities and equity	12 407 819	13 593 860	12 401 932	13 105 787	12 715 125	12 632 127

Cash flow statement (NOK 1 000)	31.03.2018	31.03.2017	30.06.2018	30.06.2017
Net Cash flow from operating activities	49 274	57 206	101 907	122 854
Net Cash flow from investing activities	-108 006	-118 451	-152 060	418 558
Net Cash flow from financing activities	-42 677	-168 845	73 850	-612 515

	Cash and cash equivalents at end of period	-101 408	-230 090	23 697	-71 103
	Cash flow statement (NOK 1 000)		30.09.2018	30.09.2017	
	Net Cash flow from operating activities		159 957	178 402	
	Net Cash flow from investing activities		-116 320	580 301	
	Net Cash flow from financing activities		336 481	-1 159 271	
	Cash and cash equivalents at end of period		380 119	-400 567	
	Variation in the company cash flow is due to purchase and redemption of mortgages and issuance and redemptions of bonds.				
B.13	Description of any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	Not applicable No recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.			
B.14	If the issuer is dependent upon other entities within the group, this must be clearly stated.	The Issuer depends on its shareholders to service the customers. The Issuer has identical administration to that of SpareBank 1 Boligkreditt, a covered bond company for residential mortgages owned by the same shareholders + BN Bank.			
B.15	A description of the issuer's principal activities.	SpareBank 1 Næringskreditt AS, a credit institution, buys mortgage loans from its shareholder bank in the SpareBank 1 Alliance and finances these by issuing covered bonds in Norway. The company purchases commercial mortgage loans secured by commercial properties with an LTV of maximum 60% from banks in the SpareBank 1 alliance. SpareBank 1 Næringskreditt AS is based in Stavanger, Norway.			
B.16	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control	The issuer is not directly or indirectly owned or controlled, but as SpareBank 1 SMN owns 34% of the shares and voting rights it may exercise negative control of the issuer including a potential block of changes in the articles of association.			
B.17	Credit ratings assigned to the Issuer or its debt securities.	SpareBank 1 Næringskreditt's Covered Bond Rating: Moodys: Aaa			

Section C Securities

Element	Disclosure requirements	Disclosure
C.1	Description of the securities, including ISIN code.	ISIN code NO0010834005 Covered Bond Issue 2018/2022. Extendable to 15 December 2023. Issue date 15 October 2018, Maturity Date 15 December 2022 and Extended Maturity Date 15 December 2023. Floating interest rate, payable quarterly each year. The bonds mature in full at par on the Maturity Date. If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Maturity Date.
C.2	Currency of the securities issue.	SEK
C.5	Any restrictions on the free transferability of the securities.	Not applicable. There is no restrictions on the free transferability of the securities.
C.8	Description of the rights attached to the securities, limitations to those rights and ranking of the securities.	If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Maturity Date. Denomination SEK 1,000,000 - each and ranking pari passu among themselves. Minimum subscription SEK 2,000,000. At the Bondholders' meeting each Bondholder has one vote for each bond he owns. The Bonds are unsubordinated obligations issued as covered bonds (obligasjoner med fortrinnsrett) in accordance with Chapter 11, Sub-chapter II and appurtenant regulations of the

		<p>Financial Undertaking Act and rank pari passu among (i) themselves, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool and (iii) any obligations of the Issuer to counterparties under derivative contracts, if any, as referred to in Section 11-8 (1) (e) of the Financial Undertaking Act that have been provided the same preferred rights to settlement against the Cover Pool.</p> <p>To the extent that claims in relation to the Bonds, other covered bonds and relating derivative agreements (both registered in the Cover Pool Register) are not met out of the Cover Pool, the residual claims will rank pari passu with the unsecured and unsubordinated obligations of the Issuer, save for those preferred by law.</p>
C.9	Information about interest and representative of debt security holders.	<p>Coupon Rate is Reference Rate + Margin. Short 1st period from 15th October 2018 to 17th December 2018 with 2 month STIBOR, thereafter 3 month STIBOR (Reference Rate). Margin is + 0.75 percentage points per annum. Interest is payable each 15 March, 15 June, 15 September and 15 December in each year and the Maturity Date and in the Extended Period if applicable. Any adjustment will be made according to the Business Day Convention. The first Interest Payment Date is 17 December 2018.</p> <p>Current rate: 0.528 % for the Interest Period (17 December 2018 – 15 March 2019).</p> <p>The Bonds shall mature in full on the Maturity Date (15 December 2022), and shall be repaid at par (100%) by the Issuer.</p> <p>If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Maturity Date.</p> <p>Dependent on the market price. Yield for the Interest Period (17 December 2018– 15 March 2019) is 0,208 % p.a. assuming a price of 101,293 %.</p> <p>Nordic Trustee AS (as the Bond Trustee) enters into the Covered Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Covered Bond Agreement.</p>
C.10	If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation of how the value of the securities is affected by the value of the underlying instrument(s).	Not applicable. There is no derivative component in the interest payment.
C.11	Indication as to whether the securities offered are or will be the object of an application for admission to trading.	An application for admission to trading on the Oslo Børs will be made once the Prospectus has been approved.

