



Execution version

## Terms and Conditions

Sparekassen Kronjylland – DKK 200,000,000 Fixed Rate Resettable Non-Preferred Senior Notes

Arranger:  
Nordea Bank Abp



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## 1 Introduction

1.1 The DKK 200,000,000 Fixed Rate Resettable Non-Preferred Senior Notes (the “**Notes**”, which expression shall in these terms and conditions of the Notes (the “**Conditions**”), unless the context otherwise requires, include any further notes issued pursuant to Condition 16 (*Further issues*) and forming a single series with the Notes) are issued by Sparekassen Kronjylland, CVR no. 17912828 (the “**Issuer**”).

1.2 The Notes are issued on 11 December 2019 (the “**Issue Date**”). The Notes are issued at an issue price of 100.00 per cent.

1.3 The Issuer is a savings bank (in Danish: *sparekasse*) incorporated under Danish law. Its registered office is located at Tronholmen 1, DK-8960 Randers SØ, Denmark and its telephone number is +45 89 12 24 00. The issue of the Notes was authorised and approved by the Issuer’s Board of Directors at a meeting held on 30 October 2019.

1.4 Sparekassen Kronjylland, Tronholmen 1, DK-8960 Randers SØ, Denmark will perform the tasks of the issuing agent, paying agent and calculation agent, which, as applicable, shall be defined and construed as follows:

(a) **Issuing Agent:** The task of registering the Notes in the book entry system of VP Securities A/S, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark (“**VP**”).

(b) **Paying Agent:** The task of arranging for payment of any amount due under the Notes through VP (subject to in each case having received the relevant amount from the Issuer) in accordance with these Conditions.

(c) **Calculation Agent:** The task of calculating any rate of interest and any amount, including any interest amounts, due under the Notes in accordance with these Conditions.

## 2 Definitions

2.1 In addition to the terms defined above the following expressions have the following meanings in these Conditions:

“**Additional Amounts**” has the meaning ascribed to it in Condition 9 (*Taxation (Gross up)*);

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



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

“**Alternative Mid-Swap Rate**” means the rate that the Independent Adviser determines has replaced the Mid-Swap Rate in customary market usage in the relevant debt capital markets for the purposes of determining rates of interest in respect of notes denominated in DKK and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the Mid-Swap Rate;

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

“**BRRD**” means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Directive resulting from Directive (EU) 2019/879 of the European Parliament and of the Council dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

“**Business Day**” shall mean a day on which banks and VP are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen;

“**Call Date**” means the first Interest Payment Date falling on or about the fourth (4) anniversary of the Issue Date;

“**CIBOR**” means the Copenhagen interbank offered rate



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

“**CRD Directive**” means the Directive (2013/36/EU) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Directive resulting from Directive (EU) 2019/878 of the European Parliament and of the Council as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

“**CRD/CRR Implementing Measures**” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and/or the Group, as applicable, and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards, guidelines, recommendations and/or opinions released from time to time by the European Banking Authority (or any successor or replacement thereof) or the Relevant Regulator, as the case may be;

“**CRR**” means the Regulation (2013/575) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time (including, for the avoidance of doubt, the amendments to such Regulation resulting from Regulation (EU) 2019/876 of the European Parliament and of the Council as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements dated 20 May 2019 and published in the Official Journal of the European Union on 7 June 2019);

“**Danish Act on Recovery and Resolution of certain Financial Businesses**” means the Danish Act on Recovery and Resolution of certain Financial Businesses (Consolidated Act no. 24 of 1 January 2019, as amended or replaced from time to time);

“**Danish Bankruptcy Act**” means the Danish Bankruptcy Act (Consolidated Act no. 11 of 6 January 2014, as amended or replaced from time to time);

“**Danish Capital Markets Act**” means the Danish Capital Markets Act (Consolidated Act no. 931 of 6 September 2019, as amended or replaced from time to time);

“**DKK**” means the lawful currency of Denmark;



**“Danish Statutory Loss Absorption Powers”** means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Denmark, relating to (i) the transposition of the BRRD (or, as the case may be, any provision of Danish law transposing or implementing such Directive) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into guarantee capital (in Danish: *garantikapital*) of the Issuer, other Securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

**“Enforcement Event”** has the meaning as ascribed to it in Condition 10 (*Enforcement Events*);

**“First Fixed Rate”** means the sum of the Initial 4-year Swap Rate and the Initial Margin, corresponding to 1.836 per cent. per annum;

**“Group”** means the Issuer together with its subsidiaries and other entities, if any, that are consolidated in the Issuer’s calculation of the MREL Requirement on a consolidated level in accordance with the CRD/CRR requirements;

**“Independent Adviser”** means an independent financial institution of repute in the debt capital markets where the Mid-Swap Rate is commonly used or other independent financial adviser experienced in the debt capital markets where the Mid-Swap Rate is commonly used, in each case appointed by the Issuer at its own expense;

**“Initial 4-year Swap Rate”** means -0.164 per cent. per annum;

**“Initial Margin”** means 2.000 per cent. per annum;

**“Interest Payment Date”** means 11 December in each year from and including 11 December 2020 up to and including the Maturity Date;

**“Interest Period”** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

**“Maturity Date”** means 11 December 2024;

**“Mid-Swap Rate”** means the rate for swaps in DKK:

- (a) with a one year term; and
- (b) commencing on the Call Date,



displayed on the Reset Rate Screen Page at or around the Reset Rate Time on the Reset Rate Determination Date, all as determined by the Calculation Agent;

“**Mid-Swap Rate Amendments**” has the meaning ascribed to it in Condition 6.3.2;

“**Mid-Swap Rate Determination Date**” has the meaning ascribed to it in Condition 6.2.1(a);

“**Mid-Swap Rate Event**” has the meaning ascribed to it in Condition 6.2;

“**Mid-Swap Rate Quotation**” means a quotation (expressed as a percentage rate per annum) of the bid and offered rates for the fixed leg payable with an annually frequency (calculated on the day count basis customary for fixed rate payments in DKK as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in DKK which transaction (i) has a term equal to the Reset Period and commencing on the Call Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on a 3-month CIBOR (calculated on the day count basis customary for floating rate payments in DKK as determined by the Calculation Agent);

“**MREL Disqualification Event**” means, in respect of the Notes, the determination by the Issuer that, as a result of:

- (a) the implementation of any Applicable MREL Regulations on or after the Issue Date;  
or
- (b) a change in any Applicable MREL Regulations becoming effective on or after the Issue Date,

all or part of the Outstanding Principal Amount of the Notes will be excluded from the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer and/or the Group is/are then or, as the case may be, will be subject to such MREL Requirement, provided that an MREL Disqualification Event shall not occur where such exclusion is or will be caused by (i) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (ii) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded;

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



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

“**Noteholders**” means a person who is registered in VP as directly registered owner or nominee holder of a Note;

“**Noteholders’ Meeting**” means a Noteholders’ meeting held pursuant to Condition 12 (*Noteholders’ Meeting*);

“**Non-Preferred Senior Obligations**” means any unsubordinated and unsecured liabilities of the Issuer which rank upon an insolvency of the Issuer in accordance with Section 13(3) of the Danish Act on Recovery and Resolution of certain Financial Businesses;

“**Outstanding Principal Amounts**” means, in respect of a Note or the Notes, as the context requires, the outstanding principal amount thereof, as adjusted from time to time for any reduction of the principal amount as required by then current legislation and/or regulations applicable to the Issuer;

“**Qualifying Non-Preferred Senior Notes**” means, at any time, any securities (other than the Notes) issued or guaranteed by the Issuer that:

- (a) contain terms which at such time comply with the then current requirements for “eligible liabilities” (or any equivalent or successor term) provided for in the Applicable MREL Regulations in relation to the relevant MREL Requirement (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the early redemption rights which are included in the Notes);
- (b) carry the same rate of interest from time to time applying to such Notes prior to the relevant substitution or variation pursuant to Condition 8.7 (*Substitution and variation*);
- (c) have the same currency of payment, denomination, original principal amount and Outstanding Principal Amounts as the Notes prior to the relevant substitution or variation pursuant to Condition 8.7 (*Substitution and variation*);
- (d) have the same Maturity Date and the same Interest Payment Dates as such Notes prior to the relevant substitution or variation pursuant to Condition 8.7 (*Substitution and variation*);
- (e) (if such securities are issued by the Issuer) rank *pari passu* with the Notes or (if such securities are guaranteed by the Issuer) the guarantee for which ranks *pari passu* with the Notes, in either case prior to the relevant substitution or variation pursuant to Condition 8.7 (*Substitution and variation*);





- (f) shall not, immediately following the relevant substitution or variation pursuant to Condition 8.7 (*Substitution and variation*), be subject to an MREL Disqualification Event and/or a Tax Event;
- (g) have terms not otherwise materially less favourable to the Noteholders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect signed by two authorised signatories of the Issuer to the Issuing Agent (and copies thereof will be available at the Issuing Agent's specified office during its normal business hours) not less than 5 Business Days prior to (x) in the case of a substitution of the Notes pursuant to Condition 8.7 (*Substitution and variation*), the issue date of the relevant securities or (y) in the case of a variation of the Notes pursuant to Condition 8.7 (*Substitution and variation*), the date such variation becomes effective; and
- (h) if (A) the Notes were listed or admitted to trading on a regulated market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a regulated market or (B) the Notes were listed or admitted to trading on a recognised stock exchange other than a regulated market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a regulated market), in either case as selected by the Issuer;

“**Reference Banks**” means in case of a determination of the Reset Rate if the Reset Rate Screen Page is unavailable, the principal office in the principal financial centre of four major banks in the swap, money, securities or other market most closely connected with the Mid-Swap Rate as selected by the Issuer on the advice of an independent financial institution of repute in the debt capital markets;

“**Relevant Date**” means the date on which a payment in respect of the Notes first becomes due, except that, if the full amount of the moneys payable has not been duly received by a Paying Agent on or before the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 19 (*Notices*);

“**Relevant Nominating Body**” means in relation to the Mid-Swap Rate (or such Successor Mid-Swap Rate or Alternative Mid-Swap Rate which has been determined in relation to the Mid-Swap Rate pursuant to the operation of Condition 6.2):

- (a) the administrator of the reference rate, or any entity under the common control as the administrator of the reference rate;
- (b) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the reference rate relates, (ii)



any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof;

“**Relevant Regulator**” means, in relation to the Issuer or the Group, as the case may be, the Danish Financial Supervisory Authority and any successor or replacement thereto, and/or such other authority having primary responsibility for the prudential oversight and supervision of the Issuer or the Group and/or the Relevant Resolution Authority (if applicable), in any case as determined by the Issuer;

“**Relevant Resolution Authority**” means the resolution authority with the ability to exercise any Danish Statutory Loss Absorption Powers (or any other power under the BRRD) in relation to the Issuer and/or the Group;

“**Reset Rate Determination Date**” means the 2nd Business Day prior to the Call Date;

“**Reset Rate**” means the sum of (i) the Mid-Swap Rate and (ii) the Reset Margin;

“**Reset Rate Screen Page**” means the Bloomberg screen page DKSW1V3 ICPL Currency;

“**Reset Rate Time**” means 11.00 am. (Danish time);

“**Reset Margin**” means 2.000 per cent.;

“**Reset Period**” means the period from (and including) the Call Date to (but excluding) the Maturity Date;

“**Securities**” means any securities including, without limitation, guarantee capital (in Danish: *garantkapital*) of the Issuer;

“**Successor Mid-Swap Rate**” means the rate that an Independent Adviser determines is a successor to or the replacement of the Mid-Swap Rate and which is formally recommended by a Relevant Nominating Body;

“**Tax Event**” means as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the official interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Issuer receives an opinion of external counsel in Denmark experienced in such matters that (A) it would be required to pay Additional Amounts as provided in Condition 9 (*Taxation (Gross up)*) or (B) it will no longer be able to obtain a tax deduction for the purposes of Danish tax for any payment of interest under the Notes, in each case provided that the Issuer satisfies the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable at the time of their issuance; and

“**Written Procedure**” means a written procedure held pursuant to Condition 13 (*Written Procedure*).



### **3 Form, denomination, nominal amount, trades, transferability and title**

#### **3.1 Form of Notes, denomination, nominal amount and trades**

**3.1.1** The Notes are issued in bearer form (in Danish: *ihændeheber*) and issued in uncertificated and dematerialised book-entry form through VP.

**3.1.2** The Notes are denominated in DKK. The Notes shall be registered in VP in multiples of DKK 0.01. All trades in Notes as well as the initial subscription for Notes shall be in a minimum amount of DKK 1,000,000 and, if more, in even multiples of DKK 1,000,000. A Noteholder who, as a result of trading such amounts, holds an amount which is less than DKK 1,000,000 in its custody account will not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of DKK 1,000,000 such that its holding amounts to DKK 1,000,000 or above.

**3.1.3** The Outstanding Principal Amounts may be adjusted as required by then current mandatory legislation and/or regulations applicable to the Issuer. Any such adjustment to the Outstanding Principal Amounts will not have any effect on the denominations of the Notes.

**3.1.4** The ISIN code of the Notes is DK0030455365.

#### **3.2 Transferability and title**

**3.2.1** The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes under Condition 3.1.2 or under laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

**3.2.2** Legal title to the Notes will pass by electronic registration in the book entry system and register maintained by VP in accordance with the rules and procedures of VP from time to time. Each Noteholder shall (except as otherwise required by law) be treated as holder of the Notes for all purposes and no person shall be liable for so treating such Noteholder.

**3.2.3** The Issuer shall, to the extent permitted under applicable laws, regulations, and the rules and procedures of VP from time to time, have access on demand to static data and ownership of the Noteholders registered in the securities register.

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

**3.3.1** If a beneficial owner of a Note not being registered as a Noteholder wishes to exercise any rights under the Notes (including, but not limited to participating in Noteholders' Meeting or a Written Procedure), it must obtain proof of ownership of the Notes, acceptable to the chairman of the Noteholders' Meeting (in case of a Noteholders' Meeting) or the Issuer (in case of a Written Procedure).

**3.3.2** A Noteholder (whether registered as such or proven to the satisfaction of the chairman of the Noteholders' Meeting or the Issuer, as applicable, to be the beneficial owner of the Note as set out in Condition 3.3.1) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Notes held or beneficially owned by such Noteholder. The chairman of the Noteholders' Meeting or the Issuer, as applicable,



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 Condition 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the chairman of the Noteholders' Meeting or the Issuer, as applicable, has actual knowledge to the contrary.

#### **4 Status of the Notes**

4.1 The Notes on issue constitute Non-Preferred Senior Obligations of the Issuer.

4.2 The Notes constitute direct and unsecured debt obligations of the Issuer, and shall at all times rank:

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes (including any other Non-Preferred Senior Obligations of the Issuer), in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (c) senior to holders of the Issuer's guarantee capital (in Danish: *garantkapital*) and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes, or any obligations pursuant to Section 98 of the Danish Bankruptcy Act, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (d) junior to present or future claims of (i) depositors of the Issuer, (ii) other unsubordinated creditors of the Issuer pursuant to Section 97 of the Danish Bankruptcy Act and (iii) any other unsubordinated creditors of the Issuer that are not creditors in respect of Non-Preferred Senior Obligations of the Issuer, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

4.3 No Noteholder, who shall in the event of the liquidation or bankruptcy of the Issuer be indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder.

4.4 The Issuer reserves the right in the future to issue other notes or capital instruments, with identical or other ranking than the Notes.

#### **5 Interest**

5.1 Interest rate

5.1.1 Each Note bears interest on its Outstanding Principal Amount:

- (a) in respect of the period from (and including) the Issue Date to (but excluding) the Call Date, at the rate per annum equal to the First Fixed Rate; and



- (b) in respect of the Reset Period, at the rate per annum equal to the Reset Rate (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards),

payable, in each case, in arrear on the relevant Interest Payment Date and if that Interest Payment Date is not a Business Day then on the first following day that is a Business Day. The amount of interest payable shall be made in accordance with Condition 5 and Condition 7 (*Payments*).

- 5.1.2 The Calculation Agent will cause the rate of interest and each interest amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, VP and any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 19 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each interest amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the Notes are for the time being listed and to the Noteholders in accordance with Condition 19 (*Notices*).
- 5.2 Reset Rate Screen Page
  - 5.2.1 If on the Reset Rate Determination Date, the Reset Rate Screen Page is not available or the Mid-Swap Rate does not appear on the Reset Rate Screen Page as of the Reset Rate Time on the Reset Rate Determination Date, the Reset Rate will, subject as provided in Condition 6, as applicable, be determined by the Calculation Agent on the following basis: (i) the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Swap Rate Quotation at approximately the Reset Rate Time on the Reset Rate Determination Date in question; (ii) if two or more of the Reference Banks provide the Calculation Agent with a Mid-Swap Rate Quotation, the Reset Rate for the Reset Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the Mid-Swap Rate Quotations plus or minus (as appropriate) the applicable Margin, all as determined by the Calculation Agent; (iii) if only one of the Reference Banks provides the Calculation Agent with a Mid-Swap Rate Quotation, the Reset Rate shall be the Mid-Swap Rate Quotation plus the Reset Margin, as determined by the Calculation Agent; and (iv) if none of the Reference Banks provides the Calculation Agent with a Mid-Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the Reset Rate shall be equal to the sum of: (A) the last observable rate for swaps in DKK with a term equal to the Reset Period which appears on the Reset Rate Screen Page and (B) the Reset Margin, as determined by the Calculation Agent.
- 5.3 Interest accrual
  - 5.3.1 Interest accrues from day to day and is calculated on the basis of the actual number of days in the Interest Period divided by 365 (or, if the date 29 February falls within the Interest Period, 366) (Actual/Actual).



## 6 Mid-Swap Rate replacement

### 6.1 General

6.1.1 Any determination to be made by or any changes to the Conditions to be specified by the Independent Adviser in accordance with the provisions of this Condition 6 shall at all times be made by such Independent Adviser acting in good faith.

### 6.2 Mid-Swap Rate determination

6.2.1 If (i) the Mid-Swap Rate has ceased to be published on the Reset Rate Screen Page for at least five (5) consecutive Business Days prior to the Reset Rate Determination Date or the Mid-Swap Rate has ceased to exist as a result of the Mid-Swap Rate ceasing to be calculated or administered, (ii) the administrator of the Mid-Swap Rate has made a public statement or publication of information announcing that within six (6) months it will cease to provide the Mid-Swap Rate permanently or indefinitely, or (iii) a Relevant Nominating Body has made a public statement or publication of information recommending the usage of a Successor Mid-Swap Rate for the Mid-Swap Rate (which better reflects the relevant market interest rates), a “**Mid-Swap Rate Event**” has occurred and the following shall apply:

- (a) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine, no later than five (5) Business Days prior to the Reset Rate Determination Date (the “**Mid-Swap Determination Date**”), a Successor Mid-Swap Rate or, alternatively, if there is no Successor Mid-Swap Rate, an Alternative Mid-Swap Rate for purposes of determining the applicable Mid-Swap Rate for the Reset Period;
- (b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Mid-Swap Rate or an Alternative Mid-Swap Rate prior to the Mid-Swap Rate Determination Date, the Mid-Swap Rate applicable to the Reset Period shall be equal to the Mid-Swap Rate last published on the Reset Rate Screen Page; and
- (c) if a Successor Mid-Swap Rate or an Alternative Mid-Swap Rate is determined in accordance with paragraph (a) in this Condition 6.2.1, such Successor Mid-Swap Rate or Alternative Mid-Swap Rate shall be the Mid-Swap Rate for the Reset Period (subject to the subsequent operation of, and to adjustment as provided for in this Condition 6).

6.2.2 If the Independent Adviser (in consultation with the Issuer), determines that an Adjustment Spread is required to be applied to the Successor Mid-Swap Rate or the Alternative Mid-Swap Rate and that such Adjustment Spread is determined by the Independent Adviser, such Adjustment Spread shall be applied.

### 6.3 Variation upon a Mid-Swap Rate replacement

6.3.1 If the Independent Adviser determines a Successor Mid-Swap Rate or an Alternative Mid-Swap Rate in accordance with this Condition 6, the Independent Adviser may (following



consultation and subject to the final approval by the Issuer) specify changes to these Conditions in order to follow market practice in relation to the relevant Successor Mid-Swap Rate or Alternative Mid-Swap Rate.

- 6.3.2 The Issuer shall at its own expense, but subject to receipt by the Noteholders of the certificate referred to in Condition 6.3.3, without the requirement for any consent or approval of the Noteholders, effect such amendments to these Conditions as may be required by the Issuer in order to give effect to this Condition 6, such amendments referred to as “**Mid-Swap Rate Amendments**”.
- 6.3.3 The Issuer shall promptly, following the determination of any Successor Mid-Swap Rate or Alternative Mid-Swap Rate and any Mid-Swap Rate Amendments, give notice thereof to the Calculation Agent and the Noteholders in accordance with Condition 19 (*Notices*). No later than giving the Noteholders such notice, the Issuer shall deliver to the Noteholders a certificate signed by two authorised signatories of the Issuer:
- (a) confirming (i) that a Mid-Swap Rate Event has occurred, (ii) the relevant Successor Mid-Swap Rate or Alternative Mid-Swap Rate, and (iii) any Mid-Swap Rate Amendments, in each case as determined in accordance with the provisions of this Condition 6; and
  - (b) as applicable, certifying that the Mid-Swap Rate Amendments are necessary to ensure the proper operation of such Successor Mid-Swap Rate or Alternative Mid-Swap Rate.
- 6.4 The Successor Mid-Swap Rate or Alternative Mid-Swap Rate and any Mid-Swap Rate Amendments specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Mid-Swap Rate or Alternative Mid-Swap Rate and any Mid-Swap Rate Amendments and without prejudice to the Calculation Agent’s ability to rely on such certificate as aforesaid) be binding on the Issuer, the Calculation Agent and the Noteholders.
- 6.5 An Independent Adviser appointed pursuant to this Condition 6 shall act in good faith and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Paying Agent, Calculation Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 6.
- 6.6 Notwithstanding any other provision of this Condition 6 no Successor Mid-Swap Rate or Alternative Mid-Swap Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as MREL Eligible Liabilities of the Issuer and/or the Group.

**7 Payments**

## 7.1 Payments of principal and interest

7.1.1 Payments of principal, interest and any other amounts in respect of the Notes shall be made to the Noteholders shown in the relevant records of VP in accordance with and subject to the rules and regulations from time to time governing VP.

## 7.2 Payments subject to fiscal laws

7.2.1 All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation (Gross up)*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

## 7.3 Payments on Business Days

7.3.1 If the due date for payment of any amount in respect of any Note is not a Business Day, the payment shall be postponed to the following Business Day, and the Noteholders shall not be entitled to any further interest or other payment in respect of such delay.

**8 Redemption, purchase and options**

## 8.1 Scheduled or early redemption

8.1.1 Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Outstanding Principal Amount on the Maturity Date in accordance with Condition 7 (*Payments*).

8.1.2 The amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Tax Event*), Condition 8.3 (*Early redemption upon the occurrence of an MREL Disqualification Event*) Condition 8.4 (*Redemption at the option of the Issuer*) shall be the Outstanding Principal Amount.

## 8.2 Early redemption upon the occurrence of a Tax Event

8.2.1 Subject to Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*), upon the occurrence of a Tax Event, the Issuer may, at its option on any Interest Payment Date, and having given no less than 30 nor more than 60 days' notice to the Paying Agent and the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amounts, together with accrued and unpaid interest thereon.

## 8.3 Early redemption upon the occurrence of an MREL Disqualification Event

8.3.1 Subject to Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*) upon the occurrence of an MREL Disqualification Event, the Issuer may, at its option on any Interest Payment Date, and having given no less than 30 nor more than 60 days' notice to the Paying Agent and the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable) redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amounts, together with accrued and unpaid interest thereon.





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#### 8.4 Redemption at the option of the Issuer

8.4.1 Subject to Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*), the Issuer may, at its option, and having given no less than 30 nor more than 60 days' notice to the Paying Agent and the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable), redeem all (but not some only) of the outstanding Notes on the Call Date at their Outstanding Principal Amounts, together with accrued interest and unpaid interest thereon.

#### 8.5 Purchase

8.5.1 The Issuer and any other member of the Group may (subject to Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*)) purchase Notes in the open market or otherwise at any price.

#### 8.6 Cancellation

8.6.1 All Notes purchased by or on behalf of the Issuer or by any member of the Group may (but subject to Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*)) be cancelled by the Issuer when the Issuer holds the title to them. The Notes are cancelled in the records of VP so that the cancelled Notes cannot be reissued or resold, and subsequently the Issuer has no obligations pertaining to the cancelled Notes. The outstanding amount of Notes will be updated in the records of VP.

#### 8.7 Substitution and variation

8.7.1 Subject to having given no less than 30 nor more than 60 days' notice (which notice shall, subject to the Permission Withdrawal Early Redemption Restriction, be irrevocable) to the Noteholders (in accordance with Condition 19 (*Notices*)) and the Issuing Agent:

- (a) if an MREL Disqualification Event and/or a Tax Event has/have occurred and is/are continuing; or
- (b) in order to align the Conditions to best practices published by the European Banking Authority (or any successor or replacement thereof) resulting from its monitoring activities pursuant to Article 80 of the CRR,

the Issuer may, at its option, but subject to Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*), substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Non-Preferred Senior Notes.

8.7.2 Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Qualifying Non-Preferred Senior Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.



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- 8.8 Conditions to redemption etc. prior to the Maturity Date
- 8.8.1 The Notes may only be redeemed, purchased, cancelled, substituted, varied or modified (as applicable) pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Tax Event*), Condition 8.3 (*Early redemption upon the occurrence of an MREL Disqualification Event*) Condition 8.4 (*Redemption at the option of the Issuer*), Condition 8.5 (*Purchase*), Condition 8.6 (*Cancellation*), Condition 8.7 (*Substitution and variation*), Condition 11.1 (*Powers of Noteholders' Meetings and a Written Procedure*) or paragraph (b) of Condition 15.1, as the case may be, if:
- (a) in the case of any substitution, variation or modification, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not objected to such substitution, variation or modification (as applicable) in accordance with the CRD/CRR requirements;
  - (b) in the case of any such redemption, purchase or cancellation, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has granted its permission to, such redemption, purchase or cancellation (as applicable) in accordance with the CRD/CRR requirements (which, as at the Issue Date, are set out in Articles 77 and 78a of the CRR);
  - (c) in the case of a redemption of the Notes as a result of a Tax Event or an MREL Disqualification Event, the Issuer has delivered a certificate signed by two authorised signatories of the Issuer to the Issuing Agent (and copies thereof will be available at the Issuing Agent's specified office during its normal business hours) not less than five Business Days prior to the date set for redemption that such Tax Event or MREL Disqualification Event has occurred or will occur no more than ninety days following the date fixed for redemption, as the case may be.
- 8.8.2 If, after a notice of redemption has been given pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Tax Event*), Condition 8.3 (*Early redemption upon the occurrence of an MREL Disqualification Event*) or Condition 8.4 (*Redemption at the option of the Issuer*) (as applicable), the Relevant Regulator withdraws its permission to the relevant redemption before the relevant redemption date, such notice of redemption shall automatically be revoked and the relevant redemption shall not be made until a new redemption notice is given and all conditions for redemption as described in this Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*) have been fulfilled. The redemption restriction described in this paragraph is referred to as the “**Permission Withdrawal Early Redemption Restriction**”.
- 8.8.3 Any refusal by the Relevant Regulator to grant its permission to any such redemption, purchase or cancellation (as applicable) pursuant to Condition 8.8.1(b) (or, as the case may be, any withdrawal by the Relevant Regulator) of any such permission) will not constitute an event of default or an Enforcement Event under the Notes.

**9 Taxation (Gross up)**

9.1 All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (together, “**Taxes**”) imposed or levied by or on behalf of Denmark, or any political sub-division of, or any authority in, or of, Denmark having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, in the case of a payment of interest only, the Issuer will, pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of his having some connection with Denmark other than the mere holding of the Note or receipt of interest in respect thereof; or
- (b) presented for payment more than 30 days after the Relevant Date except to the extent that a Note would have been entitled to Additional Amounts on claiming payment on or before the expiry of such period of 30 days.

**10 Enforcement Events**

10.1 No events of default

10.1.1 There are no events of default in respect of the Notes. Noteholders shall not be entitled at any time to file for bankruptcy or liquidation of the Issuer.

10.2 Enforcement Events

10.2.1 If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an “**Enforcement Event**”), any Noteholder may prove or claim in such proceedings in respect of such Note, such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such bankruptcy or liquidation of the Issuer together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable on such Note (including any damages payable in respect thereof). Such claim shall rank as provided in Condition 4 (*Status of the Notes*).

10.3 Enforcement of obligations

10.3.1 Subject to Condition 10.1 (*No events of default*) and without prejudice to Condition 10.2 (*Enforcement Events*), any Noteholder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

**11 Decisions by Noteholders****11.1 Powers of Noteholders' Meetings and a Written Procedure**

11.1.1 A Noteholders' Meeting or a Written Procedure shall, subject to the Conditions (including Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*)), have power to:

- (a) sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether or not those rights arise under the Notes;
- (b) sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, guarantee capital (in Danish: *garantkapital*), Securities, Notes or other obligations of the Issuer or any other entity;
- (c) assent to any modification of the Notes or the Conditions proposed by the Issuer;
- (d) to authorise anyone to concur in and do anything necessary to carry out and give effect to a resolution taken at a Noteholders' Meeting or a Written Procedure;
- (e) appoint and elect a representative on behalf of the Noteholders pursuant to the Danish Capital Markets Act;
- (f) appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise at a Noteholders' Meeting or a Written Procedure; and
- (g) approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Conditions.

11.1.2 Decisions to be taken by the Noteholders may be dealt with, at the option of the Issuer, at a Noteholders' Meeting or by way of a Written Procedure.

11.1.3 A Noteholders' Meeting will be held in accordance with the procedure pursuant to Condition 12 (*Noteholders' Meeting*).

11.1.4 A Written Procedure will be held in accordance with the procedure pursuant to Condition 13 (*Written Procedure*).

**11.2 Voting rights**

11.2.1 Each Noteholder holds one vote for each Note. The Issuer has no voting rights in respect of Notes held by the Issuer or any of its subsidiaries.

11.2.2 Only a person who is, or who has been provided with a power of attorney from a person who is, able to document its holdings of Notes by

- (a) presenting a custody account statement from VP or an authorised institution that is not more than three Business Days old (where the three Business Days shall be



counted from the date of the submission of the vote or power of attorney authorising a person to vote); or

- (b) provide other proof of holding which, in the case of a Noteholders' Meeting is satisfactory to the chairman of the Noteholders' Meeting or in the case of a Written Procedure is satisfactory to the Issuer,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure.

- 11.2.3 For the purposes of this Condition 11.2 (*Voting rights*), a beneficial owner of a Note that has a Note registered in the name of a nominee will, in accordance with Condition 3.3 (*Noteholders' rights*), be deemed to be the owner of the Note rather than the nominee. No vote may be exercised at Noteholders' Meeting or in a Written Procedure by any nominee if the beneficial owner of the Note has presented relevant evidence to the chairman of the Noteholders' Meeting (in case of a Noteholders' Meeting) or the Issuer (in case of a Written Procedure) pursuant to Condition 3.3 (*Noteholders' rights*) stating that it is the beneficial owner of the Notes voted for. If such owner of the Notes has voted directly for any of its nominee registered Notes, the owner of the Notes votes shall take precedence over votes submitted by the nominee for the same Notes.

11.3 Percentage of Noteholders required to consent

- 11.3.1 The following matters shall require the consent of Noteholders representing at least 66 2/3 per cent. of the Outstanding Principal Amounts for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 13 (*Written Procedure*):

- (a) a change to the terms of any provision of Condition 4 (*Status of the Notes*);
- (b) a reduction of the amount payable upon the redemption or repurchase of any Note pursuant to Condition 8 (*Redemption, purchase and options*) other than as permitted or required by the Conditions;
- (c) a change to the interest rate or the nominal amount of the Notes (other than as permitted or required by the Conditions);
- (d) a change to the terms dealing with the requirements for Noteholders' consent set out in this Condition 11.3.1 or Condition 14.1.3;
- (e) a change of Issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (f) a mandatory exchange of the Notes for other Notes; and
- (g) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Condition 10 (*Enforcement Events*), or as otherwise permitted or required by the Conditions.



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- 11.3.2 Any matter not covered by Condition 11.3.1 above shall require the consent of Noteholders representing more than 50 per cent. of the Outstanding Principal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure.
- 11.4 Quorum
- 11.4.1 A quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder or Noteholders representing at least 50 per cent. of the Outstanding Principal Amount in case of a matter pursuant to Condition 13.5.1, and otherwise 20 per cent. of the Outstanding Principal Amount:
- (a) attend the meeting in person (or appear through duly authorised representatives), in the case of a Noteholders' Meeting; or
  - (b) reply to the request, in the case of a Written Procedure.
- 11.4.2 Notes held by the Issuer or any of its subsidiaries shall not be taken into account when determining whether the required quorum has been met according to Condition 11.4.1 or Condition 14 (*Repeated Noteholders' Meeting*).
- 11.4.3 No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.
- 11.5 Issuer's, Paying Agent's, Issuing Agent's or Calculation Agent's consent required
- 11.5.1 Any decision which extends or increases the obligations of the Issuer, the Paying Agent, the Issuing Agent or the Calculation Agent or limits, reduces or extinguishes the rights or benefits of the Issuer, the Paying Agent, the Issuing Agent or the Calculation Agent under the Conditions shall be subject to the Issuer's, the Paying Agent's, the Issuing Agent's or the Calculation Agent's consent, as the case may be.
- 11.6 Decisions binding on all Noteholders and information to Noteholders
- 11.6.1 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 11.6.2 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be notified to the Noteholders, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer.
- 11.7 Minutes of a Noteholders' Meeting or Written Procedure
- 11.7.1 Minutes shall be made of all resolutions and proceedings at every Noteholders' Meeting or Written Procedure and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the



contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

## **12 Noteholders' Meeting**

### **12.1 Attendance at a Noteholder's Meeting:**

**12.1.1** At the Noteholders' Meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from VP or an authorised account institution evidencing that such Noteholder was registered as a Noteholder on the Business Day(s) specified in the notice to convene Noteholders' Meeting pursuant to Condition 12.4.1 or by providing other proof of holding satisfactory to the chairman of the Noteholders' Meeting. The following may attend and speak at a Noteholders' Meeting:

- (a) Noteholders and proxies;
- (b) any beneficial owners of the Notes having presented relevant evidence to the chairman of the Noteholders' Meeting pursuant to Condition 3.3 (*Noteholders' rights*);
- (c) any representative of the Noteholders appointed pursuant to the Danish Capital Markets Act;
- (d) the chairman; and
- (e) the Issuer, the Issuing Agent, the Paying Agent, the Calculation Agent and their respective financial and legal advisers.

**12.1.2** No one else may attend or speak.

### **12.2 Chairman of the Noteholders' Meeting**

**12.2.1** The chairman of the Noteholders' Meeting shall be such person as the Issuer nominates or, if no nomination is made, the person elected by the Noteholders present at such meeting.

**12.2.2** The Issuer shall upon request provide the chairman of the Noteholders' Meeting with the information available in the securities register kept by VP in respect of the Notes in order to convene and hold the Noteholders' Meeting.

### **12.3 Convening a Noteholders' Meeting**

**12.3.1** The Issuer may at any time, and shall, if so requested by one or more Noteholders representing at least 10 per cent. of the Outstanding Principal Amounts of the Notes convene a Noteholders' Meeting or initiate a Written Procedure. The Issuer may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Issuer that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.



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12.3.2 The Issuer shall call the Noteholders by notice to each Noteholders' Meeting no later than 14 days after having received request to convene such Noteholders' Meeting from the Noteholders containing the subject of such meeting. If the Issuer does not call the Noteholders' Meeting within the deadline, the Noteholders shall be entitled to call the Noteholders' Meeting. The notice to convene a Noteholders' Meeting shall be sent to all Noteholders registered in VP at the time the notice to convene a Noteholders' Meeting is sent from VP.

12.4 Notice to convene a Noteholders' Meeting

12.4.1 The notice pursuant to Condition 12.3 (*Convening a Noteholders' Meeting*) shall include the following:

- (a) time for the Noteholders' Meeting, which must be at least 10 days but not more than 30 days after the notice to the Noteholders;
- (b) place for the Noteholders' Meeting;
- (c) a specification of the Business Day(s) on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (d) agenda for the meeting (including each request for a decision by the Noteholders); and
- (e) a form of power of attorney.

12.4.2 Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting.

12.4.3 Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

12.5 Venue for Noteholders' Meetings

12.5.1 All Noteholders' Meetings shall be held in the Aarhus area or the Copenhagen area as determined by the Issuer or the person convening the Noteholders' Meeting. The Issuer shall pay expenses associated with the meeting other than travel and other expenses incurred by the Noteholders which shall be borne by each individual Noteholder.

### 13 Written Procedure

13.1 Instigating a Written Procedure

13.1.1 The Issuer may instigate a Written Procedure at any time by sending a notice to each Noteholder registered in VP at the time the notice to instigating a Written Procedure is sent from VP.

13.1.2 A notice pursuant to Condition 13.1.1 shall include the following:

- (a) each request for a decision by the Noteholders;
- (b) a description of the reasons for each request;





- (c) a specification of the Business Day(s) on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (d) instructions and directions on replying to the request (including a form for such reply containing an option to vote yes or no for each request) as well as a form of power of attorney; and
- (e) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 5 Business Days from the notice sent pursuant to Condition 13.1.1).

13.1.3 Instructions for the voting shall be included in the notice.

13.2 Decisions

13.2.1 When the requisite majority consents in accordance with Condition 11.3 (*Percentage of Noteholders required to consent*) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted even if the time period for replies in the Written Procedure has not yet expired.

#### **14 Repeated Noteholders' Meeting or Written Procedure**

14.1.1 Even if the necessary quorum set out in Condition 11.4.1 is not achieved, the Noteholders' Meeting or Written Procedure, as applicable, shall be held and voting completed for the purpose of recording the voting results in the minutes of the Noteholders' Meeting or Written Procedure, as applicable. The Issuer or the person who convened the initial Noteholders' Meeting or Written Procedure, as applicable, may, within ten Business Days of that Noteholders' Meeting or Written Procedure, as applicable, convene a repeated Noteholders' Meeting or Written Procedure, with the same agenda as the first Noteholders' Meeting or Written Procedure, as applicable.

14.1.2 The provisions and procedures regarding a Noteholders' Meetings and a Written Procedure, as set out, as applicable, in Condition 11 (*Decisions by Noteholders*), Condition 12 (*Noteholders' Meeting*) and Condition 13 (*Written Procedure*) shall apply *mutatis mutandis* to a repeated Noteholders' Meeting or Written Procedure, with the exception of the quorum requirements set out in Condition 11.4 (*Quorum*). A notice to convene for a repeated Noteholders' Meeting or Written Procedure, as applicable, shall also contain the voting results obtained in the initial Noteholders' Meeting or Written Procedure, as applicable,

14.1.3 The quorum at any such repeated Noteholder's Meeting or Written Procedure, as applicable, is one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of a matter pursuant to Condition 13.5.1, in which case the quorum shall be one or more persons holding Notes or representing Noteholders holding Notes in principal amount of not less than 33 1/3 per cent. of the Outstanding Principal Amount.

14.1.4 A repeated Noteholders' Meeting or Written Procedure, as applicable, may only be convened once for each initial Noteholders' Meeting or Written Procedure, as applicable. A



repeated Noteholders' Meeting or Written Procedure, as applicable, may be convened pursuant to the procedures of a Written Procedure in accordance with Condition 13 (*Written Procedure*), even if the initial meeting was held pursuant to the procedures of a Noteholders' Meeting in accordance with Condition 12 (*Noteholders' Meeting*) and vice versa.

## **15 Modification**

15.1 Subject to Condition 8.8 (*Conditions to redemption etc. prior to the Maturity Date*), as applicable, the Issuer may, without the consent of the Noteholders, make any modification to the Notes or these Conditions

- (a) to correct a manifest error; and
- (b) any modification to the Notes or these Conditions which is not prejudicial to the interests of the Noteholders.

15.2 Subject as provided in these Conditions, no other modification may be made to the Notes or these Conditions except with the sanction of a Noteholders' Meeting or a Written Procedure or as may be required by applicable laws or a court ruling or decision by a relevant authority.

15.3 Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 19 (*Notices*) as soon as practicable thereafter.

## **16 Further issues**

16.1 The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue date or the issue price thereof) so as to form a single series with the Notes.

## **17 Prescription**

17.1 Claims against the Issuer for payment in respect of the Notes shall be subject to limitation under the Danish Limitation Act (in Danish: *lov om forældelse af fordringer*) and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of Section 2 of the Danish Limitation Act.

## **18 Replacement of agents**

18.1 The Issuer reserves the right to appoint a successor Issuing Agent, Paying Agent or Calculation Agent in accordance with the rules and procedures of VP from time to time, provided, however, that the Issuer shall at all times maintain a Issuing Agent and a Paying Agent, which is authorized to act as an account holding institution with VP, and a Calculation Agent (which may be the Paying Agent).



**19 Notices**

- 19.1 All notices regarding the Notes to the Noteholders will be deemed to be validly given if published in accordance with the procedures of VP in force from time to time.
- 19.2 Noteholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 19.

**20 Force majeure**

- 20.1 Even in areas where a stricter statutory liability applies, neither the Issuer nor the Issuing Agent, the Paying Agent or the Calculation Agent shall be liable for losses due to:
- (a) the breakdown of or lack of access to IT systems or damage to the data of these systems which can be attributed to paragraphs (b) to (d) below regardless of whether the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or an external supplier is responsible for the operation of the systems;
  - (b) failures in the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and backing);
  - (c) strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or its or their organisation and regardless of the reason for the conflict and whether the conflict affects all or part of the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant); or
  - (d) other circumstances beyond the Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) control.
- 20.2 If circumstances mentioned in Condition 20.1 occur, which make it impossible for the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent to comply with their obligations under these Conditions (to the extent they have any obligations under the Conditions), including (but not limited to) the Issuer's obligations to make payments under the Notes, these obligations will be suspended until the circumstances in question cease.
- 20.3 The Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's exemption from liability pursuant to Condition 20.1 will not apply if:
- (a) the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) should have anticipated the factor causing the loss when the agreement was entered into or should have avoided or overcome the reason for the loss; or
  - (b) the Issuer, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) is liable for the factor causing the loss pursuant to applicable legislation.



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**21 Credit rating and listing**

21.1 The Notes will not be assigned any credit rating of any credit rating agency.

21.2 The Notes will not be listed or admitted to trading on any regulated market or other stock exchange.

**22 Governing law, jurisdiction and recognition of write-down or conversion powers**

22.1 Governing law

22.1.1 These Conditions and the Notes shall be governed by, and construed in accordance with, Danish law.

22.2 Jurisdiction

22.2.1 The City Court of Copenhagen (in Danish: *Københavns Byret*) shall have exclusive jurisdiction to settle any dispute arising from or connected with these Conditions and the Notes.

22.3 Recognition of write-down or conversion powers

22.3.1 For the avoidance of doubts, by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to (without limitation) the exercise of any Danish Statutory Loss Absorption Powers (including, for the avoidance of doubt, in accordance with Article 48 of the BRRD).

*[Separate signature page follows]*




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[Signature page to Terms and Conditions of the Notes for Sparekassen Kronjylland]

These Terms and Conditions of the Notes have been approved by the Issuer on 9 December 2019.

For and on behalf of Sparekassen Kronjylland:

  
Name: **Jens Stampe Dahl**  
Capacity:

  
Name: **Ole Møller Sørensen**  
Capacity: