

## Bond Agreement

Entered into:	19 June 2009
between the <b>Issuer:</b>	<b>Storebrand Livsforsikring AS</b>
Company No.	958 995 369
and the <b>Bond Trustee:</b>	<b>Norsk Tillitsmann ASA</b>
Company No.	963 342 624
on behalf of the Bondholders in:	<b>Storebrand Livsforsikring AS 2009 Fixed/Floating Rate Perpetual Subordinated Bond</b>
with ISIN:	NO 001 0521628

The Issuer undertakes to issue the Bonds in accordance with the terms set forth in this Bond Agreement.

### 1. Summary of the terms of the Bonds

The main terms of the Bonds are as follows, as further detailed in this Bond Agreement:

Loan Amount:	NOK 1,000,000,000
Face Value:	NOK 500,000 per Bond
Currency:	NOK (Norwegian kroner)
Issue Date:	30 June 2009
Maturity Date:	NA. The Bonds are perpetual.
Redemption Price:	100 % of Face Value plus accrued interest on the redeemed amount (including any Arrears of Interest)
Call/Redemption:	30 June 2015, and thereafter at any Coupon Date
Put:	NA
Coupon Accrual Date:	Issue Date
Coupon:	11.90 % p.a., yearly interest payments until 30 June 2015 (the <b>Reset Date</b> ). The fixed rate has been calculated based on 6 year NOK swap rate as at 17 June 2006 with the addition of a margin of 7.75 %.  From the Reset Date, the Reference Rate + Margin (if not called).
Reset Date	30 June 2015
Reference Rate:	3 months NIBOR
Margin:	8.50 % p.a. from the Reset Date.
Coupon/Interest Payment Date:	30 June each year until 30 June 2015, and thereafter 30 March, 30 June, 30 September and 30 December each year.
Day Count Fraction:	30/360 until 30 June 2015, and thereafter Actual/360

Business Day Convention:	No adjustment until 30 June 2015, and thereafter Modified Following Business Day
Listing:	YES
Exchange:	Alternative Bond Market, Oslo (ABM)
Securities Register	Norwegian Central Securities Depository (VPS)

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## 2. Clarifications and definitions

When used in this Bond Agreement, the following words and terms shall have the following meaning and definition:

Arrears of Interest	Arrears of Interest as set forth in Clause 5.2 of this Bond Agreement.
Attachment:	Any attachments to this Bond Agreement.
Bond Agreement:	This agreement including any Attachments to which it refers, and any subsequent amendments and additions agreed between the parties hereto.
Bond Trustee:	Norsk Tillitsmann ASA or its successor(s).
Bondholder:	Holder of Bond(s) as registered in the Securities Register.
Bondholders' Meeting:	Meeting of Bondholders as set forth in Clause 9 of this Bond Agreement.
Bonds:	Securities issued pursuant to this Bond Agreement and which is registered in the Securities Register, each a "Bond".
Business Day:	Any day when the Norwegian Central Bank's Settlement System is open and when Norwegian banks can settle foreign currency transactions.
Business Day Convention:	Convention for adjusting any relevant payment date ("Payment Date") if it would otherwise fall on a day that is not a Business Day; (i) If Modified Following Business Day is specified, the applicable Payment Date shall be the first following Business Day unless that day falls in the next calendar month, in which case the date shall be the first preceding Business Day. (ii) If No Adjustment is specified, the applicable Coupon Payment Date shall not be adjusted even if that day is not a Business Day (payments shall be made on the first following Business Day).
Calculation Date	Dates on which the Coupon is fixed for the subsequent coupon period for Bonds where Reference Rate applies. The first Calculation Date is two Business Days before the Reset Coupon Date. Thereafter the Calculation Date is two Business Days prior to each Coupon Date.
Call/Redemption:	Issuer's redemption right of Bonds at the dates stated (each a "Call Date"). The Call Date shall be adjusted pursuant to the Business Day Convention.
Capital Disqualification Event	A Capital Disqualification Event occurs if, as a result of any change in the Secondary Regulation of 22 December 2006 No 1616 cf. Secondary Regulation of 1 June 1990 No 435 or a change in the applicable minimum capital adequacy requirements (or official interpretation thereof at any relevant time), the Bonds would not be considered as cover for regulatory capital requirements applicable to the Issuer or the Issuer group of companies.
Coupon:	Rate of interest applicable to the Bonds; (i) If the Coupon is stated in percentage or percentage points, the Bonds shall bear interest at this rate per annum (based on the Day Count Fraction set forth in Clause 1), from and

	<p>including the Coupon Accrual Date.</p> <p>(ii) If the Coupon is stated as Reference Rate + Margin the Bonds shall bear interest at a rate per annum equal to the Reference Rate + Margin (based on the Day Count Fraction set forth in Clause 1), from and including the Coupon Accrual Date to the first Coupon Date, and thereafter from and including each Coupon Date to the next Coupon Date.</p>
Coupon Accrual Date:	The date on which interest on the Bond starts to accrue.
Coupon/Interest Payment Date:	Date(s) on which the payment of Coupon falls due. The Coupon/Interest Payment Date shall be adjusted pursuant to the Business Day Convention.
Currency:	The currency in which the Bonds are denominated.
Day Count Fraction:	<p>The convention for calculation of payment of Coupon.</p> <p>(i) If 30/360 is specified, the number of days in the relevant coupon period shall be calculated from and including the Coupon Accrual Date/Coupon Date to the next Coupon Date on basis of a year of 360 days with 12 months of 30 days divided by 360, unless (a) the last day in the relevant coupon period is the 31<sup>st</sup> calendar day but the first day of the relevant coupon period is a day other than the 30<sup>th</sup> or the 31<sup>st</sup> day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month, or (b) the last day of the relevant coupon period is the last calendar day in February, in which case February shall not be considered to be lengthened to a 30-day month.</p> <p>(ii) If Actual/360 is specified, the actual number of days in the relevant coupon period shall be from and including the Coupon Accrual Date/Coupon Date to the next Coupon Date. The number of days shall be divided by 360.</p>
Exchange:	Exchange or other recognized marketplace for securities, on which the Issuer has, or has applied for, listing of the Bonds.
Face Value:	The face value of each Bond.
Financial Institution	Entity with authorization according to the Norwegian Financial Institution Act (1988/40)
Interest Period:	The period from (and including) the Coupon Accrual Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.
ISIN:	The identification number of the Bonds (International Securities Identification Number).
Issue:	The issue of Bonds pursuant to this Bond Agreement.
Issue Date:	The date of the Issue.
Issuer:	The person or entity that has issued the Bonds and is the borrower (debtor).
Issuer's Bonds:	Bonds owned by the Issuer, any party who has decisive influence over the Issuer, or any party over whom the Issuer has decisive influence.
Junior Securities	Any class of the Issuer's share capital together with any other securities of the Issuer or its subsidiaries ranking or expressed to rank junior to the Bonds, or, where issued by a subsidiary, where the terms of the securities benefit from a guarantee or support agreement entered into by the Issuer which ranks or is expressed to

	rank junior to the Bonds.
Listing:	Indicates listing of the Bonds. If YES is specified, the Issuer shall submit an application in order to have the Bonds listed on the Exchange(s). If NO is specified, no obligation for listing applies, but the Issuer may, at its own discretion, apply for listing.
Margin:	Margin expressed in percentage to be added to the Reference Rate.
NIBOR:	(Norwegian Interbank Offered Rate) Interest rate fixed for a defined period on Reuters page NIBR at 12.00 noon Oslo time. In the event that Reuters page NIBR is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the Reference Rate, an alternative Reuters page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate as the initial Reference Rate shall be used. If this is not possible, the Bond Trustee shall calculate the Reference Rate based on comparable quotes from major banks in Oslo.
Other Pari Passu Claims	Claims of creditors of the Issuer that are subordinated so as to rank pari passu with the claims of the Bondholders.
Outstanding Bonds:	The aggregate value of the total number of Bonds not redeemed or otherwise discharged in the Securities Register.
Paying Agent:	The entity acting as registrar for the Bonds in the Securities Register and paying agent on behalf of the Issuer in the Securities Register.
Parity Securities	Any securities of the Issuer and its subsidiaries ranking or expressed to rank pari passu with the Bonds, or, where issued by a subsidiary, where the terms of the securities benefit from a guarantee or support agreement entered into by the Issuer which ranks or is expressed to rank pari passu with the Bonds.
Redemption Price:	The price, stated as a percent of the Face Value, at which the Bonds shall be redeemed.
Reference Rate:	NIBOR rounded to the nearest hundredth of a percentage point on each Calculation Date, for the period stated.
Reset Date	30 June 2015.
Securities Register:	The securities register in which the Bonds are registered.
Senior Creditors	All creditors of the Issuer (i) who are policyholders or other unsubordinated creditors of the Issuer or (ii) whose claims are, or are expressed to be, subordinated to the claims of policyholders and other unsubordinated creditors of the Issuer but have a fixed maturity, other than those whose claims rank or are expressed to rank pari passu with or junior to the claims of the Bondholders.
Solvent:	The Issuer shall be Solvent if: (a) it is able to pay its debts as they fall due; and (b) its assets exceeds its liabilities (other than its liabilities to persons who are not Senior Creditors).
Tier 1 Capital	Capital which is treated as issued tier 1 capital (Nw: <i>kjernekapital</i> ) by Kredittilsynet and/or the Norwegian Ministry of Finance, cf Secondary Regulation of 1 June 1990 No 435.
Undated Subordinated Indebtedness:	Any indebtedness of the Issuer: (i) that by its terms or otherwise is in any respect junior or subordinate in the right of payment to any other indebtedness of the Issuer; and (ii) the principal of which has no fixed maturity.
Voting Bonds:	Outstanding Bonds less Issuer's Bonds.

### **3. Purpose of the Issue, Listing**

#### **3.1. The purpose of the Issue**

3.1.1. The purpose of the issue is general financing of the Issuer.

#### **3.2. Listing and offering material**

3.2.1. The Issuer shall submit the documents and the information necessary to list the Bonds on the Exchange and to maintain the Listing.

3.2.2. The Issuer shall ensure that this Bond Agreement shall be incorporated in any subscription, offering or information materials related to the Bonds.

### **4. Status and Subordination**

#### **4.1. Status**

4.1.1. The Bonds constitute undated, unsecured and subordinated obligations of the Issuer, conditional as described below, and at all times rank pari passu without any preference among themselves and at least equally with Other Pari Passu Claims outstanding from time to time (whether actual or contingent).

4.1.2. The right to payment in respect of the Bonds is subordinated in the event of the liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration to the claims of Senior Creditors and (except in the event of the liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration) all payments of principal and interest in respect of the Bonds are conditional upon the Issuer being Solvent at the time of payment by the Issuer and (except as aforesaid) no principal or interest shall be payable in respect of the Bonds except to the extent that the Issuer could make such payment in whole or in part, rateably with the payments in respect of Other Pari Passu Claims, and still be Solvent immediately thereafter. The payment of interest on the Bonds is also subject to the provisions of Clause 5.1 (Deferral of Payments).

4.1.3. The provisions of this Clause 4.1 apply only to the principal and interest in respect of the Bonds and nothing in this Clause 4.1 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Bond Trustee or the rights and remedies of the Bond Trustee in respect thereof. The Bonds shall rank ahead of equity capital and other Junior Securities.

#### **4.2. Reduction of Loan Amount/principal amount**

4.2.1. The payment obligations of the Issuer under the Bonds will be performed in full for so long as the Issuer is able to meet all of its liabilities (whether subordinated or not) as they fall due.

4.2.2. *Pursuant to the Norwegian Act on Guarantee Schemes for Banks and Public Administration of 6 December 1996 (the Act), Section 3-1(1), the Board of Directors and the Managing Director of a financial institution (such as the Issuer) are separately obliged to notify Kredittilsynet if there is reason to think that:*

1. there may be a failure in the ability of the institution to meet its liabilities as they fall due; or
2. the institution will not be able to meet the minimum requirements on capital adequacy or other statutory requirements on solidity or security; or
3. events have occurred that may lead to a serious depletion of confidence or losses that will significantly reduce or threaten solidity.

*Pursuant to Section 3-1(2) of the Act, if the external auditor of the institution becomes aware of any such conditions, he shall notify Kredittilsynet unless he has already been informed by Kredittilsynet that such notice has been received from the Board of Directors and the Managing Director of the institution.*

*Section 3-2 of the Act provides that Kredittilsynet, upon receipt of the notice referred to in Section 3-1 or Kredittilsynet itself having reason to believe that the conditions stipulated under Section 3-1 have occurred, shall, in consultation with the institution, consider what measures are necessary. If no required measures are implemented by the institution itself, Kredittilsynet may summon a shareholders' meeting without observing set notice periods to require a change in the composition of the corporate bodies of the institution as well as stipulate such conditions and guidelines that it deems necessary for the continued operation of the institution on a sound economic basis and in an otherwise proper way.*

*Section 3-4 of the Act states that a shareholders' meeting shall be called if a significant part of the institution's equity has been lost or if the audited statement of financial position shows that more than 25 per cent. of the share capital of the institution has been lost. The shareholders' meeting shall decide whether the institution has sufficient capital to continue its operations in a proper way. A decision to such effect requires a qualified majority and approval by Kredittilsynet. If such decision is not reached, the shareholders' meeting may by a simple majority resolve that the total business of the institution shall be taken over by another institution. In the absence of any such decision, the institution shall be liquidated by a board appointed by Kredittilsynet.*

*Section 3-5 of the Act provides that if the audited statement of financial position shows that only 25 per cent. or less of the share capital of a financial institution is intact, the board shall present to the general meeting a description of the institution's financial position, accompanied by a proposal to write down the share capital against losses shown in the audited statement of financial position. If the general meeting does not pass a resolution pursuant to the write-down proposal within the period stipulated by Kredittilsynet, the Ministry of Finance may decide that the share capital shall be written down by the amount of capital shown to have been lost by the audited statement of financial position.*

*Pursuant to Section 3-6 of the Act, subordinated capital (which term under the Act includes, but does not distinguish between, dated and undated subordinated indebtedness) may be written down if the audited accounts of a financial institution show that a substantial part of the institution's subordinated capital has been lost. Such a write-down may be resolved by a shareholders' meeting acting upon a proposal which the Board of Directors is obliged to submit under such circumstances. If the shareholders' meeting does not resolve on a write down, the Ministry of Finance may decide that the subordinated capital shall be written down to the extent required to cover the loss of such capital.*

*If the Board of Directors were required to submit such a proposal, the Issuer has undertaken that such a proposal would include a recommendation from the Board of Directors that principal in respect of tier one indebtedness should be written down prior to*

*any principal in respect of undated tier 2 subordinated indebtedness (including the Bonds). It should be noted that such a recommendation would not bind the decision to be taken at such a shareholders' meeting which could resolve to write-down principal in respect of subordinated indebtedness (whether dated or undated and whether tier one or tier two) in such order as the shareholders determine. If the shareholders' meeting does not resolve on a write-down, the Ministry of Finance may decide that the subordinated capital shall be written down to the extent required to cover the loss of such capital. Section 3-6 will apply irrespective of whether an institution is under public administration or not. However, in view of the circumstances under which the board of an institution must propose a write-down to the shareholders' meeting, it seems reasonable to assume that public administration of the relevant financial institution will be one of the alternatives that will be considered by the regulatory authorities at such time.*

*Pursuant to Section 4-5 of the Act, the Ministry of Finance may place a financial institution such as the Issuer under public administration if the Issuer cannot meet its liabilities as they fall due and the economic conditions for future activity are not present. The same applies if the Issuer will not be able to satisfy capital adequacy or solvency (if applicable) requirements, unless a temporary dispensation is given. If the Issuer is placed under public administration Kredittilsynet shall appoint an administration board, which replaces all the corporate bodies of the institution. Pursuant to Section 4-6 of the Act, while under public administration, no payment may be made to creditors without the consent of Kredittilsynet. A public administration proceeding may result in one of the following three outcomes (i) the institution is allowed to resume operation (Section 4-9) after, if necessary, a financial restructuring, (ii) the institution may be merged with or taken over by another institution, or (iii) if (i) or (ii) has not materialised or does not seem imminent within one year of being placed under public administration, the institution shall be dissolved.*

*Note: The above is a summary of the provisions of the Act as such provisions apply to a Norwegian insurance company facing equity/liquidity problems as described. The summary does not purport to reflect all relevant and detailed rules of such Act.*

Pursuant to the above, and subject to applicable provisions of Norwegian law, the Issuer undertakes that it will recommend that its shareholders cancel all principal in respect of all Tier 1 Capital and all paid up equity and equity fund/retained earnings of the Issuer before cancelling any principal in respect of the Bonds. Cancellations of principal in respect of the Bonds shall occur pari passu amongst the Bonds and on a pro rata basis with all other pari passu claims.

The Issuer shall give not more than 30 nor less than 5 Business Days' prior notice to the Bond Trustee, the Paying Agent, to the Bondholders and to the Exchange in accordance with Clause 8.7 (Notices) of any cancellation of principal in respect of the Bonds pursuant to this Clause 4.2. To the extent that only part of the principal amount of the Bonds has been cancelled as provided above, interest will continue to accrue in accordance with these Conditions on the remaining outstanding principal amount of the Bonds.

#### **4.3. Limitation on other undated subordinated indebtedness**

- 4.3.1. The Issuer shall not, without the prior approval of a resolution of a simple majority of the Bondholders create, assume, grant or permit to be outstanding any further Undated Subordinated Indebtedness (whether actual or contingent) unless such Undated Subordinated Indebtedness is subordinated in right of payment, subject to applicable law,



in the event of liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration so as to rank *pari passu* with or junior to the claims of the Bondholders. Any such Undated Subordinated Indebtedness qualifying as Tier 1 Capital may only rank junior to the claims of the Bondholders.

#### 4.4. Security

4.4.1. The Bonds are unsecured.

### 5. Deferral of Payments

#### 5.1. Interest deferral

5.1.1. Subject to the paragraph below, on any Optional Interest Payment Date, the Issuer may in the manner described below elect not to pay the interest in respect of the Bonds accrued in the Interest Period ending on the day immediately preceding such date. If the Issuer so elects, it shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose, provided that nothing in this Condition (Interest Deferral) shall be constructed to permit the Issuer to defer any interest otherwise due and payable on any Interest Payment Date except under the circumstances specified in the definition of Optional Interest Payment Date. Any interest in respect of the Bonds not paid on an Interest Payment Date pursuant to this Condition (Deferral of Payments), together with any other interest in respect thereof not paid on any other Interest Payment Date pursuant to this Condition (Deferral of Payments) and any interest not paid pursuant to Condition (Status) because the Issuer was not or would not be Solvent, shall, so long as the same remains unpaid, constitute Arrears of Interest.

5.1.2. On any Optional Interest Payment Date with respect to which a Capital Disqualification Event has occurred and is continuing and provided there is no Breach in effect and such payment would not cause a Breach (as defined in the definition of Optional Interest Payment Date), the Issuer shall be obliged to pay the interest accrued in the Interest Period which ends on the Interest Payment Date.

5.1.3. Optional Interest Payment Date means any Interest Payment Date:

- (a) Where no declaration of payment or any distribution or dividend or other payment on or in respect of any Junior Securities or Parity Securities has been made by the Issuer or any other person (other than any payment on any Parity Securities the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment) at or since the annual general meeting of shareholders of the Issuer immediately prior to that Interest Payment Date; and no dividend or other distribution on or payment on or in respect of any class of Storebrand ASA's share capital was irrevocably declared at or since the annual general meeting of its shareholders immediately prior to that Interest Payment Date; or
- (b) Following the dates of which the Issuer's most recent quarterly report to Kredittilsynet disclosed that it was in breach (a "**Breach**") of the capital adequacy or solvency requirements of Kredittilsynet (or such other governmental authority as shall at the time be the promulgator of such requirements) applicable to the Issuer from time to time (the "**Capital Adequacy Requirements**"), provided that such Interest Payment Date shall not be an Optional Interest Payment Date if, since the

date of publication of such report, the Issuer has at any time been in compliance with the Capital Adequacy Requirements and will after such payment still be in such compliance and, provided further, that in the event that such report does not disclose a Breach, the relevant Interest Payment Date shall still be deemed to be an Optional Interest Payment Date if immediately after such payment there would be a Breach.

## **5.2. Arrears of interest**

5.2.1. Interest will not accrue on Arrears of Interest.

5.2.2. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time, but all Arrears of Interest in respect of the Bonds for the time being outstanding shall become due in full on the earlier of:

- (i) seven Business Days following the date on which the Issuer next satisfies the Capital Adequacy Requirements (as defined in the definition of Optional Interest Payment Date) provided that (A) the Issuer shall be deemed not to have satisfied the Capital Adequacy Requirements if the payment of such Arrears of Interest would result in a Breach (as defined in the definition of Optional Interest Payment Date) and (B) no Arrears of Interest shall be payable pursuant to this paragraph (i) if the test set out in paragraph (a) of the definition of Optional Interest Payment Date is satisfied on such date; or
- (ii) the date on which the Bonds are to be redeemed pursuant to any provision of Clause 7 (Redemption); or
- (iii) the date on which an order for the liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration is made; or
- (iv) the next Interest Payment Date on which a payment of interest is made on the Bonds; or
- (v) subject as provided below, the date on which the Issuer or any other person declares or pays any distribution or dividend or makes any other payment on or in respect of any Junior Securities or Parity Securities, or the date on which any dividend or other distribution on or payment on or in respect of any class of Storebrand ASA's share capital is irrevocably declared.

5.2.3. Arrears of Interest shall not be due solely by virtue of any payment on any Parity Securities the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment.

5.2.4. In the event of any liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration, unpaid interest in respect of the Bonds, including any Arrears of Interest, shall rank pari passu with the principal of the Bonds and the Bondholders shall be entitled to claim for such principal, unpaid interest and Arrears of Interest on the Bonds.

### **5.3. Notification of Non-Payment of Interest**

The Issuer shall give in accordance with Clause 8.7 (Notices) not less than 5 days' nor more than 14 days' prior notice:

- (a) of (subject as provided below) any Optional Interest Payment Date on which, pursuant to the provisions of Clause 5.1 (Interest Deferral) above, the Issuer will not pay any amounts of interest in respect of the Bonds; and
- (b) of any date upon which, pursuant to the provisions of Clause 5.2 (Arrears of Interest) above, amounts in respect of Arrears of Interest shall become due and payable.

Once notice of any mandatory or optional payment of amounts in respect of Arrears of Interest has been given by the Issuer, the Issuer shall be bound to make such payment to which such notice refers.

### **5.4. Partial Payment of Arrears of Interest**

If amounts in respect of Arrears of Interest become partially payable:

- (a) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period; and
- (b) the amount of Arrears of Interest payable in respect of any Note shall be pro rata to the total amount of all unpaid Arrears of Interest accrued to the date of payment.

## **6. Payments**

- 6.1.1. On each Coupon/Interest Payment Date the Issuer shall in arrears pay the accrued Coupon amount to the Bondholders.
- 6.1.2. The Issuer may not apply any counterclaims in set-off against its payment obligations pursuant to this Bond Agreement. No Bondholders who shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.
- 6.1.3. If exercising Call, the Issuer shall at the relevant date indicated under Call pay to the Bondholders the Face Value of the Bonds to be redeemed multiplied by the relevant price for the relevant date plus accrued Coupon on the redeemed Bonds and any Arrears of Interest.
- 6.1.4. Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to this Bond Agreement.

## **7. Redemption**

### **7.1. No Fixed Redemption**

- 7.1.1. The Bonds are perpetual Bonds in respect of which there is no fixed redemption and will only be redeemable or payable in accordance with the following provisions of this Clause 7.

### **7.2. Redemption for Taxation Reasons**

- 7.2.1. If the Issuer satisfies the Bond Trustee immediately before the giving of the notice referred to below that, as a result of:

- (a) any amendment to, clarification of or change (including any announced prospective change) in the laws or treaties (or regulations thereunder) of Norway affecting taxation;
- (b) any governmental action; or
- (c) any amendment to, clarification of, or change in the official position or the interpretation of any such governmental action or pronouncement,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective or such pronouncement or decision is announced on or after 30 June 2009, there is more than an insubstantial risk that:

- (i) the Issuer is, or will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Bonds;
- (ii) 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 de minimis amount of additional taxes, duties or other governmental charges; or

the Issuer may at its option (subject to the Issuer having received the prior approval of Kredittilsynet), having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Clause 8.7 (Notices) (which notice shall be irrevocable), redeem all (but not some only) of the Bonds at any time prior to the Reset Date at their principal amount together with any accrued interest and Arrears of Interest.

- 7.2.2. Prior to the publication of any notice of redemption pursuant to Clause 7.2.1, the Issuer shall deliver to the Bond Trustee a certificate signed by two (2) members of the Board of Directors stating that any or all of the requirements referred to in Clause 7.2.1 (i) or (ii) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

### **7.3. Redemption at the Option of the Issuer**

- 7.3.1. The Issuer may (subject to receiving the prior approval of Kredittilsynet), having given not less than 30 days' notice to the Bondholders and the Bond Trustee in accordance with

Clause 8.7 (Notices), (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some of the Bonds on the Reset Date or any Interest Payment Date thereafter (each a Call Date) at their principal amount together with any accrued interest and any Arrears of Interest.

- 7.3.2. Partial redemption shall be carried out pro rata between the Bondholders based on the total number of Outstanding Bonds.

#### **7.4. Capital Disqualification Event Redemption and Conversion**

- 7.4.1. If a Capital Disqualification Event has occurred, the Issuer may, at any time prior to the Reset Date (subject to receiving the prior consent of Kredittilsynet), having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Clause 8.7 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), either:

- (i) redeem all (but not some only) of the Bonds at their principal amount, together with any accrued interest and Arrears of Interest; or
- (ii) convert or exchange all (but not some only) of the Bonds to or for another series of listed debt securities of the Issuer provided that, subject to any changes necessary to remove the Capital Disqualification Event or to prevent a Capital Disqualification Event from occurring, the Issuer has satisfied the Bond Trustee that:
  - (A) the replacement debt securities will have the same material terms as the Bonds; and
  - (B) the terms of the replacement debt securities are no less favourable to Bondholders than the current terms of the Bonds.

- 7.4.2. Prior to converting or exchanging the Bonds as described above, the Issuer shall deliver to the Bond Trustee a certificate signed by two (2) members of the Board of Directors stating that the requirements referred to at (ii) (A) and (B) above have been met, and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

#### **7.5. Cancellations**

- 7.5.1. All Bonds which are redeemed, or converted or exchanged pursuant to this Clause and surrendered for cancellation will forthwith be deleted from the records of the VPS and accordingly may not be reissued or sold and the obligations of the Issuer in respect of such Bonds shall be discharged.

### **8. Other terms and conditions**

#### **8.1. Conditions precedent**

- 8.1.1. The Bond Trustee shall have received the following documentation, no later than 2 (two ) Business Days prior to the Issue Date:
- (a) this Bond Agreement duly signed;

- (b) the Issuer's corporate resolution to make the Issue;
- (c) confirmation that the relevant individuals are authorised to sign on behalf of the Issuer this Bond Agreement and other relevant documents in relation hereto, (Company Certificate, Power of Attorney etc.);
- (d) the Issuer's Articles of Association;
- (e) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (prospectus requirements) are fulfilled or are not applicable;
- (f) to the extent necessary, any public authorisations required for the Issue;
- (g) confirmation that the Bonds have been registered in the Securities Register;
- (h) any agreement regarding the Bond Trustee's fees and expenses as set forth in Clause 8.8.2 duly signed;
- (i) any other relevant documentation presented to potential investors in the Bonds in relation to the Issue, and
- (j) any statements (including legal opinions) required by the Bond Trustee regarding documentation in this Clause 8.1.1.

8.1.2. The Bond Trustee may, in its sole discretion, waive the deadline or requirements for the documentation as set forth in Clause 8.1.1.

8.1.3. The Issue of the Bonds is subject to the Bond Trustee's written notice to the Issuer, the manager(s) of the Issue and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.

## **8.2. Representations and warranties**

8.2.1. The Issuer represents and warrants, as at the date of the Issue, that:

- (a) all information which has been presented in relation to such Issue is, to the best knowledge of the Issuer, in accordance with the facts and contains no omissions likely to effect the importance of the information as regards the evaluation of the Bonds, and that the Issuer has taken all reasonable measures to ensure this;
- (b) the Issuer has made a valid resolution to make such Issue, and such Issue does not contravene any of the Issuer's other liabilities; and
- (c) public requirements have been fulfilled (i.a. Norwegian Securities Trading Act Chapter 7 and the Norwegian Issue Regulations 1996 no. 1247, both, if applicable), and that any required public authorisations have been obtained.

8.2.2. The Bond Trustee may prior to the Issue require a statement from the Issuer confirming the Issuer's compliance with Clause 8.2.1.

### **8.3. Registration of Bonds**

- 8.3.1. The Issuer shall continuously ensure the correct registration of the Bonds in the Securities Register.

### **8.4. Interest Rate Fixing**

- 8.4.1. If, pursuant to this Bond Agreement, the Coupon shall be adjusted during the term of the Bonds, any adjustments shall be carried out by the Bond Trustee. The Bondholders, the Issuer, the Paying Agent and the Exchange shall be notified of the new Coupon applicable until the next Coupon Date.

### **8.5. The Issuer's acquisition of Bonds**

- 8.5.1. The Issuer or any of its Subsidiaries has the right (subject to receiving the prior consent of *Kredittilsynet*) to acquire Bonds in any manner and at any price and to retain, sell or discharge such Bonds in the Securities Register.

### **8.6. Information covenants**

- 8.6.1. The Issuer undertakes to:
- a) Without being requested to do so, inform the Bond Trustee of any other event which may have a material effect on the Issuer's ability to fulfill its obligations pursuant to this Bond Agreement;
  - b) upon request, provide the Bond Trustee with its annual and interim reports and any other information reasonably required by the Bond Trustee;
  - c) upon request report to the Bond Trustee the balance of Issuer's Bonds;
  - d) without being requested to do so, send a copy to the Bond Trustee of any Issuer creditor notices under the Norwegian companies act;
  - e) without being requested to do so, send a copy to the Bond Trustee of notices to the Exchange which have relevance to the Issuer's liabilities pursuant to this Bond Agreement; and
  - f) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the Securities Register.

### **8.7. Notices**

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

## **8.8. Expenses**

- 8.8.1. The Issuer shall cover all its own expenses in connection with this Bond Agreement and the fulfillment of its obligations hereunder, including the 'preparation of this Bond Agreement, listing of the Bonds on the Exchange, and the registration and administration of the Bonds in the Securities Register.
- 8.8.2. The expenses and fees payable to the Bond Trustee shall be paid by the Issuer. For Financial Institutions, and Norwegian governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site ([www.trustee.no](http://www.trustee.no)) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate fee agreement will be entered into. Fees and expenses payable to the Bond Trustee which, due to insolvency or similar by the Issuer, are not reimbursed in any other way may be covered by making an equivalent reduction in the payments to the Bondholders.
- 8.8.3. Any public fees payable in connection with this Bond Agreement and fulfilling of the obligations pursuant to this Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
- 8.8.4. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.

## **9. Bondholders' Meeting**

### **9.1. Authority of the Bondholders' Meeting**

- 9.1.1. The Bondholders' Meeting represents the supreme authority of the Bondholders' community in all matters regarding the Bonds. If a resolution by or an approval of the Bondholders is required, such resolution shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding and prevail for all Bonds.

### **9.2. Procedural rules for the Bondholders' Meeting**

- 9.2.1. A Bondholders' Meeting shall be held at the request of:
  - (a) the Issuer,
  - (b) Bondholders representing at least 1/10 of the Voting Bonds,
  - (c) the Bond Trustee, or
  - (d) the Exchange.
- 9.2.2. The Bondholders' Meeting shall be summoned by the Bond Trustee. A request for a Bondholders' Meeting shall be made in writing to the Bond Trustee, and shall clearly state the matters to be discussed.
- 9.2.3. If the Bond Trustee has not summoned a Bondholders' Meeting within 10 – ten – Business Days after having received such a request, then the requesting party may summons the Bondholders' Meeting itself.
- 9.2.4. Summons to a Bondholders Meeting shall be dispatched no later than 10 – ten – Business Days prior to the Bondholders' Meeting. The summons and a confirmation of each Bondholder's holdings of Bonds shall be sent to all Bondholders registered in the



Securities Register at the time of distribution. The summons shall also be sent to the Exchange for publication.

- 9.2.5. The summons shall specify the agenda of the Bondholders' Meeting. The Bond Trustee may in the summons also set forth other matters on the agenda than those requested. If amendments to this Bond Agreement have been proposed, the main content of the proposal shall be stated in the summons.
- 9.2.6. The Bond Trustee may restrict the Issuer to make any changes in the number of Voting Bonds in the period from distribution of the summons until the Bondholders' Meeting.
- 9.2.7. Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Bondholders' Meeting may only be adopted with the approval of all Voting Bonds.
- 9.2.8. The Bondholders' Meeting shall be held on premises designated by the Bond Trustee. The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder, and be chaired by a representative elected by the Bondholders' Meeting.
- 9.2.9. Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the number of Bondholders represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the result of the voting. The minutes shall be signed by the chairman and at least one other person elected by the Bondholders' Meeting. The minutes shall be deposited with the Bond Trustee and shall be available to the Bondholders.
- 9.2.10. The Bondholders, the Bond Trustee and representatives of the Exchange have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. Bondholders may attend by a representative holding proxy. Bondholders have the right to be assisted by an advisor. In case of dispute the Bond Trustee shall decide who may attend the Bondholders' Meeting.
- 9.2.11. Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present under the voting.

### **9.3. Resolutions passed at Bondholders' Meetings**

- 9.3.1. At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Register. Whoever opens the Bondholders' Meeting shall adjudicate any question concerning which Bonds shall count as Issuer's Bonds. Issuer's Bonds have no voting rights.
- 9.3.2. In all matters to be dealt with at the Bondholders' Meeting, the Issuer, the Bond Trustee and any Bondholder have the right to demand vote by ballot. In case of parity of votes, the chairman shall have the deciding vote, regardless of the chairman being a Bondholder or not.
- 9.3.3. In order to form a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting, see however Clause 9.4. Even if less than half (1/2) of the Voting Bonds are represented, the Bondholders' Meeting shall be held and voting completed.

- 9.3.4. Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, unless otherwise set forth in Clause 9.3.5.
- 9.3.5. In the following matters, a majority of at least 2/3 of the votes is required:
- (a) any amendment of the terms of this Bond Agreement regarding the Coupon, the tenor, redemption price and other terms and conditions affecting the cash flow of the Bonds.
  - (b) the transfer of rights and obligations of this Bond Agreement to another issuer (borrower), or
  - (c) change of Bond Trustee.
- 9.3.6. The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 9.3.7. The Bond Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented.
- 9.3.8. The Issuer, the Bondholders and the Exchange shall be notified of resolutions passed at the Bondholders' Meeting.

#### **9.4. Repeated Bondholders' Meeting**

- 9.4.1. If the Bondholders' Meeting does not form a quorum pursuant to Clause 9.3.3, a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance and the voting result of the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting.
- 9.4.2. When a matter is tabled for discussion at a repeated Bondholders' Meeting, a valid resolution may be passed even though less than half (1/2) of the Voting Bonds are represented.

## **10. The Bond Trustee**

### **10.1. The role and authority of the Bond Trustee**

- 10.1.1. The Bond Trustee shall monitor the compliance by the Issuer of its obligations under this Bond Agreement and applicable laws and regulations which are relevant to the terms of this Bond Agreement, including supervision of timely and correct payment of principal or interest, informing the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' Meetings, and make the decisions and implement the measures resolved pursuant to this Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in this Bond Agreement.
- 10.1.2. The Bond Trustee may take any step necessary to ensure the rights of the Bondholders in all matters pursuant to the terms of this Bond Agreement. The Bond Trustee may postpone taking action until such matter has been put forward to the Bondholders' Meeting.

- 10.1.3. The Bond Trustee may reach decisions binding for all Bondholders concerning this Bond Agreement, including amendments to the Bond Agreement, which, in the opinion of the Bond Trustee, do not have a material adverse effect on the rights or interests of the Bondholders pursuant to this Bond Agreement, see however Clause 10.1.5.
- 10.1.4. The Bond Trustee may reach decisions binding for all Bondholders in circumstances other than those mentioned in Clause 10.1.3 provided prior notification to the Bondholders are given, see however Clause 10.1.5. Such notice shall contain a proposal of the amendment and the Bond Trustee's evaluation. Further, such notification shall state that the Bond Trustee may not reach a decision binding for all Bondholders in the event that any Bondholder submit a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five (5) Business Days after the date of such notification.
- 10.1.5. The Bond Trustee may not reach decisions pursuant to Clauses 10.1.3 or 10.1.4 for matters set forth in Clause 9.3.5 except to rectify obvious incorrectness, vagueness or incompleteness.
- 10.1.6. The Bond Trustee may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 10.1.7. The Issuer, the Bondholders and the Exchange shall be notified of decisions made by the Bond Trustee pursuant to Clause 10.1 unless such notice obviously is unnecessary.
- 10.1.8. The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuer's approval, as provided for in Clause 9.3.5.

## **10.2. Liability and indemnity**

- 10.2.1. The Bond Trustee is liable only for direct losses incurred by Bondholders or the Issuer as a result of negligence or willful misconduct by the Bond Trustee in performing its functions and duties as set forth in this Bond Agreement. The Bond Trustee is not liable for the content of information provided to the Bondholders on behalf of the Issuer.
- 10.2.2. The Issuer is liable for and shall indemnify the Bond Trustee fully in respect of all direct losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer to fulfill its obligations under the terms of this Bond Agreement, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the establishment and performance of this Bond Agreement.

## **10.3. Change of Bond Trustee**

- 10.3.1. Change of Bond Trustee shall be carried out pursuant to the procedures set forth in Clause 9. The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.
- 10.3.2. The fees and expenses of a new bond trustee shall be covered by the Issuer pursuant to the terms set out in Clause 8.8, but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach of the Bond Trustee duties pursuant to the terms of this Bond Agreement or other circumstances for which the Bond Trustee is liable.

- 10.3.3. The Bond Trustee undertakes to co-operate so that the new bond trustee receives without undue delay following the Bondholders' Meeting the documentation and information necessary to perform the functions as set forth under the terms of this Bond Agreement.

## 11. General provisions

### 11.1. The Bondholders' commitments

- 11.1.1. Through their subscription, purchase or other transfer of Bonds, the Bondholders will be deemed to have acceded to this Bond Agreement and hereby accept that:
- (a) the Bondholders are bound by the terms of this Bond Agreement,
  - (b) the Bond Trustee has power and authority to act on behalf of the Bondholders,
  - (c) the Bond Trustee has, in order to administrate the terms of this Bond Agreement, access to the Securities Register to review ownership of Bonds registered in the Securities Register,
  - (d) this Bond Agreement establishes a community between Bondholders meaning that;
    - (i) the Bonds rank pari passu between each other,
    - (ii) the Bondholders may not, based on this Bond Agreement, act directly towards the Issuer and may not themselves institute legal proceedings against the Issuer,
    - (iii) the Issuer may not, based on this Bond Agreement, act directly towards the Bondholders,
    - (iv) the Bondholders may not cancel the Bondholders' community, and that
    - (v) the individual Bondholder may not resign from the Bondholders' community.

- 11.1.2. This Bond Agreement shall be publicly available from the Bond Trustee or the Issuer.

### 11.2. Dispute resolution and legal venue

- 11.2.1. Disputes arising out of or in connection with this Bond Agreement which are not resolved amicably shall be resolved in accordance with Norwegian law in the Oslo District Court.

### 11.3. Amendments

- 11.3.1. Amendments of this Bond Agreement may only be made with the approval of the parties to this Agreement, with the exception of amendments as set forth under Clause 11.1.8.

### 11.4. Contact information

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

.....  
Issuer

.....  
Bond Trustee