

Term Sheet



ISIN: NO0011084022

**FRN STOREBRAND LIVSFORSIKRING AS 2021/PERPETUAL RESTRICTED
TIER 1 NON-CUMULATIVE CALLABLE BOND ISSUE
(the “Bonds” or the “Bond Issue”)**

Issuer:	Storebrand Livsforsikring AS (org. number 958 995 369)
LEI-code:	5967007LIEEXZX9TZC13
Issuer Group:	<p>The Parent and such other group entities as may be construed as part of its regulatory group under Solvency II or the Applicable Regulations or otherwise by the Issuer Supervisor, as the case may be.</p> <p>“Parent” means the highest-level parent company of the Issuer which is regulated under Solvency II on a group basis. At the Issue Date the Parent was Storebrand ASA</p>
Currency:	SEK (Swedish krone)
Initial Principal Amount:	SEK 900,000,000
Initial Nominal Amount:	The Bonds will have a nominal value of SEK 2 000 000 each. Minimum subscription in the Bond Issue is SEK 2 000 000
Issue Price:	100% of Nominal Amount.
Interest Rate:	The Reference Rate plus the Margin. (If the Interest Rate becomes negative, the Interest Rate shall be deemed to be zero.)
Reference Rate:	3 months STIBOR.
Margin:	2.40% p.a.
Interest Payments:	Interest on the Bonds will accrue from and including the Settlement Date or an Interest Payment Date as the case will be and be payable quarterly in arrears on the next Interest Payment Date (as defined below) in each year, or if not a Business Day on the first subsequent banking day. Day count fraction is “act/360” and Business Day convention is “modified following”.
Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Interest Period:	The interest period shall be each period beginning on and including the Settlement Date for the relevant Bonds or any Interest Payment Date and ending on the next Interest Payment Date.

Interest Payment Dates:	1 March, 1 June, 1 September and 1 December each year (each date an "Interest Payment Date").
First Interest Payment Date:	1 December 2021 (91 days)
Settlement Date:	1 September 2021
Maturity Date:	Perpetual
Amortisation:	The Bonds will not be subject to any mandatory instalments.
First Call Date:	1 September 2026, five years after the Settlement Date.
Call price:	Equal to the Redemption Price.
Redemption Price:	100 % of Nominal Amount (the Redemption Price is subject to any adjustment following a Reduction of Principal, plus accrued and unpaid interest but excluding cancelled interest (if any) in accordance with Cancellation of Payments (if any)).

Purpose: The purpose of the Bond Issue is general corporate purposes, and for the Bonds to qualify as Restricted Tier 1 Instruments of the Issuer for the purpose of the Applicable Regulations and as determined by the Issuer Supervisor. (as defined below).

"Applicable Regulations" means any legislation, rules or regulations (whether having the force of law, regulations or otherwise) applying to the Issuer, the Issuer Group or any member of the Issuer Group from time to time relating to the characteristics, features or criteria of own-funds or capital resources and, for the avoidance of doubt and without limitation to the foregoing, includes any legislation, rules or regulations implementing the Directive 2009/138/EC of 25 November 2009 on the taking-up and pursuit of business of insurance and re-insurance as amended from time to time (the **"Solvency II directive"**) into Norwegian law, including, without limitation, any implementing measures adopted pursuant to the Solvency II directive (as amended from time to time) including, without limitation, the Commission Delegated Regulation (EU) 2015/35, Commission Delegated Regulation (EU) 2017/1542, the Norwegian Financial Undertakings Act of 10 April 2015 no. 17 (the **"Financial Undertakings Act"**, No: *Finansforetaksloven*), the Norwegian Solvency II regulation of 25 August 2015 no. 999 (the **"Norwegian Solvency II regulation"**, No: *Solvens II-forskriften*) and the other applicable implementing measures adopted pursuant to the Solvency II directive (as amended from time to time) which are in force in Norway from time to time.

Issuer Supervisor means the Financial Supervisory Authority of Norway (No: *Finanstilsynet*) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and the Issuer Group.

"Restricted Tier 1 Instruments" means Own-fund Items issued by the Issuer meeting the requirements to be classified as restricted Tier 1 Capital under Applicable Regulations.

“Own-fund Items” means Own-fund Items as defined in the Applicable Regulations

“Solvency II” means Solvency II directive and any implementing measures adopted pursuant to the Solvency II directive (as amended from time to time) including, without limitation, the Commission Delegated Regulation (EU) 2015/35.

Status of the Bonds:

The Bonds will constitute Restricted Tier 1 Instruments of the Issuer and/or the Issuer Group under the Applicable Regulations, and constitute direct, unsecured and subordinated debt obligations, and will in connection with a Bankruptcy Event of the Issuer rank:

- (a) *pari passu* without any preference among the Bonds;
- (b) *pari passu* with all outstanding Parity Obligations;
- (c) in priority to payments to creditors in respect of Junior Obligations; and
- (d) junior in right of payment to any present or future claims of (i) policyholders of the Issuer, (ii) any other unsubordinated creditors of the Issuer, and (iii) subordinated creditors of the Issuer other than the present and future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Bonds to the extent permitted by the Applicable Regulations in order for the Bonds to be classified as Restricted Tier 1 Instruments.

“Bankruptcy Event” means a decision by the Ministry of Finance that the Issuer shall become subject to public administration (No: *offentlig administrasjon*) according to chapter 21 of the Financial Undertakings Act, as amended from time to time.

“Junior Obligations” means (i) the Issuer’s share capital, or (ii) any other obligations of the Issuer ranking or expressed to rank junior to the Bonds to the extent permitted by Applicable Regulations in order for the Bonds to be classified as Restricted Tier 1 Instruments.

“Parity Obligations” means any obligations of the Issuer ranking or expressed to rank *pari passu* with the Bonds.

Security:

The Bonds are unsecured.

Payments:

Covenant to pay:

- (a) On each Interest Payment Date the Issuer shall, subject to Cancellation of Payments, in arrears pay the accrued Interest Rate amount to the Bondholders.
- (b) Any payment of interest in respect of the Bonds shall be payable only out of the Issuer’s Distributable Items.
- (c) If a Payment Date falls on a day on which is not a Business Day, the payment shall be made on the first following Business Day.
- (d) The Issuer undertakes to pay to the Bond Trustee any other amount payable pursuant to the Finance Documents at its Payment Date.

- (e) The Issuer may not apply any counterclaims in set-off against its payment obligations pursuant to the Finance Documents.
- (f) Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to these Bond Terms and will be made to the Bondholders registered as such in the CSD at the Relevant Record Date for the actual payment.

"Bondholders" means each and all holder of Bonds as registered in the CSD or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bonds.

"Distributable Items" means retained earnings, including profit for the year ended prior to the year of distribution, and distributable reserves as defined under national law or by the statutes of the Issuer, reduced by the deduction of any interim net loss for the current financial year from retained earnings as further determined in accordance with EIOPA's Guidelines on classification of own funds (EIOPA-BoS-14/168) and any other Applicable Regulations.

"Finance Documents" means the Bond Terms, any Bond Trustee agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

Cancellation of Payments:

- (a) Payment of interest may be cancelled, at any time and for an unlimited period, in whole or in part, at the option of the Issuer in its sole discretion.
- (b) Payment of interest will be mandatorily cancelled to the extent so required by the Applicable Regulations, including the applicable criteria for Restricted Tier 1 Instruments.
- (c) In the event that the Issuer and/or the Issuer Group is in non-compliance with the Solvency Capital Requirement or the payment of interest would lead to such non-compliance, interest may only be paid if all of the following conditions are met:
 - (i) the Issuer Supervisor has exceptionally waived the cancellation of such interest payment;
 - (ii) the interest payment does not further weaken the solvency position of the Issuer or the Issuer Group; and
 - (iii) the Minimum Capital Requirement is complied with after the interest payment is made.
- (d) Following any cancellation of interest, the right of Bondholders to receive accrued interest in respect of any such interest accrued but unpaid to that date 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 interest accrued at subsequent Interest Payment Dates are made, and such unpaid interest will not be deemed to have accrued or be earned for any purpose.
- (e) Any cancellation of interest (whether pursuant to (a), (b) or (c) (above)) will not constitute an event of default nor entitle Bondholders to accelerate the Bonds or petition for insolvency or liquidation of the Issuer. Any cancellation of interest will not have any restrictions on the Issuer's activities, or on its ability

to make distributions in favour of other capital instruments in its capital structure. The Issuer may use the cancelled payments without restriction to meet its obligations as they fall due.

- (f) The Issuer has no obligation to replace cancelled interest payments with other forms of distribution, and the Issuer has no obligation to pay interest on the Bonds even if distributions have been made in favour of other Own-fund Items.
- (g) Cancellation of payments pursuant to this paragraph (a – f) shall be notified in accordance with Notices (below) as soon as possible, but no later than 30 days after the Issuer has decided in its sole discretion to cancel any payments, or when any payments will mandatorily be cancelled to the extent required by the Applicable Regulations for the Issuer and/or the Issuer Group.

“Capital Requirement Breach” means a breach of the applicable capital requirements or solvency requirements from time to time applicable to the Issuer and the Issuer Group from time to time as such requirements are defined under the Applicable Regulations, and for the avoidance of any doubt and without limitation to the foregoing, including a breach of the solvency capital requirement as defined in Section 14-10 of the Financial Undertakings Act and as further detailed in Applicable Regulations.

“Minimum Capital Requirement” means the minimum capital requirement for the Issuer and the Issuer Group as defined in Section 14-11 of the Financial Undertakings Act as further detailed in the Applicable Regulations.

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

“Solvency Capital Requirement” means the Solvency Capital Requirement for the Issuer and the Issuer Group as defined under Section 14-10 of the Financial Undertakings Act as further detailed in Applicable Regulations.

**Reduction of Principal
(write-down):**

- 1) The Bonds shall absorb losses once a Capital Requirement Breach has occurred in accordance with the Applicable Regulations.
- 2) The Bonds shall be written-down by a reduction of the Outstanding Principal Amount (such reduction a "Write Down" and "Written Down" being construed accordingly) in case any of the following conditions are met for the Issuer and/or the Issuer Group (each a **"Trigger Event"**):
 - (a) the amount of Own-Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75% of the Solvency Capital Requirement;

- (b) the amount of Own-Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement

each a "**Full Write Down Trigger Event**"; or

- (c) compliance with the Solvency Capital Requirement is not re-established within a period of three months of the date when a Capital Requirement Breach was first observed (a "**Partial Write Down Trigger Event**")
- 3) Subject to compliance with the Applicable Regulations, the Outstanding Principal Amount of the Bonds shall be Written Down in such a way that all of the following are reduced (x) the claim of the holder of the Bonds in the event of a Bankruptcy Event; (y) the amount required to be paid on repayment or redemption of Bonds; and (z) the interest paid on the Bonds, provided however that the following provisions shall always be met:
- (a) if a Full Write Down Trigger Event has occurred, the Outstanding Principal Amount shall be Written Down in full; and
 - (b) if a Partial Write Down Trigger Event has occurred and;
 - A. if a partial Write down of the Principal Outstanding Amount would be sufficient to re-establish compliance with the Solvency Capital Requirement, such a partial Write down of the Principal Outstanding Amount should be done for an amount that is at least sufficient to re-establish compliance with the Solvency Capital Requirement; or
 - B. if a partial Write down would not be sufficient to re-establish compliance with the Solvency Capital Requirement, the Outstanding Principal Amount as determined at the Issue Date shall be Written Down on a linear basis in a manner which ensures that full Write down will occur when 75% coverage of the Solvency Capital Requirement is reached, or prior to that event; or
 - C. any higher amount that would be required by the Applicable Regulations in force at the time of the Write Down,

in each case, by a pro rata reduction between the Bondholders, and pro rata between the Bonds, and any reduction of the Outstanding Principal Amount shall also be reduced pro rata with all other Restricted Tier 1 Instruments of the Issuer. The amount of the pro rata reduction of the Outstanding Principal Amount on the applicable Write Down Date shall be equal to, at the determination of the Issuer, the amount that, together

with the pro rata conversion or partial write down of all other Restricted Tier 1 Instruments of the Issuer when compared with the Outstanding Principal Amount at the Issue Date.

- 4) Any Write Down shall be notified in accordance with "Notices" (above) as soon as possible, but no later than thirty (30) days, after the Issuer has determined (i) that a Trigger Event has occurred and (ii) any approval by the Issuer's Supervisor required by the Applicable Regulations has been obtained. The notice should state (i) that a Trigger Event has occurred, (ii) the date on which the Write Down took effect (the "**Write Down Date**") and (iii) the principal amount by which each Bond will be written down on the Write Down Date.
- 5) Following a Write Down due to a Partial Write Down Trigger Event (an "**Initial Write Down**"):
 - a. if a Full Write Down Trigger Event subsequently occurs, the Outstanding Principal Amount shall be Written Down in full;
 - b. if, by the end of the period of three months from the date of the Partial Write Down Trigger Event that resulted in the Initial Write Down, no Full Write Down Trigger Event has occurred but the SCR Ratio has deteriorated further, the Outstanding Principal Amount at the Issue Date is Written Down further in accordance with limb (b) (B) of paragraph (3) above to reflect that further deterioration in the SCR Ratio; and/or
 - c. a further Write Down is made in accordance with (b) of this paragraph (5) for each subsequent deterioration in the SCR Ratio at the end of each subsequent period of three months until compliance with the Solvency Capital Requirement is re-established.
- 6) A Write Down may occur on one or more occasions following each Write Down Testing Date and each Bond may be Written-Down on more than one occasion. Accordingly, if, after a Write Down, a Trigger Event occurs at any Write Down Testing Date, a further Write Down shall be required.
- 7) A Reduction of Outstanding Principal Amount will be registered in the CSD, and the Bond Trustee may instruct the CSD to split the Nominal Amount of the Bonds in the event of a Write Down to take place. In the event that the Bonds have been called but not yet redeemed prior to a Write Down will take place, and the Issuer's Supervisor has given its approval to repay the remaining Outstanding Principal Amount, this may be implemented by a reduction of the Redemption Price, or by other ways which give the same intended financial results. The Bond Trustee may instruct the CSD to split the Nominal Amount of the Bonds.
- 8) Following any reduction of the Outstanding Principal Amount, the Issuer may, at its discretion, increase the Outstanding Principal Amount of the Bonds (a "**Discretionary Reinstatement**") provided that such Discretionary Reinstatement:
 - (i) is permitted only after the Issuer and/or the Issuer Group has achieved compliance with the Solvency Capital Requirement;

- (ii) is not activated by reference to Own-fund Items issued or increased in order to restore compliance with the Solvency Capital Requirement;
 - (iii) occurs only on the basis of Relevant Profits which contribute to Distributable Items made subsequent to the restoration of compliance with the Solvency Capital Requirement in a manner that does not undermine the loss absorbency intended by Article 71(5) of Commission Delegated Regulation 2015/35;
 - (iv) does not result in a Trigger Event;
 - (v) will not result in the Outstanding Principal Amount of the Bonds being greater than the Initial Principal Amount; and
 - (vi) is approved by the Issuer's Supervisor, provided that any such approval is required pursuant to the Applicable Regulations.
- 9) Any Discretionary Reinstatement should be made on a *pro rata* basis among other Restricted Tier 1 Instruments that have been subject to a write down. The maximum amount to be attributed to the sum of Discretionary Reinstatement of Restricted Tier 1 Instruments together with the payment of interest on the reduced amounts after Write Down shall be equal to the Relevant Profit multiplied by the amount obtained by dividing the amount determined in point (i) by the amount determined in point (ii):
- (i) the sum of the nominal amount of all Restricted Tier 1 Instruments of the Issuer at the time of the Discretionary Reinstatement;
 - (ii) the total Tier 1 Capital of the Issuer.

Any Discretionary Reinstatement will be made on any Interest Payment Date based on the Issuer's audited annual accounts for the then most recent financial year.

- 10) To the extent that only a part of the Outstanding Principal Amount has been Written Down as provided above on a *pro rata* basis, interest will continue to accrue in accordance with the terms hereof on the then Outstanding Principal Amount, subject to "Cancellation of Payments" above.
- 11) Any Discretionary Reinstatement pursuant to paragraph (8) and (9) shall be notified in accordance with "Notices" (above) as soon as possible, but no later than 30 days, following (i) the date on which the Issuer resolves to effect such Discretionary Reinstatement of the Outstanding Principal Amount and (ii) any approval by the Issuer's Supervisor required by the Applicable Regulations has been obtained.
- 12) A Discretionary Reinstatement may occur on one or more occasions until the Outstanding Principal Amount of the Bonds has been reinstated to the Initial Nominal Amount. Any decision by the Issuer to effect or not to effect any Discretionary Reinstatement on any occasion shall not preclude it from

effecting or not effecting any Discretionary Reinstatement on any other occasion.

- 13) For the avoidance of doubt, Discretionary Reinstatement shall apply to the Bonds only if, and to the extent that, the Bonds have been Written Down following the occurrence of a Trigger Event in accordance with the provisions of (2) above. If at any time the Bonds are Written Down pursuant to Chapter 21 sub-chapter I of the Financial Institutions Act, the principal amount by which the Bonds are so written down pursuant to the Financial Institutions Act shall not be reinstated (whether by way of Discretionary Reinstatement or otherwise) in any circumstances, and references herein to a Discretionary Reinstatement up to (or not exceeding) the Initial Principal Amount of the Bonds shall be construed as the Outstanding Principal Amount following the Write Down.

“SCR Ratio” means the sum of all Own-fund Items divided by the Solvency Capital Requirement, calculated for the Issuer and/or on a consolidated basis, as applicable, using the latest Applicable Regulation.

Optional Redemption:

Ordinary Call

- (a) The Issuer may on the First Call Date or on any Interest Payment Date thereafter, if the Issuer provides satisfactory evidence to the Bond Trustee (on behalf of the Bondholders), that (i) in the opinion of the Issuer Supervisor no Capital Requirement Breach has occurred or is likely to occur as a result of a redemption, and (ii) the Issuer has received prior consent of the Issuer Supervisor, redeem in a manner permitted by any Applicable Regulations and other applicable law all (but not only some) of the outstanding Bonds at the Redemption Price, without any premium or penalty, however, together with any unpaid interest to (but excluding) the Repayment Date.
- (b) If the Issuer and/or the Issuer Group is in a Capital Requirement Breach or repayment or redemption would lead to such Capital Requirement Breach, redemption may be made notwithstanding (a) above if:
- (i) the Issuer Supervisor has exceptionally waived the suspension of repayment or redemption of that item;
 - (ii) the item is exchanged for or converted into another Tier 1 Own-fund Item of at least the same quality; and
 - (iii) the Minimum Capital Requirement is complied with after the repayment or redemption.
- (c) Exercise of an Optional Redemption shall be notified in writing to the Bondholders in accordance with “Notices” (above) at least thirty (10) Business Days prior to the relevant redemption date (the **“Redemption Notice”**).

Optional Redemption by the Issuer upon the occurrence of a Capital Disqualification Event, Rating Agency Event or Taxation Event:

Conditional Call

- A. If the Issuer provides satisfactory evidence to the holders of the Bonds, represented by the Trustee, that a:

(a) a Capital Disqualification Event;

(b) a Rating Agency Event; or

(c) a Taxation Event;

has occurred when the Bonds are outstanding, the Issuer may subject to (i) no Capital Requirement Breach having occurred or would occur as a result of a redemption, (ii) prior consent of the Issuer Supervisor, and (iii) the provisions of (c) of **“Preconditions to redemption, purchase”** below, variation or substitution) below (as applicable), redeem all (but not only some) of the outstanding Bonds at the Redemption Price, without any premium or penalty, however, together with any accrued and unpaid interest to (but excluding) the Repayment Date.

- B. If the Call Date occurs before ten (10) years after the Issue Date redemption may only be made if the Issuer's and the Issuer Group's Solvency Capital Requirement is exceeded by an appropriate margin taking into account the solvency position of the Issuer and the Issuer Group including the Issuer's medium-term capital management plan.
- C. Exercise of the Optional Redemption shall be notified by a “Redemption Notice” (above).
- D. Upon a Trigger Event occurring after a Redemption Notice having been disbursed, but prior to settlement of the Optional Redemption having taken place, the relevant Redemption Notice shall be automatically revoked and the Optional Redemption terminated.

If a call is exercised, the Issuer shall on the settlement date of the call, subject to the provisions of paragraph D), pay in respect of each Bond the Nominal Amount to the Bondholders, together with any accrued and unpaid interest.

**Preconditions to
redemption, purchase,
variation or substitution:**

- (a) Prior to the publication of any Redemption Notice before the Maturity Date or any purchase, variation or substitution of the Bonds, provided that no Capital Requirement Breach has occurred or is continuing, the Issuer will be required to be in continued compliance with the applicable capital adequacy requirements set out in the Applicable Regulations and on the same date as publishing any Redemption Notice before the Maturity Date or making any purchase, variation or substitution of the Bonds the Issuer shall deliver to the Bond Trustee a certificate signed by an authorised signatory of the Issuer confirming such compliance. Any such certificate shall be conclusive evidence of such compliance (it being declared that the Bond Trustee may rely absolutely on such certification without liability to any person).
- (b) Prior to the publication of any Redemption Notice or notice of variation or substitution pursuant to any Optional Redemption by the Issuer upon the occurrence of a Capital Disqualification Event, Rating Agency Event or Taxation Event, the Issuer shall deliver to the Bond Trustee (A) in the case of a redemption, variation or substitution in a Taxation Event a certificate signed

by an authorised signatory stating that any or all of the requirements referred to in paragraphs (i), (ii) or (iii) in the definition of Taxation Event will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, together with an opinion of independent tax counsel of recognized standing to such effect and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above; and (B) in the case of a redemption, variation or substitution in a Capital Disqualification Event or Rating Agency Event, a certificate signed by an authorised signatory stating that a Capital Disqualification Event or Rating Agency Event (as applicable) has occurred and is continuing. Any such certificate shall be conclusive and binding on the Bondholders.

- (c) In the case of redemption or purchase within the period of 5 years from the Settlement Date, (i) the Issuer shall deliver a statement determining that the circumstances entitling it to exercise the right of redemption was concluded or judged to have been unlikely to occur at the Settlement Date; and (ii) such redemption or purchase shall be funded out of the proceeds of a new issuance of capital of at least the same quality as the Bonds (unless such requirement no longer exists under the Applicable Regulations).

Exercise of the Optional Redemption shall be notified by a Redemption Notice.

“Capital Disqualification Event” means An event which occurs if, as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Applicable Regulations which becomes effective on or after the Issue Date, the Bonds or part of the Bonds are no longer, or the Issuer has demonstrated to the satisfaction of the Issuer Supervisory that it is likely that they will no longer be, eligible in accordance with the Applicable Regulations to count as Tier 1 Capital for the purposes of the Issuer or the Issuer Group, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

“Rating Agency” means S&P Global Ratings Inc. or any other regulated credit rating agency as defined in Regulation 1060/2009 of 16 September 2009 on credit rating agencies (as amended from time to time).

“Rating Agency Event” means, if and when the Issuer and/or Bonds are rated by a Rating Agency, a change in the rating methodology, or in the interpretation of such methodology, as the case may be, becoming effective after the Issue Date as a result of which the capital treatment assigned by a Rating Agency to the Bonds or part thereof, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, becomes, in the reasonable opinion of the Issuer, materially unfavourable for the Issuer, when compared to the capital treatment assigned by such Rating Agency to the Bonds, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, on or around the Issue Date.

"Taxation Event" means an event which occurs as a result of any amendment to, clarification of or change (including any announced prospective change) in the laws or treaties (or regulations thereunder) of Norway affecting taxation (including any change in the interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date, and there is a substantial risk that:

- a) the Issuer is, or will be, subject to a significant amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Bonds;
- b) the treatment of any of the Issuer's items of income or expense with respect to the Bonds as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a significant amount of additional taxes, duties or other governmental charges; or
- c) the Issuer would be required to gross up interest payments.

Replacement Solicitation:

- (a) If a Capital Disqualification Event has occurred, and to the extent that the Bonds are not otherwise, as a result of such Capital Disqualification Event, called, redeemed or varied pursuant to "Optional Redemption" (above), the Issuer shall:
 - (i) promptly appoint an Independent Agent; and
 - (i) with the advice and assistance of the Independent Agent, and, as soon as reasonably practicable but in any event no later than twelve (12) months from the date of occurrence of that Capital Disqualification Event, solicit interest from new investors for the purchase and subscription of Replacement Securities (the "**Replacement Solicitation**"), provided that no Market Disruption Event has occurred and subject to the Applicable Regulations.
- (b) If, following a Replacement Solicitation and subject to "Optional Redemption" and "Preconditions to redemption, purchase, variation or substitution" (above) the Issuer would, using its commercially reasonable efforts and with the advice and assistance of the Independent Agent, be able to proceed with the issuance of the Replacement Securities on terms that do not materially weaken the income capacity of the Issuer or the Issuer Group and which are consistent with the Issuer's and the Issuer Group's medium-term capital plan, the Issuer shall issue the Replacement Securities and redeem the Bonds at a price equal to their Outstanding Principal Amount together with any accrued interest and accrued and unpaid interest in respect thereof up to (but excluding) the redemption date out of the proceeds of such issuance.
- (c) If, despite using its commercially reasonable efforts, the Issuer would not be able, within twelve (12) months of the occurrence of that Capital Disqualification Event, to proceed with such issuance of Replacement Securities on such terms, the Issuer shall thereafter continue to conduct periodical Replacement Solicitations, provided no Market Disruption Event shall have

occurred and subject to the Applicable Regulations and other applicable laws and regulations, until such time as the Issuer would, using its commercially reasonable efforts and with the advice and assistance of the Independent Agent, be able to proceed with the issuance of Replacement Securities on terms that do not materially weaken the income capacity of the Issuer or the Issuer Group which are consistent with the Issuer's and the Issuer Group's medium-term capital plan and in an aggregate amount which would enable the Issuer to redeem the Bonds in full. At such time, subject to Optional Redemption and "Preconditions to redemption, purchase, variation or substitution" (above), the Issuer shall issue the Replacement Securities and redeem the Bonds at an amount equal to their Outstanding Principal Amount together with any accrued unpaid interest up to (but excluding) the redemption date out of the proceeds of such issuance or issuances.

"Independent Agent" means an investment bank, or a syndicate of investment banks, of international repute.

"Market Disruption Event" means an event where the Independent Agent, in consultation with the Issuer, has determined that there has been a change in Norwegian, Nordic, European or international financial, political or economic conditions (including, but not limited to, pandemic, acts of international terrorism and outbreak of war) or currency exchange rates or exchange controls that would be reasonably likely to prejudice materially the issuance, marketing and/or placement of Replacement Securities or dealings in secondary markets.

"Replacement Securities" means securities (other than any class of share capital) issued by the Issuer that satisfy Tier 1 Capital eligibility under the Applicable Regulations, and are issued in an amount at least equal to the Outstanding Principal Amount of the Bonds.

No Events of default:

The Bond Terms shall not contain any event of default provision and neither the Trustee (on behalf of the Bondholders) nor the Bondholders may declare any event of default by the Issuer of any of its obligations under the Bond Terms neither on the basis of the Bond Terms nor on the basis of general principles of Norwegian law.

Bondholders may only demand prepayment in the event of a Bankruptcy Event, and then only in accordance with the Applicable Regulations.

Amendment of terms:

The Issuer and the Trustee (on behalf of the Bondholders) shall be entitled to make amendments of the terms of the Bonds which are of a formal, minor or technical nature or are made to correct a manifest error. As the Bonds are issued for capital adequacy purposes as set out herein, the Trustee shall furthermore be entitled, upon request from the Issuer and subject to approval from the Issuer Supervisor, to make amendments to the terms of Bonds to ensure that the Bonds continue to qualify as Restricted Tier 1 Instruments of the Issuer for the purpose of the Applicable

Regulations as set out under “Purpose” above, where such change is required as a result of any change in the Applicable Regulations, or in any official interpretation thereof. Other amendments to the terms of the Bonds shall be subject to approval by the Bondholders’ meeting (with simple or qualified majority, as the case may be) and, if and where relevant, the Issuer Supervisor’s consent.

Taxation:

The Issuer shall pay any stamp duty and other public fees in connection with the Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law.

Bond Terms:

A bond agreement (the “**Bond Terms**”) will be entered into by the Issuer and the Trustee acting as the Bondholders’ representative, and it shall be based on Norwegian bond market standard. The Bond Terms shall regulate the Bondholders’ rights and obligations with respect to the Bonds. If any discrepancy should occur between this Term Sheet and the Bond Terms, then the Bond Terms shall prevail.

Each subscriber in the Bonds, such subscription documented by a taped telephone conversation, e-mail or otherwise, is deemed to have granted authority to the Trustee to finalize the Bond Terms. Minor adjustments to the terms and structure described in this Term Sheet may occur.

By subscribing for Bonds, the subscriber specifically authorizes the Trustee to finalize, execute and deliver the Bond Terms on

behalf of the prospective Bondholders. On the basis of subscriptions made by taped telephone conversation, e-mail or otherwise prior to receiving Bond allotments, the Issuer and the Trustee will execute and deliver the Bond Terms and the latter’s execution and delivery is on behalf of all of the subscribers, such that they thereby will become parties to the Bond Terms.

The Bond Terms specifies that all Bond transfers shall be subject to the terms thereof, and the Trustee and all Bond transferees shall, when acquiring the Bonds, be deemed to have accepted the terms of the Bond Terms, which specifies that all such transferees shall automatically become parties to the Bond Terms upon completed transfer having been registered in the VPS, without any further action required to be taken or formalities to be complied with. The Bond Terms shall specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request by the Trustee or the Issuer, and such availability shall be recorded in the VPS particulars relating to the Bonds.

By subscribing for Bonds, the subscriber will be deemed to have accepted all terms set out in the Bond Terms. Please note in this respect that the Bond Issue is based only upon the investor documentation referenced to the subscribers, and in particular that no prospectus, offering memorandum or similar document have or will be prepared in connection with the offering and sale of the Bonds.

Approvals:	The Bonds will be issued in accordance with the Issuer's General Meeting, board approval and approval from the Issuer Supervisor, if required.
Issuer's acquisition and ownership of Bonds:	The Issuer or any of its subsidiaries may at any time purchase Bonds in any manner at any price, subject to (i) prior consent of the Issuer Supervisor, and in the case of purchase within the period of five (5) years from the Issue Date, (ii) such purchase shall be funded out of the proceeds from new issuance of capital of at least the same quality as the Bonds (unless such requirement no longer is required under the Applicable Regulations). Any Bonds repurchased by the Issuer or its subsidiaries may at the Issuer's discretion be retained, sold or cancelled by causing such Bonds to be deleted of the records of the CSD.
Listing:	The Issuer will apply for listing of the Bonds on Oslo Børs.
Market making:	No market-maker agreement has been made for this Issue.
Governing law and jurisdiction:	Norwegian law and Norwegian courts.
Paying Agent:	Nordea Bank Abp, filial i Norge
CSD:	The central securities depository, in which the Bonds are registered, being Verdipapirsentralen ASA (VPS). Principal and interest accrued will be credited the Bondholders through VPS.
Trustee:	Nordic Trustee AS, P.O. Box 1470 Vika, N-0116 Oslo, Norway.
Conditions Precedent to Disbursement:	Disbursement of the net proceeds of the Bond Issue to the Issuer will be subject to such conditions precedents as are customary in the Norwegian bond market as of the date of the Bond Terms.
Joint Lead Arrangers:	DNB Markets and Nordea Bank Abp
Target Market:	Manufacturers target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA.
Fee:	The Joint Lead Arrangers will be paid a fee by the Issuer in connection with the transaction
Eligible purchasers:	<p>The Bonds will only be offered or sold within the United States to "Qualified Institutional Buyers" ("QIBs") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act as further detailed in the Application Agreement</p> <p>The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.</p>

Failure to comply with these restrictions may constitute a violation of applicable securities legislation.

Transfer restrictions:

The Bonds are freely transferable and may be pledged, subject to the following:

- (i) Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act, including in a transaction on the Oslo Børs and (d) pursuant to any other exemption from registration under the Securities Act, including Rule 144 thereunder (if available).
- (ii) The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.
- (iii) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.
- (iv) Notwithstanding the above, a Bondholder which has purchased

the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under the Bond Terms.

Subject to:

The issue of Bonds shall be subject to approval by the Issuer's board and the Trustee's approval of the bond documentation and the Issuer Supervisor's approval of the Bond Issue, if required.

Oslo, 25 August 2021

