



Execution version

Terms and Conditions

Sparekassen Kronjylland – DKK 150,000,000 Perpetual Subordinated Floating Rate Additional Tier 1 Notes

Arranger:
Nordea Bank Abp



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1 Introduction

1.1 The DKK 150,000,000 Perpetual Subordinated Floating Rate Additional Tier 1 Notes (in Danish: *kapitalbeviser*) (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 15 (*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 30 September 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 28 August 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:

“**2014 RTS**” means Commission Delegated Regulation (241/2014/EU) of 7 January 2014, supplementing the CRR with regard to regulator technical standards for own funds requirements for institutions, as amended or replaced from time to time;

“**Additional Amounts**” has the meaning ascribed to it in Condition 11 (*Taxation (Gross up)*);

“**Additional Tier 1 Capital**” means capital which is treated as Additional Tier 1 capital (in Danish: *hybrid kernekapital*) (or any equivalent or successor term) under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer and/or the Group, as applicable;



“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 CIBOR Rate or an Alternative CIBOR 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 CIBOR Rate with a Successor CIBOR Rate or an Alternative CIBOR Rate and is the spread, formula or methodology which:

- (a) in the case of a Successor CIBOR Rate, is formally recommended in relation to the replacement of the applicable CIBOR Rate with the relevant Successor CIBOR Rate by any Relevant Nominating Body;
- (b) in the case of a Successor CIBOR Rate for which no recommendation has been made or in the case of an Alternative CIBOR 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 CIBOR Rate, where such rate has been replaced by the relevant Successor CIBOR Rate or Alternative CIBOR 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 CIBOR Rate” means the rate that the Independent Adviser determines has replaced the CIBOR 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 Danish Kroner 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 CIBOR Rate;

“Available Reinstatement Amount” has the meaning ascribed to it in Condition 9.4 (*Available Reinstatement Amounts*);

“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;

“Capital Event” means, at any time, on or after the Issue Date, there is a change in the regulatory classification of the Notes that results or will result in:



- (a) their exclusion, in whole or in part, from the regulatory capital of the Issuer and/or the Group; or
- (b) reclassification, in whole or in part, as a lower quality form of regulatory capital of the Issuer and/or the Group,

in each case provided that (i) the Relevant Regulator considers such a change to be sufficiently certain and (ii) the Issuer satisfies the Relevant Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance;

“**CIBOR Rate**” has the meaning ascribed to it in Condition 5.1.2(a) or, following the occurrence of a CIBOR Rate Event, the Successor CIBOR Rate or Alternative CIBOR Rate replacing the CIBOR Rate in accordance with Condition 6 (*CIBOR Rate replacement*);

“**CIBOR Rate Amendments**” has the meaning ascribed to it in Condition 6.3.2;

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

“**CIBOR Rate Event**” has the meaning ascribed to it in Condition 6.2;

“**Common Equity Tier 1 Capital**” means Common Equity Tier 1 capital (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with the CRD/CRR requirements and any applicable transitional arrangement under the CRD/CRR requirements;

“**Common Equity Tier 1 Capital Ratio**” means (at any time):

- (a) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer divided by the Risk Exposure Amounts of the Issuer; and
- (b) in relation to the Group, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Group divided by the Risk Exposure Amounts of the Group,

in each case as calculated by the Issuer or, as the case may be, the Relevant Regulator in accordance with the CRD/CRR requirements at such time and any applicable transitional arrangements under the CRD /CRR requirements at such time and reported to the Relevant Regulator;

“**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);

“**Distributable Items**” means, as prescribed by CRD/CRR, the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments less any losses brought forward, profits which are non-distributable pursuant to provisions in legislation or the institution’s by-laws and sums placed to non-distributable reserves in accordance with applicable national law or the statutes of the institution, those losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts, or any successor provision thereto;

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

“**Enforcement Event**” has the meaning as ascribed to it in Condition 12 (*Enforcement Events*);

“**Extraordinary Resolution**” means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with Condition 13 (*Meetings of Noteholders*) by a majority of at least sixtysixpointsixtyseven (66.67) per cent. of the votes cast;



“First Call Date” means the first Interest Payment Date falling five (5) years or more after the Issue Date;

“First Interest Payment Date” has the meaning as ascribed to it in Condition 5.1.1;

“Full Loss Absorbing Instruments” has the meaning ascribed to it in Condition 9.1.5;

“Group” means the Issuer together with its subsidiaries and other entities, if any, that are consolidated in the Issuer’s calculation of the Common Equity Tier 1 Capital Ratio 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 CIBOR Rate is commonly used or other independent financial adviser experienced in the debt capital markets where the CIBOR Rate is commonly used, in each case appointed by the Issuer at its own expense;

“Interest Determination Date” has the meaning as ascribed to it in Condition 5.1.3;

“Interest Payment Date” has the meaning as ascribed to it in Condition 5.1.1;

“Interest Period” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the First Interest Payment Date or the next Interest Payment Date, as the case may be;

“Loss Absorption Minimum Amount” has the meaning ascribed to it in Condition 9.1.4(b);

“Margin” has the meaning ascribed to it in Condition 5.1.2(b);

“Maximum Distributable Amount” means any applicable maximum distributable amount (MDA) relating to the Issuer and/or the Group (if any) which is determined pursuant to Article 141 of the CRD Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141 of the CRD Directive), or any successor provision thereto or any analogous payment restrictions arising under the CRD/CRR and/or the BRRD in respect of capital buffers and/or minimum requirement for own funds and eligible liabilities under the CRD/CRR and/or the BRRD (or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions);

“Modified Following Business Day Convention” means that the relevant date shall be postponed to 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;

“Net Profits” means the lower amount of the net profit of the Issuer on a consolidated (if applicable) and individual basis, after the Issuer has taken a formal decision confirming its final profits;



“**Noteholders**” means the holders of the Notes;

“**Optional Redemption Date**” means the First Call Date and any Interest Payment Date thereafter;

“**Original Principal Amount**” means, with respect to an issue of Additional Tier 1 Capital instruments (including the Notes), the original principal amount of such Additional Tier 1 Capital instruments on the date they are issued;

“**Other Loss Absorbing Instruments**” means (a) obligations or capital instruments (other than the Notes) which are eligible to constitute Additional Tier 1 Capital of the Issuer and/or the Group and (b) any other obligations or capital instruments which are expressed to absorb losses on a *pro rata* basis with the Notes, in each case which include a principal loss absorption mechanism that:

- (a) is capable of generating Common Equity Tier 1 Capital of the Issuer and/or the Group; and
- (b) is activated by an event equivalent to the Trigger Event in all material respects (or, as the case may be, in all material respects other than the threshold for such activation);

“**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 write-down or reinstatement of the principal amount, in accordance with Condition 9 (*Loss absorption upon a Trigger Event and reinstatement of the principal amount of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Issuer;

“**Qualifying AT1 Notes**” means, at any time, any securities (other than the Notes) issued or guaranteed by the Issuer that:

- (a) (A) contain terms which at such time comply with the CRD/CRR requirements in relation to Additional Tier 1 Capital (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 both of the Special Event redemption events, which are included in the Notes) and (B) provide at least the same amount of regulatory capital recognition as the Notes prior to the relevant substitution or variation pursuant to Condition 10.6 (*Substitution and variation*); and
- (b) carry the same rate of interest from time to time applying to the Notes prior to the relevant substitution or variation pursuant to Condition 10.6 (*Substitution and variation*); and
- (c) have the same currency of payment, denomination, Original Principal Amount and Outstanding Principal Amounts as the Notes prior to substitution or variation pursuant to Condition 10.6 (*Substitution and variation*); and



- (d) (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 10.6 (*Substitution and variation*);
- (e) shall not at such time be subject to a Special Event;
- (f) 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 signatures 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 10.6 (*Substitution and variation*), the issue date of the relevant securities or (y) in the case of a variation of the Notes pursuant to Condition 10.6 (*Substitution and variation*), the date such variation becomes effective; and
- (g) 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;

“**Reinstatement Limit**” has the meaning ascribed to it in Condition 9.3 (*Reinstatement Limit*);

“**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 18 (*Notices*);

“**Relevant Nominating Body**” means in relation to the CIBOR Rate (or such Successor CIBOR Rate or Alternative CIBOR Rate which has been determined in relation to the CIBOR 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, as applicable, as determined by the Issuer;

“Risk Exposure Amounts” means the aggregate amount of the risk exposure amounts (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with the CRD/CRR requirements and any applicable transitional arrangements under CRD/CRR;

“Special Event” means either a Tax Event or a Capital Event;

“Successor CIBOR Rate” means the rate that an Independent Adviser determines is a successor to or the replacement of the applicable CIBOR 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 11 (*Taxation (Gross up)*) or (B) it will no longer be able to obtain a full 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 provided that, in the case of (B) above only, no Tax Event shall occur if the Issuer will no longer be able to obtain a full tax deduction for the purposes of Danish tax for such payment of interest as a result of a repeal of Section 6 B of the Danish Tax Assessment Act (in Danish: *ligningsloven*) in effect as of 25 September 2019 if such repeal is being transposed into Danish law according to legislation similar to the legislative proposal published for consultation by the Danish Minister for Taxation on 8 August 2019 with journal no. 2019 – 7049 on Change to the Danish Tax Assessment Act and the Danish Capital Gains Act (Repeal of Certain Rules on Taxation of Interest and Capital Gains and Loss on Hybrid Core Capital etc.);

“Tier 1 Capital” means capital which is treated as a constituent of Tier 1 capital under the CRD/CRR requirements by the Relevant Regulator for the purposes of the Issuer;

“Trigger Event” means, as determined at any time by the Issuer or the Relevant Regulator or any agent appointed for such purpose by the Relevant Regulator, as the case may be, that the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen be-



low the Trigger Event Threshold and such determination by the Issuer, the Relevant Regulator or any agent appointed for such purpose by the Relevant Regulator, as the case may be, shall be binding on the Noteholders;

“**Trigger Event Early Redemption Restrictions**” has the meaning ascribed to it in Condition 9.1.2;

“**Trigger Event Threshold**” means 5.125 per cent.; and

“**Write Down Date**” has the meaning ascribed to it in Condition 9.1.3.

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. If a Noteholder holds a nominal amount in a custody account of less than DKK 1,000,000, such Notes may not be traded unless such Noteholder purchases or transfers additional Notes in the custody account so that the requirements as to tradeable amounts of DKK 1,000,000 are satisfied.

3.1.3 The Outstanding Principal Amounts may be adjusted as provided in Condition 9 (*Loss absorption upon a Trigger Event and reinstatement of the principal amount of the Notes*) or as otherwise 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 DK0030451455.

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 absolute owner 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.



4 **Status of the Notes**

4.1 The Notes (in Danish: *kapitalbeviser*) on issue constitute Additional Tier 1 Capital of the Issuer under the CRD/CRR requirements.

4.2 Subject to Condition 9 (*Loss absorption upon a Trigger Event and reinstatement of the principal amount of the Notes*), the Notes constitute direct, unconditional, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank:

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with (i) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (ii) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) 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, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) 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 and (iii) other subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Notes.

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 The Notes bear interest on their Outstanding Principal Amount at a floating rate from (and including) the Issue Date. Interest shall be payable quarterly in arrears on 30 March, 30 June, 30 September and 30 December, commencing on 30 December 2019 (the "**First Interest Payment Date**") adjusted in accordance with the Modified Following Business Day Convention (each an "**Interest Payment Date**") in accordance with this Condition 5 and Condition 7 (*Payments*).

5.1.2 The rate of interest payable from time to time in respect of the Notes will be determined as the sum of:



- (a) the Copenhagen interbank offered rate (CIBOR) which appears on the website of Nasdaq Nordic, www.nasdaqomxnordic.com/obligationer/danmark/cibor (or through another website replacing it) as of around 11:00 am (Copenhagen time) with a maturity of three (3) months (the “**CIBOR Rate**”); and
 - (b) 5.75 per cent. (the “**Margin**”).
- 5.1.3 The CIBOR Rate is fixed by the Calculation Agent two (2) Business Days before the start of an Interest Period (each an “**Interest Determination Date**”).
- 5.1.4 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 18 (*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 18 (*Notices*).
- 5.2 Interest accrual
 - 5.2.1 Interest accrues from day to day and is calculated on the basis of the actual number of days in the interest period divided by 360 (Actual/360, adjusted).
- 6 CIBOR 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 CIBOR Rate determination
 - 6.2.1 If (i) the CIBOR Rate, from time to time, has ceased to be published on the relevant website for at least five (5) consecutive Business Days or the CIBOR Rate has ceased to exist as a result of the CIBOR Rate ceasing to be calculated or administered, (ii) the administrator of the CIBOR Rate has made a public statement or publication of information announcing that within six (6) months it will cease to provide the CIBOR 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 CIBOR Rate for the applicable CIBOR Rate (which better reflects the relevant market interest rates), a “**CIBOR 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 relevant Interest Determination Date in relation to the next succeeding



Interest Period (the “**CIBOR Rate Determination Date**”), a Successor CIBOR Rate or, alternatively, if there is no Successor CIBOR Rate, an Alternative CIBOR Rate for purposes of determining the applicable CIBOR Rate for the next succeeding Interest Period;

- (b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor CIBOR Rate or an Alternative CIBOR Rate prior to a CIBOR Rate Determination Date, the CIBOR Rate applicable to the next succeeding Interest Period shall be equal to the CIBOR Rate last determined for the preceding Interest Period; and
- (c) if a Successor CIBOR Rate or an Alternative CIBOR Rate is determined in accordance with paragraph (a) in this Condition 6.2, such Successor CIBOR Rate or Alternative CIBOR Rate shall be the CIBOR Rate for each of the future Interest Periods (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 CIBOR Rate or the Alternative CIBOR Rate and that such Adjustment Spread is determined by the Independent Adviser, such Adjustment Spread shall be applied.

6.3 Variation upon a CIBOR Rate replacement

6.3.1 If the Independent Adviser determines a Successor CIBOR Rate or an Alternative CIBOR 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 CIBOR Rate or Alternative CIBOR 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 “**CIBOR Rate Amendments**”.

6.3.3 The Issuer shall promptly, following the determination of any Successor CIBOR Rate or Alternative CIBOR Rate and any CIBOR Rate Amendments, give notice thereof to the Calculation Agent and the Noteholders in accordance with Condition 18 (*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 CIBOR Rate Event has occurred, (ii) the relevant Successor CIBOR Rate or Alternative CIBOR Rate, and (iii) any CIBOR Rate Amendments, in each case as determined in accordance with the provisions of this Condition 6; and



(b) as applicable, certifying that the CIBOR Rate Amendments are necessary to ensure the proper operation of such Successor CIBOR Rate or Alternative CIBOR Rate.

6.4 The Successor CIBOR Rate or Alternative CIBOR Rate and any CIBOR Rate Amendments specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor CIBOR Rate or Alternative CIBOR Rate and any CIBOR 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 CIBOR Rate or Alternative CIBOR 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 Additional Tier 1 Capital 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 11 (*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 Interest cancellation

8.1 Interest cancellation

8.1.1 Any payment of interest (including, for the avoidance of doubt, any Additional Amounts payable pursuant to Condition 11 (*Taxation (Gross up)*)) in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

(a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion; or



(b) will be mandatorily cancelled, in whole or in part, to the extent:

- (i) that, if the relevant payment were so made, the amount of such payment, when aggregated together with, where relevant, (x) other distributions of the kind referred to in Article 141(2) of the CRD Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141(2) of the CRD Directive), or any successor provision thereto, or (y) any analogous payment restrictions arising under the CRD/CRR and/or the BRRD in respect of capital buffers and/or minimum requirement for own funds and eligible liabilities under the CRD/CRR and/or the BRRD (or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions), would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital instruments relating to any applicable Maximum Distributable Amount; or
- (ii) otherwise so required by the CRD/CRR and/or the BRRD, including the applicable criteria for Additional Tier 1 Capital instruments, or where the Relevant Regulator requires the Issuer to cancel the relevant payment in whole or in part.

8.2 Notice of interest cancellation

8.2.1 The Issuer shall give notice to the Paying Agent and the Noteholders in accordance with Condition 18 (*Notices*) of any such cancellation of a payment of interest, which notice might be given after the date on which the relevant payment of interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay interest as described above and shall not constitute an event of default under the Notes.

8.3 Effect of interest cancellation

8.3.1 Following any cancellation of interest as described above, the right of Noteholders to receive accrued interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have “accrued” or been earned for any purpose nor will the non-payment of such interest constitute a default by the Issuer for any purpose and the Noteholders shall have no rights in respect of such payment of interest whether in a bankruptcy or liquidation of the Issuer or otherwise.

9 Loss absorption upon a Trigger Event and reinstatement of the principal amount of the Notes

9.1 Loss absorption following a Trigger Event

9.1.1 If at any time a Trigger Event occurs, the Issuer shall immediately notify the Relevant Regulator, the Paying Agent and, in accordance with Condition 18 (*Notices*), the Noteholders and the Notes shall be written down as described below. Notwithstanding the foregoing, failure to give such notice shall not prejudice the write down of the Notes as described below.



9.1.2 If a Trigger Event occurs after a notice of redemption has been given pursuant to Condition 10.2 (*Early redemption upon the occurrence of a Special Event*) or Condition 10.3 (*Redemption at the option of the Issuer*) but 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 Condition 10.7 (*Conditions to redemption etc.*) have been fulfilled. If a notice of a Trigger Event has been given pursuant to this Condition 9.1, no notice of redemption may be given pursuant to Condition 10.2 (*Early redemption upon the occurrence of a Special Event*) or Condition 10.3 (*Redemption at the option of the Issuer*) until such Trigger Event has been cured. The redemption restrictions described in this paragraph are together referred to as the “**Trigger Event Early Redemption Restrictions**”.

9.1.3 Such write down shall:

- (a) take place on such date selected by the Issuer in consultation with the Relevant Regulator (the “**Write Down Date**”) but no later than one month following the occurrence of the relevant Trigger Event; and
- (b) be made either as a write down of the Outstanding Principal Amounts or by write down of the redemption price or by other ways giving the same intended financial results, in each case in consultation with the Relevant Regulator, and in accordance with the rules of VP.

9.1.4 Subject to compliance with the CRD/CRR and BRRD requirements, the amount of the write down on the Write Down Date will be equal to the lower of:

- (a) the amount of a write down of the Notes that would restore the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group, as applicable, to at least the Trigger Event Threshold at the point of such write down, taking into account the amount of Common Equity Tier 1 Capital (if any) of the Issuer and/or the Group, as the case may be, generated on or prior to the Write Down Date by the *pro rata* write down to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of all Other Loss Absorbing Instruments (if any) outstanding at such time,

provided that:

- (i) with respect to each such Other Loss Absorbing Instrument (if any), such *pro rata* write down or, as the case may be, conversion shall only be taken into account as described above to the extent required to restore the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group to the Trigger Event Threshold or, if lower, such Other Loss Absorbing Instrument’s trigger level; and
- (ii) to the extent the write down to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Other Loss Absorbing Instrument is not, or by the relevant Write Down Date will not be, effective for any reason:



- (x) the ineffectiveness of any such write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments shall not prejudice the requirement to effect a write down of the Notes pursuant to this Condition 9; and
- (y) the write down of, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Other Loss Absorbing Instrument which is not, or by the Write Down Date will not be, effective shall not be taken into account in determining such write down of the Notes,

and

- (b) the amount of a write down that would write down the total nominal amount of Notes held by the Noteholder holding the least number of Notes at the Write Down Date to DKK 0.01 or so that the Issuer's payment obligations in respect of the nominal amount of Notes held by such Noteholder is reduced to DKK 0.01 (the "**Loss Absorption Minimum Amount**").

9.1.5 If, in connection with the write down of the Notes or the calculation of the amount of the write down of the Notes, there are any Other Loss Absorbing Instruments that may be written down, or, as the case may be, converted into Common Equity Tier 1 Capital instruments in full (save for any floor equivalent or comparable to the Loss Absorption Minimum Amount) but not in part only ("**Full Loss Absorbing Instruments**"), then:

- (a) the requirement that a write down of the Notes pursuant to this Condition 9.1 shall be effected *pro rata* with the write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments, as the case may be, of any Other Loss Absorbing Instruments shall not be construed as requiring the Notes to be reduced in full simply by virtue of the fact that any Full Loss Absorbing Instruments will be reduced or, as the case may be, converted in full; and
- (b) for the purposes of calculating the write down of the Notes, any Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments among the Notes and all Other Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments, such that the write down or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages:
 - (i) the principal amount of such Full Loss Absorbing Instruments shall be written down or converted into Common Equity Tier 1 Capital instruments *pro rata* with the Notes and all Other Loss Absorbing Instruments (in each case subject to and as provided in this Condition 9.1) to the extent necessary to restore the Issuer's and/or the Group's (as the case may be) Common Equity Tier 1 Capital Ratio to at least the Trigger Event Threshold; and



- (ii) the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (i) above shall be written down or, as the case may be, converted into Common Equity Tier 1 Capital instruments with the effect of increasing the Issuer's and/or the Group's Common Equity Tier 1 Capital Ratio above the minimum required level under (i) above.
- 9.1.6 The Issuer's determination of the relevant amount of a write down of the Notes pursuant to this Condition 9.1 shall be binding on all parties.
- 9.1.7 A write down to the Notes pursuant to this Condition 9.1 may occur on more than one occasion.
- 9.1.8 Following a write down of the Notes pursuant to this Condition 9.1:
 - (a) Noteholders will automatically and irrevocably lose their rights to receive – and will no longer have any rights against the Issuer with respect to – interest on the Notes and repayment of the written down amount (but without prejudice to their rights in respect of any reinstatement of the Notes pursuant to Condition 9.2 (*Reinstatement of the Notes*)); and
 - (b) interest will continue to accrue on the Outstanding Principal Amounts following such write down, and will be subject to Condition 8 (*Interest cancellation*) and Condition 9.2 (*Reinstatement of the Notes*).
- 9.1.9 For the avoidance of doubt, any write down of the Notes shall take place on a likewise *pro rata* basis.
- 9.1.10 Any write down of the Notes pursuant to this Condition 9.1 shall not constitute an Enforcement Event or a breach of the Issuer's obligations or duties under the Notes and shall not entitle the Noteholders to file for the bankruptcy or liquidation of the Issuer.
- 9.2 Reinstatement of the Notes
 - 9.2.1 Following a write down of the Notes in accordance with Condition 9.1 (*Loss absorption following a Trigger Event*), the Issuer may, at its discretion, reinstate some or all of the principal amount of the Notes, subject to compliance with the CRD/CRR requirements and the Reinstatement Limit, on a *pro rata* basis with all Other Loss Absorbing Instruments (if any) which would, following such reinstatement, constitute Additional Tier 1 Capital and feature similar write down and reinstatement provisions.
 - 9.2.2 Reinstatement may be made either by means of a pooling factor, where the Issuer's payment obligation under each Note is increased to a certain redemption price, or by other ways which gives the same intended financial results, or by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders.



- 9.2.3 Reinstatement by means of a pooling factor may be made on one or more occasions until the Notes have been reinstated in full (save in the event of occurrence of another write-down pursuant to Condition 9.1 (*Loss absorption following a Trigger Event*)).
- 9.3 Reinstatement Limit
- 9.3.1 Any reinstatement of some or all of the principal amount of all relevant outstanding Additional Tier 1 Capital instruments, where the principal amount of such Additional Tier 1 Capital instruments has been written down, may not at any time exceed the reinstatement limit applicable to the Issuer and the Group at such time (the “**Reinstatement Limit**”). Subject to Condition 9.5 (*Maximum Distributable Amount restriction*), the Reinstatement Limit will be the lower of the Available Reinstatement Amounts calculated for the Issuer and the Group in accordance with Condition 9.4 (*Available Reinstatement Amounts*).
- 9.4 Available Reinstatement Amounts
- 9.4.1 The “**Available Reinstatement Amount**” for each of the Issuer and the Group will be calculated as the amount equal to the Net Profits, multiplied by the ratio of the Original Principal Amount of all relevant outstanding Additional Tier 1 Capital instruments, where the principal amount of such Additional Tier 1 Capital instruments has been written down, divided by the total Tier 1 Capital of the Issuer or the Group, as the case may be, in each case at the date of the relevant reinstatement, less:
- (a) with respect to any relevant Additional Tier 1 Capital instruments, where the principal amount has been written down, the sum of any principal amounts that have already been reinstated during the period to which such profits relate; and
 - (b) the sum of any amounts of interest or, as the case may be, other periodic distributions in respect of any relevant Additional Tier 1 Capital instruments, where the principal amount has been written down, and which were paid or have been calculated (but disregarding any such interest which has been cancelled) during the period to which such profits relate on the basis of an outstanding principal amount which is lower than the Original Principal Amount of such Additional Tier 1 Capital instruments.
- 9.5 Maximum Distributable Amount restriction
- 9.5.1 A reinstatement as described in Condition 9.2 (*Reinstatement of the Notes*) shall not be effected in circumstances which when aggregated together with, where relevant (x) distributions of the kind referred to in Article 141(2) of the CRD Directive or, as the case may be, any provision of Danish law transposing or implementing Article 141(2) of the CRD Directive, or any successor thereto; or (y) any analogous payment restrictions arising under the CRD/CRR and/or the BRRD in respect of capital buffers and/or minimum requirement for own funds and eligible liabilities under the CRD/CRR and/or the BRRD (or, as the case may be, any provision of Danish law transposing or implementing any such analogous payment restrictions) would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Capital instruments relating to any Maximum Distributable Amount.



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- 9.6 Miscellaneous provisions applicable to reinstatement
- 9.6.1 For the avoidance of doubt, at no time may the Outstanding Principal Amounts exceed the Original Principal Amount of the Notes.
- 9.6.2 To the extent that the principal amount of the Notes has been reinstated as described above, interest shall begin to accrue on the reinstated principal amount of the Notes, and become payable in accordance with the Conditions, as from the date of the relevant reinstatement.
- 9.7 No liability
- 9.7.1 None of the Issuing Agent and any Paying Agent or Calculation Agent shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Trigger Event or any consequent write-down, reduction and/or cancellation of the Notes or of any claims in respect thereof. None of the Issuing Agent and any Paying Agent or Calculation Agent shall be responsible for any calculation or determination, or the verification of any calculation or determination, in connection with the same.
- 10 Redemption and purchase**
- 10.1 Scheduled redemption
- 10.1.1 The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described herein. The Notes are not redeemable at the option of the Noteholders at any time.
- 10.2 Early redemption upon the occurrence of a Special Event
- 10.2.1 Subject to Condition 10.7 (*Conditions to redemption etc.*), upon the occurrence of a Special 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 18 (*Notices*) (which notice shall, subject to the Trigger Event Early Redemption Restrictions, be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled.
- 10.3 Redemption at the option of the Issuer
- 10.3.1 The Issuer may, at its option (but subject to Condition 10.7 (*Conditions to redemption etc.*)) and having given no less than 30 nor more than 60 days' notice to the Paying Agent and the Noteholders in accordance with Condition 18 (*Notices*) (which notice shall, subject to the Trigger Event Early Redemption Restrictions, be irrevocable), redeem all (but not some only) of the outstanding Notes on the relevant Optional Redemption Date at their Outstanding Principal Amounts, together with accrued interest (if any) thereon insofar as it has not been cancelled.
- 10.4 Purchase
- 10.4.1 The Issuer and any other member of the Group may (subject to Condition 10.7 (*Conditions to redemption etc.*)) purchase Notes in the open market or otherwise at any price.



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10.5 Cancellation

10.5.1 All Notes purchased by or on behalf of the Issuer or by any member of the Group may (but subject to Condition 10.7 (*Conditions to redemption etc.*)) 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.

10.6 Substitution and variation

10.6.1 Subject to having given no less than 30 nor more than 60 days' notice (which notice shall, subject to the Trigger Event Early Redemption Restrictions, be irrevocable) to the Noteholders (in accordance with Condition 18 (*Notices*)) and the Issuing Agent:

- (a) if Special Event has occurred and is 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 10.7 (*Conditions to redemption etc.*), 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 AT1 Notes.

10.6.2 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 AT1 Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.

10.7 Conditions to redemption etc.

10.7.1 The Notes may only be redeemed, purchased, cancelled, substituted, varied or modified (as applicable) pursuant to Condition 10.2 (*Early redemption upon the occurrence of a Special Event*), Condition 10.3 (*Redemption at the option of the Issuer*), Condition 10.4 (*Purchase*), Condition 10.5 (*Cancellation*), Condition 10.6 (*Substitution and variation*), Condition 13.1 (*Powers of meetings*) or paragraph (b) of Condition 14.1, 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 78 of the CRR and Article 29 of the 2014 RTS);



- (c) in the case of any such redemption, the Trigger Event Early Redemption Restrictions do not apply to such redemption or to the redemption notice relating to such redemption (as applicable); and
 - (d) in the case of a redemption of the Notes as a result of a Special 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 Special Event has occurred or will occur no more than ninety days following the date fixed for redemption, as the case may be.
- 10.7.2 Any refusal by the Relevant Regulator to grant its permission to any such redemption, purchase or cancellation (as applicable) pursuant to Condition 10.7.1(b) will not constitute an event of default or an Enforcement Event under the Notes.
- 10.7.3 In addition, if the Issuer has elected to substitute or vary the Notes pursuant to Condition 10.6 but prior to the relevant substitution or variation, as the case may be, a Trigger Event occurs, the relevant notice shall be automatically rescinded and shall be of no force and effect.

11 Taxation (Gross up)

- 11.1 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, to the extent that this would not exceed the Distributable Items, 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.

12 Enforcement Events

- 12.1 No events of default
- 12.1.1 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.



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12.2 Enforcement Events

12.2.1 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*).

12.3 Enforcement of obligations

12.3.1 Subject to Condition 12.1 (*No events of default*) and without prejudice to Condition 12.2 (*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.

13 Meetings of Noteholders

13.1 Powers of meetings

13.1.1 A meeting shall, subject to the Conditions (including Condition 10.7 (*Conditions to redemption etc.*)), have power by Extraordinary Resolution:

- (a) to 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) to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, notes or other obligations or securities of the Issuer or any other entity;
- (c) to 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 an Extraordinary Resolution;
- (e) to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- (f) to 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 by Extraordinary Resolution; and



- (g) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Conditions.
- 13.2 Convening a Noteholders' meeting
 - 13.2.1 The Issuer may at any time convene a meeting of the Noteholders and shall convene such a meeting if required in writing by Noteholders holding at least 10 per cent. in principal amount of the Notes for the time being outstanding.
 - 13.2.2 The meeting shall be called by the Issuer in accordance with Condition 18 (*Notices*) giving at least eight (8) days' but not more than 30 days' notice to the Noteholders.
 - 13.2.3 The Issuer shall call the meeting no later than 14 days after having received request to convene a meeting from the Noteholders containing the subject of such meeting. If the Issuer does not call the meeting within the deadline, the Noteholders shall be entitled to call the meeting.
 - 13.2.4 The notice of a Noteholders' meeting shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies.
 - 13.2.5 All meetings shall be held in the Aarhus area. The press shall not be admitted to attend a Noteholders' meeting.
- 13.3 Attendance
 - 13.3.1 At the meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from VP or an authorised institution evidencing that such Noteholder was registered as a Noteholder on the Business Day specified in the notice referred to in Condition 13.2.2 or by providing other proof of holding satisfactory to the chairman of the Noteholders' meeting. The following may attend and speak at a meeting:
 - (a) Noteholders and proxies;
 - (b) the chairman; and
 - (c) the Issuer, the Issuing Agent and the Paying Agent (through their respective representatives) and their respective financial and legal advisers.
 - 13.3.2 No one else may attend or speak.
- 13.4 Chairman
 - 13.4.1 The chairman of the meeting shall be such person as the Issuer may nominate or, if no nomination is made, the person elected by the Noteholders present at such meeting.
- 13.5 Quorum
 - 13.5.1 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15



minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than eight (8) nor more than 30 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

- 13.5.2 The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting 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 proposals (i) to modify the date of maturity of the Notes or any date of payment of interest thereon, (ii) to reduce or cancel the amount of principal of, or the rate of interest payable on, the Notes, (iii) to change the currency of payment of the Notes or the provisions of Condition 9 (*Loss absorption upon a Trigger Event and reinstatement of the principal amount of the Notes*), (iv) to approve the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, notes or other obligations or securities of the Issuer or any other entity, or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third of the principal amount of the Notes for the time being outstanding.
- 13.5.3 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.
- 13.6 Voting
- 13.6.1 Each Noteholder holds one vote for each nominal amount of Note of DKK 0.01. The Issuer and its subsidiaries have no voting rights in respect of Notes held by the Issuer and such subsidiary.
- 13.7 Effect and publication of an Extraordinary Resolution
- 13.7.1 An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to the Noteholders in accordance with Condition 18 (*Notices*) within 14 days but failure to do so shall not invalidate the resolution. For the avoidance of doubt, an Extraordinary Resolution passed by the Noteholders shall only be binding on the Issuer where the Issuer has consented to the relevant resolution.
- 13.8 Minutes
- 13.8.1 Minutes shall be made of all resolutions and proceedings at every meeting 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.

13.9 Written resolutions

13.9.1 In addition, a resolution in writing signed by or on behalf of 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

14 **Modification**

14.1 Subject to Condition 10.7 (*Conditions to redemption etc.*), 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.

14.2 Subject as provided in these Conditions, no other modification may be made to the Notes or these Conditions except with the sanction of an Extraordinary Resolution or a written resolution pursuant to Condition 13.9 (*Written resolutions*) or as may be required by applicable laws or a court ruling or decision by a relevant authority.

14.3 Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.

15 **Further issues**

15.1 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.

16 **Prescription**

16.1 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.



17 Replacement of agents

17.1 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).

18 Notices

18.1 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.

18.2 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 18.

19 Force majeure

19.1 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.

19.2 If circumstances mentioned in Condition 19.1 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.

19.3 The Issuer's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's exemption from liability pursuant to Condition 19.1 will not apply if:



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- (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.

20 Credit rating and listing

- 20.1 The Notes will not be assigned any credit rating of any credit rating agency.
- 20.2 The Notes will not be listed or admitted to trading on any regulated market or other stock exchange.

21 Governing law and jurisdiction

- 21.1 Governing law
 - 21.1.1 These Conditions and the Notes shall be governed by, and construed in accordance with, Danish law.
- 21.2 Jurisdiction
 - 21.2.1 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.

[Separate signature page follows]



[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 26 September 2019.

For and on behalf of Sparekassen Kronjylland:



Name:
Capacity: Jens Stampe Dahl
Board member



Name: Ole Møller Sørensen
Capacity: Board member