Section D Risks

Element	Disclosure requirements	Disclosure
D.2	Key information on the key risks that are specific to the issuer.	<p>If any of the listed or unlisted risks actually occurs, the Issuer's business, operations, financial condition or reputation could be materially adversely affected, with the result that the trading price of the Notes of the Issuer could decline and an investor could lose all or part of its investment. These factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.</p>

		<p>The Issuer's business mainly involves the risks outlined below. In the context of the Notes, it should be noted that the Act and the Regulations impose several obligations on the Issuer (such as matching requirements) that are designed to mitigate some of those risks, see "Overview of the Norwegian legislation Regarding Covered Bonds (obligasjoner med fortrinnsrett)".</p> <p>As an issuer of covered bonds SpareBank 1 Næringskreditt AS is subject to narrow limits on exposure to credit risk, market risk, and liquidity risk. This, together with the strategic importance for the Issuer to maintain a AAA-rating, indicate that the Issuer will have a low risk with regard to its activities, and put a lot of emphasis on prudent risk management.</p> <p>Credit risk is the risk that may occur if customers or other counterparties lack the ability or will to fulfill their obligations towards the Issuer. The customer risk is mitigated by mortgages lending being secured within 60% Loan to Value of the property, and prudent underwriting criterias, whereas the risk related to counterparties are mitigated by major counterparties (typical swap counterparties) being. well rated, and/or with collateral requirements.</p> <p>Market Risk is defined as risk of loss due to changes in observable market variables as interest rate, currency exchange rate and the value of financial instruments. To mitigate such risk the issuer use where relevant interest rate swap, currency swap to hedge any such risk, or it may use natural hedge. The combined cash flow from these instruments shall then match the mortgages that are in floating rate NOK. At 30.09.18 the issuer had moderate interest rate risk and next to none currency risk.</p> <p>Liquidity risk is the risk that the Issuer may no be able to repay when a payment is due, or finance an increased mass of assets at normal conditions. The Issuer shall have a Liquidity buffer to meet the maturities for the next 6 months according to proposed Net Stable Funding Ratio requirement, and the LCR requirements the next 30 days rolling. The Issuers liquidity situation is considered good.</p> <p>Operational risk includes the risk of a loss due to errors in settling transactions, failure in the internal control, abruption in the IT-systems needed to carry through the Issuers business. Risk of loss of reputation, judicial risk, risk of insufficient knowledge/experience, ethics and attitude amongst the employees are also elements of the operation risk factor. This risk is estimated to be moderate.</p> <p>To identify, measure, manage and follow up on the central risk factors are of great importance to Issuer as is contributes to the fulfilment of the strategic goals of the Issuer. Reference is made to notes 21 and 22 of the Issuer Annual Report of 2017 for further information.</p>
D.3	Key information on the key risks that are specific to the securities.	<p>All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors.</p> <ul style="list-style-type: none"> • <i>Liquidity risk</i> is the risk that a party interested in trading bonds in the Loan cannot do it because nobody in the market wants to trade the bonds. Missing demand of the bonds may incur a loss on the bondholder.

		<ul style="list-style-type: none"> • <i>Interest rate risk</i> is the risk that results from the variability of the STIBOR interest rate. The coupon payments, which depend on the STIBOR interest rate and the Margin, will vary in accordance with the variability of the STIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (STIBOR 3 months) over the tenor of the Loan. • <i>Settlement risk</i> is the risk that the settlement of bonds in the Loan does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds. • <i>Credit risk</i> is the risk that the Borrower fails to make the required payments under the Loan (either principal or interest). • <i>Market risk</i> is the risk that the value of the Loan will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market.
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Section E Offer

Section E Offer

Element	Disclosure requirements	Disclosure												
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	<p>Estimated total expenses related to the offer:</p> <table><tr><td><i>External party</i></td><td><i>Cost</i></td></tr><tr><td>The Norwegian FSA</td><td>NOK 76,000</td></tr><tr><td>The stock exchange</td><td>NOK 14,094</td></tr><tr><td>The Bond Trustee, p.a.</td><td>NOK 24.000</td></tr><tr><td></td><td>(estimated)</td></tr><tr><td>The Arranger</td><td>NOK 642.311</td></tr></table> <p>The Issuer will use the net proceeds from the issuance of the Bonds for its general corporate purposes.</p>	<i>External party</i>	<i>Cost</i>	The Norwegian FSA	NOK 76,000	The stock exchange	NOK 14,094	The Bond Trustee, p.a.	NOK 24.000		(estimated)	The Arranger	NOK 642.311
<i>External party</i>	<i>Cost</i>													
The Norwegian FSA	NOK 76,000													
The stock exchange	NOK 14,094													
The Bond Trustee, p.a.	NOK 24.000													
	(estimated)													
The Arranger	NOK 642.311													
E.3	Description of the terms and conditions of the offer.	Not applicable. There is no Description of the terms and conditions of the offer.												
E.4	Description of any interest that is material to the issue including conflicting interests.	<p>The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.</p> <p>The Arranger and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in the Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Arrangers corporate finance department may act as manager or co-manager for this Company and/or Guarantor in private and/or public placement and/or resale not publicly available or commonly known.</p> <p>The Securities Note included the Summary dated 13 December 2018 together with the Registration Document dated 13 December 2018 constitutes the Prospectus.</p>												
E.7	Estimated expenses charged to the investor by the issuer or the offeror.	Not applicable. There is no estimated expenses charged to the investor by the issuer or the offeror												

2 Risk Factors

Investing in bonds issued by SpareBank 1 Næringskreditt AS involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which SpareBank 1 Næringskreditt AS is aware and that SpareBank 1 Næringskreditt AS considers to be material to its business. If any of these risks were to occur, SpareBank 1 Næringskreditt AS's business, financial position, operating results or cash flows could be materially adversely affected, and SpareBank 1 Næringskreditt AS could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information, including but not limited to risk factors for the Company, set out in the Registration Document dated 13 December 2018 and reach their own views prior to making any investment decision. The risk factors set out in the Registration Document and the Securities Note and the Summary cover the Company and the bonds issued by the Company, respectively.

There are five main risk factors that sums up the investors total risk exposure when investing in interest bearing securities: liquidity risk, interest rate risk, settlement risk, credit risk and market risk (both in general and issuer specific).

Liquidity risk is the risk that a party interested in trading bonds in the Loan cannot do it because nobody in the market wants to trade the bonds. Missing demand of the bonds may incur a loss on the bondholder.

Interest rate risk - is the risk that results from the variability of the STIBOR interest rate. The coupon payments, which depend on the STIBOR interest rate and the Margin, will vary in accordance with the variability of the STIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (STIBOR 3 months) over the tenor of the Loan. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

Settlement risk is the risk that the settlement of bonds in the Loan does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds.

Credit risk is the risk that the Borrower fails to make the required payments under the Loan (either principal or interest).

Market risk is the risk that the value of the Loan will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to loans with a longer tenor and/or with a fixed coupon rate.

3 Persons Responsible

3.1 Persons responsible for the information

Persons responsible for the information given in the prospectus are:
SpareBank 1 Næringskreditt AS, Bjergsted Terrasse 1, 4700 Stavanger

3.2 Declaration by persons responsible

Responsibility statement:

Sparebank 1 Næringskreditt AS confirms, taken all reasonable care to ensure that such is the case, that the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Stavanger, 13 December 2018

SpareBank 1 Næringskreditt AS

4 Detailed information about the securities

ISIN code:	NO 0010834005
The Loan/The Reference Name/The Bonds:	"FRN Sparbank 1 Næringskreditt AS Covered Bond Issue 2018/2022 (Extendable to 15 December 2023)".
Borrower/Issuer:	SpareBank 1 Næringskreditt AS, Norwegian enterprise no. 963 342 624.
Security Type:	Covered Bond issue with floating rate.
Borrowing Limit – Tap Issue:	SEK 1,000,000,000
Borrowing Amount/First Tranche:	SEK 750,000,000
Borrowing Amount/Second Tranche:	SEK 250,000,000
Denomination – Each Bond:	SEK 1,000,000 - each and ranking pari passu among themselves
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	15 October 2018 for tranche 1 and 17 December 2018 for tranche 2.
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date for tranche 1 and 2.
Interest Bearing To:	Maturity Date.
Maturity Date:	15 December 2022.
Extended Maturity Date:	15 December 2023
Reference Rate:	STIBOR 3 months, rounded to the nearest thousand of a percentage point on each Reset Date.
Margin:	0.75 % p.a.
Coupon Rate:	Short 1 st period from 15 October 2018 to 17 th December 2018 with 2 month STIBOR, thereafter Reference Rate + Margin. If the Interest Rate becomes negative, the Interest Rate shall be deemed to be zero. Current Coupon Rate 0.528 % p.a. for the interest period ending on 15 March 2019 (88 days).
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	If the relevant Interest Payment Date falls on a day that is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (<i>Modified Following Business Day Convention</i>).
Interest Quotation Date:/Reset Date:	11 October 2018, and thereafter two Business Days prior to each Interest Payment Day.
Interest Rate Adjustment Date:	With effect from Interest Payment Date.
Interest Payment Date:	Each 15 March, 15 June, 15 September and 15 December in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention. If the amount due is not paid in full on the Maturity Date, payment

of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Maturity Date.

#Days first term:	63 days.
Issue Price:	100 % (par value).
Yield:	Dependent on the market price. Yield for the Interest Period (17 December 2018– 15 March 2019) is 0,208 % p.a. assuming a price of 101,293 %.
Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Amortisation:	The bonds will run without installments and be repaid in full at Maturity Date at par.
	If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Maturity Date.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Status of the Loan:	<p>The Bonds are unsubordinated obligations issued as covered bonds (obligasjoner med fortrinnsrett) in accordance with Chapter 11, Sub-chapter II and appurtenant regulations of the Financial Undertaking Act and rank pari passu among (i) themselves, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool and (iii) any obligations of the Issuer to counterparties under derivative contracts, if any, as referred to in Section 11-8 (1) (e) of the Financial Undertaking Act that have been provided the same preferred rights to settlement against the Cover Pool.</p> <p>To the extent that claims in relation to the Bonds, other covered bonds and relating derivative agreements (both as registered in the Cover Pool Register) are not met out of the Cover Pool, the residual claims will rank pari passu with the unsecured and unsubordinated obligations of the Issuer, save for those preferred by law.</p> <p>See chapter 2 in the Bond Terms for definitions</p>
Security:	The Bonds are unsecured. In accordance with the Financial Undertakings Act, the Bonds, together with any other assets as set out in Clause 3.2 (Status) which are included in the Cover Pool at any time, shall in the event of bankruptcy, negotiation of debt under the Bankruptcy Act, winding up of the Issuer or public administration of the Issuer, have an exclusive, equal and proportional preferential claim over the Cover Pool.
No Event of Default:	No Event of Default exists or is likely to result from the issuance of the Bonds or the entry into, the performance of, or any transaction contemplated by, these Bond Terms or the other Finance Documents.

Listing: The Issuer will apply for listing of the Bonds on Oslo Børs.

Listing will take place as soon as possible after the prospectus has been approved by the Norwegian FSA.

Purpose/Use of proceeds: The Issuer will use the net proceeds from the issuance of the Bonds for its general corporate purposes.

Estimated total expenses related to the offer:

External party	Cost
The Norwegian FSA	See "Prospectus and listing fees" below
The stock exchange	See "Prospectus and listing fees" below
The Bond Trustee, p.a.	NOK 24.000 (estimated)
The Arranger	NOK 642.311

STIBOR: Means, for FRN, the Swedish Interbank Offered Rate, being:

- the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Interest Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Bond Trustee at its request comparable quotes by three leading banks in the Stockholm interbank market reasonably selected by the Bond Trustee for the relevant period; or
- if no quotation is available pursuant to item (ii) above, the interest rate which according to the reasonable assessment of the Bond Trustee and the Issuer best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant Interest Period.

For information about the past and the further performance of the underlying Reference Rate and its volatility please see:
<http://www.nasdaqomx.com/transactions/trading/fixedincome/fixedincome/sweden/stiborswaptreasuryfixing/historicalfixing>

Approvals: The Bonds have been issued pursuant to a resolution by the Issuer's Board of Directors in meeting 12 June 2018.

The Norwegian FSA has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act (see Important notice on page 2 for duties and responsibility of the Norwegian FSA).

The Norwegian FSA has approved the Prospectus by e-mail 13 December 2018. The Prospectus is valid for 12 months from the approval date.

The prospectus has also been sent to the Oslo Børs ASA for control in relation to a listing application of the bonds.

Bond Terms/Covered Bond Agreement: The Covered Bond Agreement has been entered into by the Borrower and the Bond Trustee. The Covered Bond Agreement regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Covered Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in

the Covered Bond Agreement.

When bonds are subscribed / purchased, the Bondholder has accepted the Covered Bond Agreement and is bound by the terms of the Covered Bond Agreement.

The Covered Bond Agreement is attached as Appendix 1 to this Securities Note. The Covered Bond Agreement is also available through the Bond Trustee, the Arranger or from the Borrower.

Bondholders' meeting:

At the Bondholders' meeting each Bondholder has one vote for each bond he owns.

In order to form a quorum, at least half (1/2) of the aggregate principal amount of the Voting Bonds must be represented at the Bondholders' meeting. See also paragraph 7.1 in the Covered Bond Agreement.

Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, except as set forth below.

A majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of this Covered Bond Agreement.

(For more details, see also paragraph 7 in the Covered Bond Agreement.

Availability of the Documentation:

<https://spacom.sparebank1.no/>

Bond Trustee:

Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.

The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Covered Bond Agreement and applicable laws and regulations which are relevant to the terms of the Covered Bond Agreement, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' meetings, and make the decisions and implement the measures resolved pursuant to the Covered Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Covered Bond Agreement.

(For more details, see also Covered Bond Agreement clause 8)

Arranger:

DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, NO-0191, Oslo, Norway

Paying Agent:

DNB Bank ASA, Verdipapirservice, Dronning Eufemias gt. 30, N-0191 Oslo, Norway.

The Paying Agent is in charge of keeping the records in the Securities Depository.

Calculation Agent:

The Bond Trustee.

CSD:

The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA.

Market-Making:

There is no market-making agreement entered into in connection with the Bond Issue.

Prospectus:

The Registration Document dated 13 December 2018, this Securities Note dated 13 December 2018 and the Summary

dated 13 December 2018.

Prospectus and listing fees:

Prospectus fee (NFSA) Registration Document NOK 60,000
Prospectus fee (NFSA) Securities Note & Summary NOK 16,000
Listing fee 2018 (Oslo Børs): NOK 8,194
Registration fee (Oslo Børs): NOK 5,900

Legislation under which the
Securities have been created:

Norwegian law.

Fees and Expenses:

The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. There is no withholding tax on interest paid by Norwegian Borrowers due to applicable Norwegian law. The Borrower is responsible for withholding any withholding tax should this be imposed by Norwegian law.

5 Additional Information

The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.

The Issuer has mandated DNB Bank ASA, DNB as Arranger for the issuance of the Loan. The Arranger has acted as advisors to the Issuer in relation to the pricing of the Loan.

Rating

SpareBank 1 Næringskreditt's Covered Bond Rating: Moody's: Aaa

Moody's Investors Service ("Moody's") is established in the EU and have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation).

Moody's credit ratings		
Investment grade		
Rating	Long-term ratings	Short-term ratings
Aaa	Rated as the highest quality and lowest credit risk.	Prime-1 Best ability to repay short-term debt
Aa1		
Aa2		
Aa3		
A1		
A2		
A3	Rated as upper-medium grade and low credit risk.	Prime-1/Prime-2 Best ability or high ability to repay short term debt
Baa1	Rated as medium grade, with some speculative elements and moderate credit risk.	Prime-2 High ability to repay short term debt
Baa2		Prime-2/Prime-3 High ability or acceptable ability to repay short term debt
Baa3		Prime-3 Acceptable ability to repay short term debt
Speculative grade		
Rating	Long-term ratings	Short-term ratings
Ba1	Judged to have speculative elements and a significant credit risk.	Not Prime Do not fall within any of the prime categories
Ba2		
Ba3		
B1		
B2		
B3		
Caa1		
Caa2		
Caa3		
Ca	Judged to be highly speculative and with likelihood of being near or in default, but some possibility of recovering principal and interest.	
C	Rated as the lowest quality, usually in default and low likelihood of recovering principal or interest.	

For further information about the rating please see: <https://spacom.sparebank1.no/uploads/Sparebank-1-Naeringskreditt-CB-PO-ratings-2015.pdf>

Statement from the Arranger:

DNB Bank ASA, DNB Markets has assisted the Borrower in preparing the prospectus. DNB Bank ASA, DNB Markets has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Arranger expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Borrower or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this prospectus acknowledges that such person has not relied on the Arranger nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo (Norway), 13 December 2018

DNB Bank ASA, DNB Markets

Listing of the Loan:

The Prospectus will be published in Norway. An application for listing at Oslo Børs will be sent as soon as possible after the Issue Date. Each bond is negotiable.

6 Appendix 1: Covered Bond agreement

Covered Bond Agreement

Issuer:	Sparebank 1 Næringskreditt AS
Company No / LEI-code:	894 111 232 / 549300JU7YM7Z58IKC14
With Bond Trustee:	Nordic Trustee AS
Company no / LEI-code:	963 342 624 / 549300XAKTM2BMKIPT85
On behalf of the Bondholders in:	FRN Sparebank 1 Næringskreditt AS Covered Bond Issue 2018/2022 (Extendable to 15 December 2023)
With ISIN:	NO0010834005
Dated:	05 October 2018

The Issuer undertakes to issue the Bonds in accordance with the terms set forth in these Bond Terms, which shall remain in effect for so long as any Bonds remain outstanding:

1. MAIN TERMS OF THE BONDS

Maximum Issue Amount:	1 000 000 000	
Initial Bond Issue:	750 000 000	
Initial Nominal Amount:	1 000 000	
Currency:	SEK (Swedish Kroner)	
Issue Date:	15 October 2018	
Maturity Date:	15 December 2022	
Extended Maturity:	15 December 2023	
Redemption Price:	100 % of Nominal Amount	
Call:	NA	NA
Interest Rate:	Reference Rate + Margin.	
Reference Rate:	Short 1st period from 15th October 2018 to 15th December with 2 month STIBOR, thereafter 3 month STIBOR	
Margin:	0.75 percentage points p.a.	
Interest Period:	15 March, 15 June, 15 September and 15 December each year	
Day Count Convention:	Actual/360	
Business Day Convention:	Modified Following Business Day	
Listing:	Yes; Oslo Børs	
Special Conditions:	NA	

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2. INTERPRETATION

In these Bond Terms, capitalised terms set out in Clause 1 (Main terms of the Bonds) shall have the meaning set out therein, and additionally the following capitalised terms shall have the meaning set out below:

Additional Bonds:	Means any Bonds issued under a Tap Issue.
Bond Terms:	This agreement including any attachments hereto, and any subsequent amendments and additions agreed between the parties hereto.
Bond Trustee:	The company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.
Bond Trustee Agreement:	An agreement to be entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds unless otherwise agreed in these Bond Terms.
Bondholder:	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 6.3 (<i>Bondholders' rights</i>).
Bondholders' Meeting:	Meeting of Bondholders as set forth in Clause 7 of these Bond Terms.
Bonds:	Covered Bonds (<i>obligasjoner med fortrinnsrett</i>) issued pursuant to this Bond Agreement and which are registered in the Securities Register and in the Issuer's Cover Pool Register, each a "Bond".
Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Business Day Convention:	Means that: a) If Modified Following Business Day is specified (FRN), the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day. b) If No Adjustment is specified (Fixed Rate), no adjustment will be made to the Interest Period.
Call:	Issuer's early redemption right of Bonds at the date(s) stated (the "Call Date") and corresponding price(s) (the "Call Price"), ref. Clause 4.6 (<i>Payments in respect of the Bonds</i>). If NA is specified, the provisions regarding Call do not apply.
Cover Pool:	The pool of assets to which: (i) the Bondholders, (ii) any other holders of bonds issued by the Issuer that have been given the same preferential rights in the same cover pool, and (iii) counterparties to derivative contracts that have been given the same preferential rights in the same cover pool, if any, as referred to in Section 11-8 (1) (e) of the Financial Undertaking Act, have a preferential right in accordance with the Financial Undertakings Act Chapter 11, Sub-chapter II and regulations given pursuant thereto, comprising of assets described in Clause 3.2 and which are registered in the designated Cover Pool Register at any time, subject to changes pursuant to Clause 3.2. of this Bond Agreement.

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Covered Pool Register:	The register of: (i) the Bonds, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool, (iii) the derivative contracts which have been given the same preferential rights as the Bonds, and (iv) the assets in the Cover Pool, - to be established and maintained by the Issuer in accordance with the Financial Undertaking and regulations given pursuant thereto.
CSD:	The central securities depository in which the Bonds are registered, being VPS ASA.
Day Count Convention:	The convention for calculation of payment of interest; a) If Fixed Rate, the interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis). b) If FRN, the interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
Event of Default:	Means any of the events or circumstances specified in Clause 5. (<i>Events of Default</i>).
Exchange:	Shall have the meaning ascribed to such term in Clause 1 (<i>Main terms of the Bonds</i>), setting out the exchange or other recognized marketplace for securities, on which the Issuer has, or has applied for, listing of the Bonds. If NA is specified, the terms of these Bond Terms covering Exchange do not apply.
Extended Maturity Date:	The extended date on which the Bonds fall due, as set out in Clause 4.6.1 e) The Extended Maturity Date shall be adjusted pursuant to the Business Day Convention.
Finance Documents:	Means these Bond Terms and any Bond Trustee Agreement.
Financial Undertaking:	Entity with authorization according to the Norwegian Financial Undertaking Act (2015/17).
Fixed Rate:	Means if the Interest Rate is stated in percentage (%).
FRN:	Means if the Interest Rate is stated as Reference Rate + Margin.
Interest Period:	Means, subject to adjustment in accordance with the Business Day Convention, the periods set out in Clause 1, provided however that an Interest Period shall not extend beyond the Maturity Date.
Interest Rate:	Rate of interest applicable to the Bonds; a) If Fixed Rate, the Bonds shall bear interest at the percentage (%) set out in Clause 1. b) If FRN the Bonds shall bear interest at a rate per annum equal to the Reference Rate + Margin as set out in Clause 1. Any interpolation will be quoted with the number of decimals corresponding to the quoted number of decimals of the Reference Rate. If the Interest Rate becomes negative, the Interest Rate shall be deemed to be zero.
Interest Payment Date:	Means the last day of each Interest Period.
Interest Quotation Date:	Means, in relation to any period for which an Interest Rate is to be determined, the day falling two Business Days before the first day of

	the relevant Interest Period.
Issue:	Any issue of Bonds pursuant to this Bond Terms.
Issuer:	The company designated as such in the preamble to these Bond Terms.
Issuer's Bonds:	Bonds owned by the Issuer, any party who has decisive influence over the Issuer, or any party over whom the Issuer has decisive influence.
LEI-code:	Legal Entity Identifier, a unique 20-character code that identifies <u>legal entities</u> that engage in financial transactions.
Listing:	Indicates listing of the Bonds. If YES is specified, the Issuer shall submit an application in order to have the Bonds listed on the Exchange. If NO is specified, no obligation for listing applies, but the Issuer may, at its own discretion, apply for listing.
Margin:	Means, if FRN, the margin of the Interest Rate. The provisions regarding Margin do not apply for Fixed Rate.
Maturity Date:	Means the date set out in Clause 1, or any other day where the Outstanding Bonds are paid in full, adjusted according to the Business Day Convention.
NA:	Means that the provision to which NA is designated is not applicable to these Bond Terms.
Nominal Amount:	Means the Initial Nominal Amount less the aggregate amount by which each Bond has been partially redeemed pursuant to Clause 4.6 (<i>Payments in respect of the Bonds</i>).
Outstanding Bonds:	Means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.
Paying Agent:	The legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.
Payment Date:	Means any Interest Payment Date or any Repayment Date.
Reference Rate:	STIBOR rounded to the nearest thousand of a percentage point on each Reset Date, for the period stated. If NA is specified, Reference Rate does not apply.
Relevant Record Date:	<p>means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:</p> <ul style="list-style-type: none"> a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; b) for the purpose of casting a vote in a Bondholders' Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders' Meeting being held, or another date as accepted by the Bond Trustee; and c) for the purpose of casting a vote in a Written Resolution: <ul style="list-style-type: none"> i) the date falling 3 Business Days after the Summons have been published; or, ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.
Repayment Date:	Means any date for payment of instalments, payment of any Call or the Maturity Date, or any other days of repayments of Bonds.

STIBOR	Means, for FRN, the Swedish Interbank Offered Rate, being: d) the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Interest Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or e) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Bond Trustee at its request comparable quotes by three leading banks in the Stockholm interbank market reasonably selected by the Bond Trustee for the relevant period; or f) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Bond Trustee and the Issuer best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant Interest Period.
Summons:	Means the call for a Bondholders' Meeting or a Written Resolution as the case may be.
Tap Issue:	Shall have the meaning ascribed to such term in Clause 4.1.2 (<i>Tap Issues</i>). If NA is specified in respect of Maximum Issue Amount in Clause 1 (<i>Main terms of the Bonds</i>), no Tap Issues may be made under these Bond Terms. Otherwise, Tap Issues shall be allowed on the terms set out in Clause 4.1.2 (<i>Tap Issues</i>).
Voting Bonds:	Outstanding Bonds less the Issuer's Bonds.
Written Resolution:	Means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 7.5 (<i>Written Resolutions</i>).

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3. SPECIAL TERMS OF THE BONDS

3.1 Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds for its general corporate purposes.

3.2 Status

The Bonds are unsubordinated obligations issued as covered bonds (obligasjoner med fortrinnsrett) in accordance with Chapter 11, Sub-chapter II and appurtenant regulations of the Financial Undertaking Act and rank pari passu among (i) themselves, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool and (iii) any obligations of the Issuer to counterparties under derivative contracts, if any, as referred to in Section 11-8 (1) (e) of the Financial Undertaking Act that have been provided the same preferred rights to settlement against the Cover Pool.

To the extent that claims in relation to the Bonds, other covered bonds and relating derivative agreements (both as registered in the Cover Pool Register) are not met out of the Cover Pool, the residual claims will rank pari passu with the unsecured and unsubordinated obligations of the Issuer, save for those preferred by law.

3.3 Security

The Bonds are unsecured. In accordance with the Financial Undertakings Act, the Bonds, together with any other assets as set out in Clause 3.2 (*Status*) which are registered in the Cover Pool Register at any time, shall in the event of bankruptcy, negotiation of debt under the Bankruptcy Act, winding up of the Issuer or public administration of the Issuer, have an exclusive, equal and proportional preferential claim over the Cover Pool.

3.4 Special Conditions

NA

4. GENERAL TERMS OF THE BONDS

4.1 Conditions precedent

4.1.1 Conditions precedent to the Issue Date

- (a) The Bond Trustee shall have received the following documentation, no later than 2 – two – Business Days prior to the Issue Date:
 - (i) these Bond Terms duly signed,
 - (ii) the Issuer's corporate resolution to issue the Bonds,
 - (iii) confirmation that the relevant individuals are authorised to sign on behalf of the Issuer these Bond Terms and other relevant documents in relation hereto, (Company Certificate, Power of Authority etc.),
 - (iv) the Issuer's Articles of Association,

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- (v) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (prospectus requirements) are fulfilled,
 - (vi) to the extent necessary, any public authorisations required for the issue of the Bonds,
 - (vii) confirmation that the Bonds have been registered in the CSD,
 - (viii) the Bond Trustee Agreement duly signed (to the extent applicable),
 - (ix) confirmation according to Clause 4.1.3(e) (*Confirmation*) if applicable,
 - (x) any other relevant documentation presented in relation to the issue of the Bonds, and
 - (xi) any statements (including legal opinions) required by the Bond Trustee regarding documentation in this Clause 4.1 (*Conditions precedent*).
- (b) The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for the documentation as set forth in this Clause 4.1 (*Conditions precedent*).
 - (c) The Issuance of the Bonds is subject to the Bond Trustee's written notice to the Issuer, the manager of the issuance of the Bonds and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.

4.1.2 Tap Issues

- (a) If Maximum Issue Amount is applicable (ref Clause 1 (*Main terms of the Bonds*)), the Issuer may subsequently issue Additional Bonds on one or more occasions (each a "Tap Issue") until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue, provided that:
 - (i) the Tap Issue is made no later than five – 5 – Business Days prior to the Maturity Date, and that
 - (ii) all conditions set forth in Clause 4.1 are still valid to the extent applicable, or that necessary valid documentation is provided.
- (b) Each Tap Issue requires written confirmation from the Bond Trustee, unless (i) the Issuer is a Financial Institution and (ii) the Bonds constitute (senior) unsecured indebtedness of the Issuer (i.e. not subordinated).
- (c) The Issuer may, upon written confirmation from the Bond Trustee, increase the Maximum Issue Amount. The Bondholders and the Exchange shall be notified of any increase in the Maximum Issue Amount.
- (d) Interest will accrue on the Nominal Amount of any Additional Bond as set out in Clause 4.6.2 (*Interest Rate calculation and fixing*).

4.1.3 Representations and warranties

- (a) General

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The Issuer makes the representations and warranties set out in this Clause 4.1.3 (*Representations and warranties*) to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (i) at the Issue Date; and
 - (ii) at the date of issuance of any Additional Bonds;
- (b) Information

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

- (i) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
 - (ii) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.
- (c) Requirements
- (i) The Issuer has made a valid resolution to issue the Bonds and the provisions of the Finance Documents do not contravene any of the Issuer's other obligations.
 - (ii) All public requirements have been fulfilled (i.e. pursuant to chapter 7 of the Norwegian Securities Trading Act), and any required public authorisation has been obtained.
- (d) No Event of Default

No Event of Default exists or is likely to result from the issuance of the Bonds or the entry into, the performance of, or any transaction contemplated by, these Bond Terms or the other Finance Documents.

(e) Confirmation

The Bond Trustee may require a statement from the Issuer confirming the Issuer's compliance with this Clause 4.1.3 (*Representations and warranties*) at the times set out above.

4.2 General covenants

The Issuer undertakes not to (either in one action or as several actions, voluntarily or involuntarily):

- (a) sell or otherwise dispose of all or parts of its assets or business,
- (b) change the nature of its business, or

- (c) merge, demerge or in any other way restructure its business,
- (d) if, for each of (a) to (c) above, such action will materially and adversely affect the Issuer's ability to fulfil its obligations under these Bond Terms

4.3 Information covenants

The Issuer undertakes to:

- (a) inform the Bond Trustee of any other event which may have a material effect on the Issuer's ability to fulfil its obligations pursuant to these Bond Terms,
- (b) inform the Bond Trustee if the Issuer intends to sell or dispose of all or a substantial part of its assets or operations or change the nature of its business,
- (c) upon request, provide the Bond Trustee with its annual and interim reports and any other information reasonably required by the Bond Trustee,
- (d) upon request report to the Bond Trustee the balance of Issuer's Bonds,
- (e) provide a copy to the Bond Trustee of any notice to its creditors to be made according to applicable laws and regulations,
- (f) send a copy to the Bond Trustee of notices to the Exchange which have relevance to the Issuer's liabilities pursuant to these Bond Terms,
- (g) inform the Bond Trustee of changes in the registration of the Bonds in the CSD,
- (h) annually in connection with the release of its annual report, and upon request, confirm to the Bond Trustee compliance with any covenants set forth in these Bond Terms, and
- (i) annually in connection with the release of its annual report, and upon request, confirm to the Bond Trustee compliance with any covenants set forth in these Bond Terms.

4.4 Registration of Bonds

The Issuer shall continuously ensure the correct registration of the Bonds in the CSD and in the Cover Pool.

4.5 Listing and prospectus

- (a) In the event that the Bonds are listed on the Exchange, matters concerning the listing requiring the approval of the Bondholders shall be resolved pursuant to the terms of these Bond Terms.
- (b) In the event that the Bonds are listed on the Exchange, the Issuer shall submit the documents and the information necessary to maintain the listing.
- (c) The Issuer shall ensure that these Bond Terms shall be incorporated in any prospectus and other subscription or information materials related to the Bonds.

4.6 Payments in respect of the Bonds

4.6.1 Covenant to pay

- (a) On each Interest Payment Date the Issuer shall in arrears pay the accrued Interest Rate amount to the Bondholders.
- (b) On the Repayment Date the Issuer shall pay in respect of each Bond the Nominal Amount multiplied by the Redemption Price to the Bondholders.
- (c) If a Payment Date falls on a day on which is not a Business Day, the payment shall be made on the first following Business Day.
- (d) The Issuer undertakes to pay to the Bond Trustee any other amount payable pursuant to the Finance Documents at its due date.
- (e) If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Maturity Date.
- (f) If exercising a Call, the Issuer shall at the relevant date indicated under Call pay to the Bondholders the Nominal Amount of the Bonds to be redeemed multiplied by the relevant Call Price on the redeemed Bonds.
- (g) Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to these Bond Terms and will be made to the Bondholders registered as such in the CSD at the Relevant Record Date for the actual payment.
- (h) In the event that the Issuer has not fulfilled its payment obligations pursuant to these Bond Terms, interest shall accrue on the amount due at the higher of:
 - (i) the seven day STIBOR plus 3.0 percentage points (to be fixed two Business Days before due date and thereafter weekly), or
 - (ii) the applicable Margin at the due date plus 3.0 percentage points.
- (i) Default interest shall be added to any amount due but unpaid on a monthly basis and accrue interest together with such amount (compound interest).

4.6.2 Interest Rate calculation and fixing

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period (or the Issue Date, for the first Interest Period), and ending on but excluding the last date of the Interest Period.
- (b) The Interest Rate shall be calculated based on the Day Count Convention.
- (c) If FRN, the Interest Rate shall be adjusted by the Bond Trustee on each Interest Quotation Date during the term of the Bonds. The Bondholders, the Issuer, the Paying

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Agent and the Exchange (to the extent applicable) shall be notified of the new Interest Rate applicable for the next Interest Period.

- (d) Interest will accrue on the Nominal Amount of any Additional Bond for each Interest Period starting with the Interest Period commencing on the Interest Payment Date immediately prior to the issuance of the Additional Bonds (or the Issue Date, for the first Interest Period).

4.6.3 Exercise of Call

- (a) Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date.
- (b) Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the CSD).

4.6.4 Partial payments

- (a) If a payment relevant to the Bonds is insufficient to discharge all amounts then due and payable under the Finance Documents (a “**Partial Payment**”), such Partial Payment shall, in respect of the Issuer’s debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee and any Security Agent,
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders shall, subject to paragraph (c) below, be applied pro rata towards payment of any accrued interest due but unpaid and of any principal amount due but unpaid.
- (c) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a pro rata reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

5. EVENTS OF DEFAULT

There are no specific Event of Default provisions. In the event that the Issuer has not fulfilled its payment obligations pursuant to these Bond Terms, the Bond Trustee may take necessary action in order to protect the Bondholders interests.

6. THE BONDHOLDERS

6.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with.
- (b) These Bond Terms shall be publicly available from the Bond Trustee or the Issuer.

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- (c) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

6.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including any right to exercise any put option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

6.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 6.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

7. BONDHOLDERS' DECISIONS

7.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (c) Subject to the power of the Bond Trustee to take certain action as set out in Clause 8.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.

- (d) At least 50% of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present. If all Bonds are regarded as Issuer's Bonds, the Bondholder is allowed to vote for these Bonds.
- (e) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below.
- (f) Save for any amendments or waivers which can be made without resolution pursuant to Clause 9.1.2 (*Procedure for amendments and waivers*), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

7.2 Procedure for arranging a Bondholders' Meeting

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

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

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

- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting unless this would constitute a breach by the Issuer's obligations pursuant to Clause 4.6.1 (*Covenant to pay*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in Oslo). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee (the "**Chairman**"). If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and the Chairman elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairman may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairman will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairman. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairman and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

7.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 6.3 (*Bondholders' rights*). The Chairman may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.

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- (b) Issuer's Bonds shall not carry any voting rights. The Chairman shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 7 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 6.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 6.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairman will have the deciding vote.

7.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 7.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 7.1 (*Authority of the Bondholders' Meeting*), Clause 7.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 7.3 (*Voting rules*) shall apply mutatis mutandis to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 7.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 7.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 7.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

7.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 7.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 7.1 (*Authority of the Bondholders' Meeting*), 7.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 7.3 (*Voting Rules*) and Clause 7.4 (*Repeated Bondholders' Meeting*) shall apply mutatis mutandis to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 7.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 7.5 (*Written Resolution*),
 shall not apply to a Written Procedure.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**").
- (f) The Voting Period shall be at least three (3) Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 7.4 (*Repeated Bondholders' Meeting*) shall be at least ten (10) Business Days but not more than 15 Business Days from the date of the Summons.
- (g) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 6.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (h) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 7.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (i) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.

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- (j) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 7.1 (*Authority of Bondholders' Meeting*).

8. THE BOND TRUSTEE

8.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.
- (c) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

8.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.

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- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,
- (i) will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 8.4 (Expenses, liability and indemnity), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- (j) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (k) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

8.3 Equality and conflicts of interest

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

8.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage

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caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently if it has:
 - (i) acted in accordance with advice from or opinions of reputable external experts; or
 - (ii) acted with reasonable care in a situation when the Bond Trustee considers that it is to the interests of the Bondholders to delay or perform any action.
- (d) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (e) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. For Nordic Financial Undertakings, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site (www.nordictrustee.no) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate Bond Trustee Agreement will be entered into. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligor, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received

from the Issuer or any other person, and to set-off and cover any such costs and expenses from those funds.

- (h) As a condition to effecting any instruction from the Bondholders the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

8.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 7 (*Bondholders' Decision*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 8.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 8.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

9. OTHER PROVISIONS

9.1 Amendments and waivers

9.1.1 Approval from both parties

Amendments of these Bond Terms may only be made with the approval of the parties to these Bond Terms, with the exception of amendments related to Clause 8.5 (*Replacement of the Bond Trustee*).

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9.1.2 Procedure for amendments and waivers

The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 7 (*Bondholders' Decisions*).

9.1.3 Authority with respect to documentation

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

9.1.4 Notification of amendments or waivers

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 9.1 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

9.2 The Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion (including, to the extent applicable with respect to Bonds purchased pursuant to an put option).

9.3 Defeasance

Provided that (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date, including any potential Call premium (the "**Defeasance Amount**"), is (ii) transferred to an account in a financial undertaking acceptable to the Bond Trustee (the "**Defeasance Account**") and (iii) being pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"), the Issuer may request to the Bond Trustee that;

- (a) the Issuer shall be relieved of its obligations under Clause 4.2 and Clause 4.3;
- (b) any security provided for the Bonds may be released and the Defeasance Pledge shall be considered replacement of such security; and that
- (c) any guarantor may be released of its guarantee obligations pursuant to the Bond Terms.

The Bond Trustee may require such further conditions, statements and legal opinions before the defeasance arrangements is implemented as the Bond Trustee may reasonably require.

The Bond Trustee shall be authorised to apply any Defeasance Amount deposited on the Defeasance Account towards any amount payable by the Issuer under or pursuant to the Bond Terms on the due date for the relevant payment until all obligations of the Issuer are repaid and discharged in full.

The Bond Trustee may, if the relevant Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems required.

A defeasance established according to this Clause 9.3 may not be reversed.

9.4 Expenses

- (a) The Issuer shall cover all its own expenses in connection with these Bond Terms and the fulfilment of its obligations hereunder, including the 'preparation of these Bond Terms, listing of the Bonds on the Exchange, and the registration and administration of the Bonds in the CSD.
- (b) The expenses and fees payable to the Bond Trustee shall be paid by the Issuer. For Financial Undertaking, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site (www.nordictrustee.com) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate Bond Trustee Agreement will be entered into.
- (c) Any public fees payable in connection with these Bond Terms and fulfilling of the obligations pursuant to these Bond Terms shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
- (d) The Issuer is responsible for withholding any withholding tax imposed by relevant law.

9.5 Notices

- (a) Written notices, warnings, summons etc. to the Bondholders made by the Bond Trustee shall be sent via the CSD with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at the web site www.stamdata.no.
- (b) The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the CSD with a copy to the Bond Trustee and the Exchange.

9.6 Contact information

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

9.7 Governing law

These Bond Terms shall be governed by and construed in accordance with Norwegian law.


9.8 Jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the Oslo district court (*Oslo Tingrett*) shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms (a "**Dispute**"). The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court and that the Issuer shall be prevented from taking proceedings relating to a Dispute in any other court of law.


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

SIGNATURES

The Issuer

By: 
Name:

The Bond Trustee

By: 
Name: