

BASE PROSPECTUS

# Statnett

## STATNETT SF

(a state-owned enterprise incorporated with limited liability in The Kingdom of Norway)

**€4,000,000,000**

## **EURO-MEDIUM TERM NOTE PROGRAMME**

This Base Prospectus has been approved by the Central Bank of Ireland (the "CBI"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") and/or which are to be offered to the public in any member state of the European Economic Area. This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation is valid for a period of twelve months from the date of approval. An application has been made to (i) the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme to be admitted to its official list (the "**Euronext Dublin Official List**") and to trading on its regulated market; (ii) the United Kingdom Financial Conduct Authority (the "**FCA**") for Notes issued under the Programme to be admitted to listing on the official list of the UK Listing Authority (the "**UKLA Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on its regulated market; and (iii) the Norwegian Financial Supervisory Authority (*Finanstilsynet*) (the "**NFSA**") for Notes issued under the Programme to be admitted to listing and trading on the regulated market of Oslo Børs ASA (the "**Oslo Stock Exchange**"), in each case during the period of 12 months after the date hereof. Each of Euronext Dublin's regulated market, the London Stock Exchange's regulated market and the Oslo Stock Exchange's regulated market are regulated markets for the purposes of MiFID II.

As of the date of this Base Prospectus, the Issuer has been assigned a rating of A2 by Moody's Investors Service Ltd. ("**Moody's**") and A+ by S&P Global Ratings Europe Limited ("**S&P**"). Each of Moody's and S&P is established in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**") and is registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"). Tranches of Notes (as defined in "*Terms and Conditions of the Notes*") to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms (as defined herein). Such rating will not necessarily be the same as the rating(s) assigned to the Issuer, the Programme or to Notes already issued.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

**FOR A DISCUSSION OF RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY INVESTMENT IN THE NOTES, SEE "*RISK FACTORS*" ON PAGE 5 BELOW.**

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**") except in certain transactions exempt from the registration requirements of the Securities Act.

Arranger for the Programme  
**NATWEST MARKETS**

Dealers

**BARCLAYS  
DANSKE BANK**

**CRÉDIT AGRICOLE CIB  
HANDELSBANKEN CAPITAL  
MARKETS**

**MIZUHO SECURITIES  
NORDEA**

**NATWEST MARKETS  
SEB**

The date of this Base Prospectus is 26 May 2020.

## IMPORTANT NOTICES

Statnett SF (the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes under the Programme. To the best of the knowledge and belief of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

References herein to the "Base Prospectus" are to this document.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**"). This Base Prospectus should be read and construed with any amendment or supplement thereto and with any other information incorporated by reference and, in relation to any Series (as defined below) of Notes, should be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the dealers (the "**Dealers**") named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Trustee or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus. No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date hereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Base Prospectus by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by the terms and conditions of the Notes and/or by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act. Additionally, Notes denominated in NOK may not be offered, sold or delivered within Norway or to or for the account or benefit of persons domiciled in Norway, unless the regulations relating to the offer of VPS Notes (as defined below) and the registration in the Securities Depository (as defined below) of VPS Notes have been complied with.

Neither this Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

**Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.**

Each Series of Notes issued under the Programme may be assigned credit ratings as specified in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating organisations.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- (i) the Notes are legal investments for it;
- (ii) the Notes can be used as collateral for various types of borrowing and;
- (iii) other restrictions apply to its purchase or pledge of the Notes. Potential investors that are financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – If the applicable Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **Benchmark Regulation**

The Euro Interbank Offered Rate ("**EURIBOR**"), London Interbank Offered Rate ("**LIBOR**"), Norwegian Interbank Offered Rate ("**NIBOR**") and Stockholm Interbank Offered Rate ("**STIBOR**") and any other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms

are already effective whilst others are still to be implemented. Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to EURIBOR, LIBOR, NIBOR, STIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located or if it is based in a non-EU jurisdiction, satisfy the equivalence conditions or be recognised or endorsed (the "**Approval**"). There is a risk that administrators of certain benchmarks will fail to obtain the necessary Approval, preventing them from continuing to provide such benchmarks. Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

As an example of such benchmark reforms on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**2017 FCA Announcement**"). On 12 July 2018, the FCA further announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation (the "**2018 FCA Announcement**"). The 2017 FCA Announcement and the 2018 FCA Announcement indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5.4), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR, LIBOR, NIBOR, STIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Terms and Conditions of the Notes" set out below provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, all references to a "**Member State**" are references to a Member State of the EEA or the UK, references to the "**Prospectus**

**Regulation**" are to Regulation 2017/1129, references to "US\$", "USD", "dollars" or "US dollars" are to the lawful currency of the United States of America, references to "£", "GBP" and "Pounds Sterling" are to the lawful currency of the United Kingdom, references to "€", "EUR" or "euro" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended, and references to "NOK" or "Norwegian Kroner" are to the lawful currency of the Kingdom of Norway.

Save where the context otherwise requires, references in this Base Prospectus to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State will be made pursuant to an exemption under the Prospectus Regulation, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor does it authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail.**

**However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

#### FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer are forward looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward looking statements include, among other factors described in this Base Prospectus:

- our ability to realise the benefits we expect from existing and future investments in our existing operations and pending expansion and development projects;
- our ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed development projects;
- our ability to obtain external financing or maintain sufficient capital to fund our existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which we and our customers operate;

- changes in the competitive environment in which we and our customers operate;
- failure to comply with regulations applicable to our business; and
- fluctuations in the currency exchange rates in the markets in which we operate.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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## DESCRIPTION OF THE PROGRAMME

*The following is a brief description only and should be read in conjunction with the rest of this document and, in relation to any Notes, in conjunction with the relevant Final Terms and, to the extent applicable, the Terms and Conditions of the Notes set out herein.*

*This section constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

Issuer:	Statnett SF
Arranger:	NatWest Markets Plc
Dealers:	Barclays Bank Ireland PLC, Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, Mizuho International plc, Mizuho Securities Europe GmbH, NatWest Markets N.V., NatWest Markets Plc, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.
Trustee:	The Law Debenture Trust Corporation p.l.c.
Principal Paying Agent:	Citibank, N.A., London Branch
VPS Account Manager:	To be appointed by the Issuer prior to the issue of any VPS Notes.
Initial Programme Amount:	€4,000,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into euros at the date of the agreement to issue such Notes using the spot rate of exchange for the purchase of such currency against payment of euros being quoted by the Principal Paying Agent on the date on which the Relevant Agreement in respect of the relevant Tranche (as defined below) was made or such other date as the Issuer, the Relevant Dealer and the Trustee may agree) in aggregate principal amount of Notes outstanding at any one time. The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement (as defined below) and the Trust Deed.
Issuance in Series:	Notes will be issued in series (each, a " <b>Series</b> "). Each Series may comprise one or more tranches (" <b>Tranches</b> " and each, a " <b>Tranche</b> ") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that (i) the issue date and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Notes in bearer form and Notes in registered form and Notes in more than one denomination. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes in bearer form and Notes in registered form and may comprise Notes of different denominations. For the avoidance of doubt, a Tranche that comprises VPS Notes may not also comprise Notes in bearer form or Notes in registered form, though it may comprise Notes of different denominations. Each Tranche of VPS Notes will be issued in uncertificated book entry form, as more fully described under the section entitled " <i>Form of the Notes</i> " below. On or before the issue date of each Tranche of VPS Notes entries may be made with the VPS to evidence the debt represented by such VPS Notes to accountholders with the VPS. VPS Notes will be issued in accordance with the laws and regulations applicable to VPS Notes from time to time.
Form of Notes:	The Notes will be issued in bearer form, registered form or in uncertificated book entry form registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 64 in a Securities Depository approved or acknowledged

under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be the *Verdipapirsentralen ASA* (the "**VPS**") (the "**VPS Notes**").

"**Securities Depository**" means a securities depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be the VPS.

VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS.

In respect of each Tranche of Notes issued in bearer form, the Issuer will deliver a temporary global Note or a permanent global Note, as shall be specified in the applicable Final Terms. Each global Note in bearer form which is not intended to be issued in new global note form ("**CGN**"), as specified in the relevant Final Terms, will be deposited on or before the relevant issue date with a depository or a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note in bearer form which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the bearer Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Each temporary global Note will be exchangeable for a permanent global Note or, if so specified in the relevant Final Terms, for Notes in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Notes and if so specified in the relevant Final Terms) registered form in accordance with its terms. Each permanent global Note will be exchangeable for Notes in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Notes and if so specified in the relevant Final Terms) registered form in accordance with its terms. Notes in definitive bearer form will, if interest-bearing, have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon or, if so specified in the relevant Final Terms, have payment receipts ("**Receipts**") attached.

Notes in registered form may not be exchanged for Notes in bearer form. VPS Notes may not be exchanged for bearer Notes or registered Notes and vice versa.

Currencies: Notes may be denominated in any currency or currencies (including, without limitation, euro ("**EUR**"), Japanese Yen ("**JPY**"), Pounds Sterling ("**GBP**"), Norwegian Kroner ("**NOK**"), Swiss Francs ("**CHF**"), Swedish Kronor ("**SEK**") and United States dollars ("**USD**") subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Status: Notes will be issued on an unsubordinated basis. The obligations of the Issuer under any Note will rank at least *pari passu* with the claims of all its other unsecured creditors save those whose claims are preferred solely by any laws of general application relating to creditors' rights.

Issue Price:	Notes may be issued at any price on a fully paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	Any maturity between twelve months and thirty years, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.  Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.
Redemption:	Notes may be redeemable at par or at such other redemption amount (including, if applicable, the Make-Whole Redemption Price) as may be specified in the relevant Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of (i) the Issuer (either in whole or in part); (ii) the Holders, or (iii) the Holders in the event of a Change of Control of the Issuer in each case to the extent (if at all) specified in the relevant Final Terms.
Early Redemption:	Other than as described in " <i>Optional Redemption</i> " above, early redemption will be permitted for taxation reasons as mentioned below in " <i>Terms and Conditions of the Notes – Early Redemption for Taxation Reasons</i> ".
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series. The terms and conditions also provide for additional fallbacks in the events that one or more benchmark rates used to determine the interest payable on the Notes is discontinued.
Denominations:	No Notes may be issued under the Programme which have a minimum denomination of less than €100,000 (or equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Taxation:	Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to certain exceptions) pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.
Events of Default:	The Terms and Conditions of the Notes will contain events of default, as more fully described in " <i>Terms and Conditions of the Notes – Events of Default</i> " below.

Negative Pledge:	The Terms and Conditions of the Notes will contain a Negative Pledge, as more fully described in " <i>Terms and Conditions of the Notes – Negative Pledge</i> " below.
Governing Law:	The Notes, all related contractual documentation and all non-contractual obligations arising out of or in connection with such Notes and related contractual documentation will be governed by English law. VPS Notes must comply with the Norwegian Securities Depository Act of 15 March 2019 no. 64, (as amended from time to time) and the holders of VPS Notes will be entitled to the rights, and are subject to the obligations and liabilities, which arise under this Act and any related regulations and legislation.
Listing:	<p>Each Series of Notes may be admitted to listing in Ireland on the Euronext Dublin Official List and trading on the regulated market of Euronext Dublin, with secondary listings (i) in the United Kingdom on the UKLA Official List and admitted to trading on the regulated market of the London Stock Exchange, and (ii) in Norway on the regulated market of the Oslo Stock Exchange and admitted to trading on the regulated market of the Oslo Stock Exchange.</p> <p>Notes issued under the Programme may be unlisted, or may be listed on a non-EU regulated market.</p>
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Notes, a copy of which will, in the case of Notes to be listed (i) on the Euronext Dublin Official List and traded on the regulated market of Euronext Dublin, be delivered to the Central Bank of Ireland and Euronext Dublin on or before the date of issue of such Notes, (ii) on the UKLA Official List and traded on the regulated market of the London Stock Exchange, be delivered to the FCA and the London Stock Exchange on or before the date of issue of such Notes and (iii) on the regulated market of the Oslo Stock Exchange and traded on the regulated market of the Oslo Stock Exchange, be delivered to the Oslo Stock Exchange. The terms and conditions applicable to each Tranche will be those set out herein under " <i>Terms and Conditions of the Notes</i> " as completed by the relevant Final Terms.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg or the VPS.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials, including the Base Prospectus in the United States of America, the United Kingdom, the Kingdom of Norway, The Netherlands and Japan, see the section entitled " <i>Subscription and Sale</i> " below.
Redenomination:	The Final Terms for a Tranche of Notes will indicate whether the Issuer may elect that, with effect from the Redenomination Date, the Notes of that Tranche shall be redenominated in euro (if Redenomination is specified) or become exchangeable for Notes denominated in euro (if Exchangeability is specified).
Risk Factors:	An investment in the Notes involves certain risk. See the section entitled " <i>Risk Factors</i> " below.

## RISK FACTORS

*Prospective investors should note that the following factors constitute material risks known to the Issuer that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme and that they could lose some or all of their investment. All of these factors are contingencies which may or may not occur.*

*In addition, factors which may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are described below.*

This section contains reference to all risk factors that the Issuer currently considers may be material to prospective investors in relation to the issue of Notes under the Programme.

Prospective investors should also read the detailed information appearing elsewhere in this Base Prospectus prior to making any decision to invest in Notes issued under the Programme.

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES ISSUED UNDER THE PROGRAMME**

The Notes will constitute unsecured obligations of the Issuer. A purchaser of Notes relies on the creditworthiness of the Issuer and no other person. Investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Notes.

#### **A. Risks relating to the Issuer's business and operations**

*Risks related to the functioning of the power system*

Large black outs in the Norwegian or Nordic power system could occur due to:

- (i) severe and simultaneous faults in the Transmission Grid (as defined in the section entitled "The Business of Statnett SF Business Overview" below);
- (ii) malfunctioning of the network control system caused by cyberattacks or otherwise;
- (iii) inadequate production capacity; or
- (iv) an external incident,

any of which could prevent the operation of the Transmission Grid partially or in its entirety. Although the Issuer has prepared for such events by developing various emergency provisions, a large black-out or substantial reduction in transmission capacity may have a negative impact on the Issuer's financial position or reputation.

*Operational risk and project execution risk*

Operating margins for the Transmission Grid are narrow, and despite significant investment, some of the old facilities are approaching the end of their lifetime. Investments and reinvestments will continue, but there are risks associated with the realisation of these projects in accordance with the existing plans. Delays and deferrals can lead to extended periods with higher electricity supply risks, as well as delays to regulated revenues.

Fault in components during N-0 operation is the risk which most often causes interruptions in the power supply. N-0 operation means that a fault in a single component will cause a power outage for end-users. In recent years, many consumption areas have been supplied by N-0 operation for the whole or parts of the year, and this is expected to continue until the investment plans have been realised.

Challenging weather conditions may lead to operational defaults, disruptions and damages to the grid. Such operational risks may, if they occur, have cost and reputation consequences for the Issuer.

Other operating risks of relevance to the Issuer include hacking and security attacks on the Issuer's operational systems. Although the Issuer has in place well developed emergency preparedness routines, such risks may if they materialise, in a worst case scenario, cause severe damage to the Issuer's systems and thereby put at risk the increasing amount of personal and system data held and operated by the

Issuer, challenge the security of supply and challenge the balancing of the Norwegian power system. If such risks materialise, it may have cost and reputational consequences.

*Risks relating to ownership by the Norwegian state*

The Issuer is wholly owned by the Kingdom of Norway. The Issuer is dependent on extensive public support in order to maintain its business, both in terms of oversight and control by the government as owner as well as ensuring a satisfactory capitalisation to enable the Issuer to upgrade and renew its assets.

The Kingdom of Norway, through its ownership, has the power to decide matters submitted for approval at the general meeting of the Issuer, such as approval of the annual financial statements, declarations of dividends, amendments to the Issuer's articles of association and the election and removal of members of the Issuer's Board of Directors. The Kingdom of Norway, as owner of the Issuer, may also decide to implement changes in the nature and scope of the Issuer's business (through disposals/divestments, acquisitions and otherwise).

*Risks relating to COVID-19*

In 2020, the coronavirus (“**COVID-19**”) has spread across the world including in the Nordic countries, where the disease and the measures taken against it are likely to have a significant negative effect on the economy in many different ways (including, without limitation, in terms of gross domestic product). Such adverse economic development can affect the Issuer’s business in several ways, including, without limitation, project delays and disturbance to the operation of the Transmission Grid, and in extreme cases well beyond what the Issuer has experienced to date, threaten the functioning of the Norwegian and Nordic power systems leading to black-outs.

The full impact of COVID-19 is outside of the Issuer's control and will depend on the spread of the virus and the response of the local authorities and the global community. The Issuer itself had contingency plans and task forces for pandemics already in place and these became operational when COVID-19 surfaced. The counter measures taken cover all relevant aspects of the Issuer, its employees, and also affect its suppliers. Employees managing critical operations have been split into teams which can operate independently. Other employees have been working from home, and the Issuer generally follows the national recommendations to limit the spread of virus, including restrictions for travel. Operation of the power system has priority, and at the date of this Base Prospectus, no major disruptions have occurred due to the COVID-19 situation.

The economic consequences of the COVID-19 situation may include cost increases and delays which affect the Issuer financially. Under the current regulative framework, operational cost base has two-year time lag before it is included in the regulated revenue calculation, and investments are not included until ready for operation.

The Issuer operates critical infrastructure for which there will always be a demand, and the regulated allowed revenue is generally not affected by volume. Customer defaults in payments have been extremely rare, and when it occurs, the loss enters the cost base under the current regulation to be subsequently compensated by all customers.

The global financial markets are impacted by very high volatility, which may have a negative impact on the Issuer's financing and liquidity. The degree to which COVID-19 impacts the Issuer’s financial results, funding or liquidity, will depend on future developments, which, as at the date of this Base Prospectus, are highly uncertain and cannot be predicted. These developments may include, but are not limited to, the duration and spread of COVID-19, its severity, actions taken to contain the virus or treat its impact, the extent and effectiveness of economic stimulus taken to contain the virus or treat its impact and how quickly and to what extent normal economic and business activity can resume.

*Risks related to health and safety matters and the environment*

The Issuer operates the Transmission Grid and there is an inherent risk to employees of the Issuer or other personnel working in such an environment. Accidents may occur for a variety of reasons, including

malfunctions of the communication systems, insufficiently skilled third parties or subcontractors, or external influences such as exceptional weather conditions.

In addition, electric or magnetic fields in the area surrounding power lines may have long-term effects on people's health, although such a possibility has been examined extensively, and no adverse effects have been proven. The occurrence of any of these events may have a negative impact on the Issuer's financial position or reputation.

*The Issuer is dependent on a limited number of key suppliers*

The Issuer is dependent on a limited number of key suppliers. Such suppliers could encounter capacity constraints, extended production delays, and other issues which could have a material adverse effect on the Issuer's business, financial condition, results of operations and/or prospects. Further, should such suppliers encounter financial, regulatory or operational difficulties, the Issuer may not be able to enforce warranty claims or may face difficulties in placing orders for upgrading, refurbishing and life extension of assets.

*Risk of losses in treasury operations*

The Issuer aims to identify and manage its financial risks, the most significant of which are liquidity risk, refinancing risk, interest rate risk, exchange rate risk and counterparty risk. To address these risks, the Issuer has defined clear limits for minimum liquidity reserves, average time to maturity, modified duration, exchange rate exposure and counterparty exposure. Despite these risk management policies, the Issuer may incur losses in relation to its treasury operations, which may have a negative impact on its financial position.

*Terrorism could have a material adverse effect on the Issuer's business, financial condition, results of operation or prospects*

Security threats such as acts of terrorism and cyber-attacks against the Issuer could result in losses. No assurances can be made that such attacks will not occur in the future and adversely impact its operations. Failure to manage the foregoing risks could result in injury or loss of life, damage to the environment and damage to or the destruction of assets. The Issuer could face, among other things, regulatory action, legal liability, damage to its reputation, a significant reduction in revenues, an increase in costs, a shutdown of operations and a loss of its investments in affected areas.

**B. Risks relating to regulation**

*Regulatory considerations*

Grid ownership has been defined as a natural monopoly as consumers are obliged to buy grid services in order to receive electricity. The Issuer's operations are, therefore, regulated by the Energy Act and appurtenant regulations, and by the Norwegian Water Resources and Energy Directorate (the "NVE"), a regulatory agency related to the Ministry of Petroleum and Energy. Following the entry into force of changes to the Energy Act as a result of the implementation of the EU Third Energy Market Package in 2019, the Issuer's mandate and operations will also be subject to certification and regulation by the Norwegian Regulating Authority for energy (the "RME"). Implementation of the EU Third Internal Energy Market Package may also result in other changes in the Issuer's organisation and operations.

Grid companies in general, and TSOs in particular, are regarded as systemically important by governments and regulators in Norway and the EU, and the regulatory regime affecting the Issuer and its operations is therefore subject to repeated reviews. It is therefore likely that the applicable regulatory system may change over time. Changes in the regulation of the Issuer's operations may have a negative impact on the Issuer's financial position.

*Revenue Cap risk*

The RME determines revenue caps that specify the maximum permitted annual income for each grid company (the "Revenue Cap"). For the purposes of the Revenue Cap, the Issuer's revenue is calculated based on historical costs and a defined and regulated rate of return on its regulatory asset base. Changes in the interest rate will affect the Issuer's earnings and, notwithstanding that any negative impact of such

changes on the Issuer's earnings will be partly offset by a reduction in the Issuer's interest rate costs, such interest rate changes could still have a material impact on the Issuer's earnings. Also, RME's measure of the Issuer's cost efficiency influences the Revenue Cap. The Issuer has historically been measured as 100% efficient based upon multiple benchmarks with other European TSOs. Future benchmarks could potentially yield poorer results and affect the Revenue Cap negatively.

The RME has stated that the parameters in the regulated rate of return shall be evaluated from time to time. The measured efficiency of the Issuer and changes to the regulated rate of return and method for calculating the Revenue Cap may have an important impact on the Issuer's earnings.

### C. Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. Some of these Notes may have certain features which contain particular risks for potential investors. Set out below is a description of the most common of these features:

#### *The Issuer's obligations under the Notes*

The Issuer's obligations under the Notes and, if applicable, the Coupons relating to the Notes constitute unsecured obligations of the Issuer and shall rank *pari passu* and without preference among themselves. The payment obligations of the Issuer under the Notes and, if applicable, the Coupons relating to the Notes shall, save for any exemptions, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer present and future. However, as unsecured obligations, the Notes and, if applicable, the Coupons relating to the Notes will, on winding-up or liquidation of the Issuer, rank junior in priority to any secured obligations of the Issuer (if any), and if the Issuer is insolvent a Noteholder (as defined in the Terms and Conditions) may lose all or some of his or her investment.

#### *Notes subject to optional redemption by the Issuer*

If a Note contains an optional redemption feature (including one containing a make-whole provision) it is likely to limit its market value. During any period when the Issuer may elect to redeem Notes, the market value of any such Notes will generally not rise substantially above the price at which these Notes can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at the time.

#### *Regulation and reform of benchmarks could adversely affect any Notes linked to such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark.

Regulation (EU) 2016/1011 (the "**Benchmark Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder must be authorised or registered by the competent authority of the Member State where such administrator is located or if it is based in a non-EU jurisdiction, satisfy the equivalence conditions or be recognised or endorsed (the "**Approval**"). There is a risk that administrators



of certain benchmarks will fail to obtain the necessary Approval, preventing them from continuing to provide such benchmarks. Other administrators may cease to administer certain benchmarks because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("**€STR**") as the new risk-free rate and €STR has been published by the ECB since October 2019. In addition, on 21 January 2019, the euro risk free rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be consequences that cannot be predicted. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could require or result in an adjustment to the interest provisions of the Conditions or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Notes whose interest rates are linked to LIBOR or any other such benchmark which is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

The "*Terms and Conditions of the Notes*" set out below, provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

#### *Floating Rate Notes*

Notes with variable interest rates can be volatile investments. If Notes are structured to include multiples or other leverage factors, or a cap or a floor, or any combination of those features, their market values may be even more volatile than those for Notes that do not include these features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed / Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate may affect the market value of the Notes since the Issuer may be expected to convert the interest rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the rates on other Notes.

*In respect of any Notes issued with a specific use of proceeds, such as a 'Green Bond', there can be no assurance that such use of proceeds will be suitable for the specific investment criteria of an investor*

The applicable Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the net proceeds from an offer of those Notes specifically for projects and activities that promote climate friendly and other environmental purposes ("**Green Projects**"). Prospective investors should have regard to the information in the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects).

CICERO Shades of Green AS has provided a second opinion on the Issuer's Green Bond Framework ("**Compliance Opinion**"), confirming that any Green Bonds are in compliance with the Green Bond Principles, as published by the International Capital Market Association (which serves as the secretariat to the Green Bond Principles) (the "**Green Bond Principles**"). The Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market. For the avoidance of doubt, the Compliance Opinion is not, nor shall be deemed to be, incorporated into, and will not form part of, this Base Prospectus or the applicable Final Terms. The Compliance Opinion may not reflect the potential impact of all risks related to the structure of the relevant Series of Green Bonds, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Green Bonds. The Compliance Opinion is not a recommendation to buy, sell or hold securities and is only current as at its date of issue.

While the Green Bond Principles do provide a high level framework, there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently labelled project, or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any project(s) or use(s) the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any project(s) or use(s) the subject of, or related to, any Green Projects. As at the date of this Base Prospectus, the Issuer has not published a framework

relating to an investment in Green Projects although the Issuer intends to publish such framework prior to the issuance of any Notes which specify that the relevant proceeds will be used for Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification (i) is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus, (ii) is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes and (iii) would only be current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, for example with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Additionally, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) (including those the subject of, or related to, any Green Projects) will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project(s) or use(s). Nor can there be any assurance that any Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any project(s) or use(s), including any Green Projects, and/or withdrawal of any opinion or certification as described above or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

#### **D. Risks related to the Notes generally**

##### *Modification, waivers and substitution*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders:

- (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes; or

- (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default (as defined in the Terms and Conditions) shall not be treated as such.

#### *Change in law*

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

#### *Trading in the clearing systems*

In relation to any issue of Notes which have a denomination consisting of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000.

### **E. Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk, in respect of Notes issued under the Programme:

#### *The secondary market generally*

The Notes may have no established trading market when issued and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell the Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal in a currency and any premium and interest on each Note in a currency or currencies as specified in the terms of that Note. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency specified in the terms of the Note. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency specified in the terms of the Note, or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency specified in the terms of the Note would decrease (1) the Investor's Currency's equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Notes bearing interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors

discussed above, and other factors that may adversely affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold the Notes and may be raised or withdrawn by a credit rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non- EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms if the relevant Series of Notes is to be rated.

#### *Dealer appointed as Calculation Agent*

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

#### *Risk factors pertaining to the conditions of the Norwegian and international financial system*

The Issuer's ability to access or continue to access domestic and international capital markets and lenders to the extent sufficient to meet its funding needs, including the refinancing of outstanding debt falling due, investment in new assets and the upgrade and maintenance of existing assets, may be adversely affected by a number of factors, including Norwegian and international economic conditions and the state of the Norwegian and the international financial system.

## INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the Central Bank of Ireland and Euronext Dublin and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the audited consolidated annual financial statements (including the auditors' reports thereon and notes thereto) of the Issuer for the financial years ended 31 December 2019 and 2018 (available at <https://www.statnett.no/en/about-statnett/investor-relations/annual-and-semi-annual-reports/>);
- (b) the terms and conditions set out on pages 15 to 41 of the base prospectus dated 25 April 2006 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=88552547>);
- (c) the terms and conditions set out on pages 14 to 38 of the base prospectus dated 24 April 2007 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=88552563>);
- (d) the terms and conditions set out on pages 16 to 44 of the base prospectus dated 8 May 2008 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=88552583>);
- (e) the terms and conditions set out on pages 12 to 41 of the base prospectus dated 6 May 2009 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=88552631>);
- (f) the terms and conditions set out on pages 12 to 41 of the base prospectus dated 10 May 2010 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=88552632>);
- (g) the terms and conditions set out on pages 12 to 41 of the base prospectus dated 25 May 2011 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <https://www.oslobors.no/content/download/56732/1275218/Base+Prospectus+Statnett+EMTN+2011+-+Execution+version+SIGNED.pdf>);
- (h) the terms and conditions set out on pages 12 to 43 of the base prospectus dated 23 May 2012 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <https://www.oslobors.no/content/download/65361/1374301/2013-05-22+-+STatnett+Base+Prospectus.pdf>);
- (i) the terms and conditions set out on pages 12 to 42 of the base prospectus dated 24 May 2013 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=52670089>);
- (j) the terms and conditions set out on pages 13 to 44 of the base prospectus dated 23 May 2014 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=66660474>);
- (k) the terms and conditions set out on pages 13 to 44 of the base prospectus dated 26 May 2015 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=89755157>);
- (l) the terms and conditions set out on pages 12 to 43 of the base prospectus dated 26 May 2016 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at

<http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=111987401>);

- (m) the terms and conditions set out on pages 12 to 44 of the base prospectus dated 9 May 2017 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=133303442>);
- (n) the terms and conditions set out on pages 15 to 47 of the base prospectus dated 22 May 2018 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=172653720>); and
- (o) the terms and conditions set out on pages 12 to 46 of the base prospectus dated 23 May 2019 relating to the Programme, under the heading "*Terms and Conditions of the Notes*" (available at <https://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=222905579>).

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected during normal business hours, free of charge, at the specified office of the Principal Paying Agent and Registrar and from the head office of the Issuer. Copies of the documents specified above will also be available for viewing at the National Storage Mechanism at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM). Please note that websites and urls referred to herein do not form part of this Base Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this Base Prospectus.

If the documents incorporated by reference into this Base Prospectus themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Base Prospectus for the purposes of the Prospectus Regulation except where such information or other documents are specifically incorporated by reference to this Base Prospectus.

## USE OF PROCEEDS

The net proceeds of each issue of Notes will be used by the Issuer for general corporate purposes or for green projects or as may otherwise be disclosed in the Final Terms.

Where the net proceeds of an issue of Notes are used for green projects in accordance with the Issuer's Green Bond Framework, such Notes may be referred to as "**Green Bonds**". The Green Bond Framework will set out, amongst other things, the type of projects and investments that are eligible for allocation of proceeds raised from Green Bonds, the process around selection and approval of allocation of proceeds to green projects and how the Issuer will manage and report on the proceeds of its Green Bonds.

According to the definition criteria set out by the International Capital Market Association ("**ICMA**") Green Bond Principles ("**GBP**"), only such tranches will be denominated "**Green Bonds**".

The Green Bond Framework will be available on the investor relations section of the Issuer's website ahead of issuance of a Green Bond (<http://www.statnett.no/en/investor-relations/>).



## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which, as completed by the relevant Final Terms, will be applicable to each Series of Notes.*

The Notes (as defined in Condition 1.1) are constituted by an amended and restated trust deed dated 26 May 2020 (the "**Trust Deed**", which expression shall include any further amendments or supplements thereto or any restatement thereof) made between Statnett SF (the "**Issuer**") and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees of the Trust Deed) as trustee for the holders of the Notes (the "**Noteholders**"). The Notes (other than the VPS Notes) are the subject of an amended and restated paying agency agreement dated 26 May 2020 (as amended, supplemented or replaced from time to time, the "**Agency Agreement**") and made between the Issuer, the Trustee, Citibank, N.A., London Branch, in its capacity as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor to Citibank, N.A., London Branch, in its capacity as such) and as principal registrar (the "**Principal Registrar**", which expression shall include any successor to Citibank, N.A., London Branch, in its capacity as such), and the paying agents named therein (the "**Paying Agents**", which expression shall include the Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement). Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Trustee, the Paying Agents and the Principal Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Agency Agreement and the Trust Deed insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Notes. Each Tranche will be the subject of a Final Terms (each, a "**Final Terms**"). Copies of the Final Terms will have been published on the website of (i) Euronext Dublin at <https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/>, (ii) the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and (iii) the Oslo Stock Exchange at <https://newsweb.oslobors.no/>. In the case of a Tranche of Notes in relation to which application has not been made for listing with any competent listing authority or on any stock exchange, copies of the Final Terms will only be available for inspection by a Holder (as defined in Condition 2.1) of such Note during normal business hours at the specified office of the Principal Paying Agent and/or, as the case may be, the Registrar (as defined in Condition 2.2).

References in these Terms and Conditions to "**Notes**" are to Notes of the relevant Series and any references to Coupons (as defined in Condition 1.6) and Receipts (as defined in Condition 1.7) are to Coupons and Receipts relating to Notes of the relevant Series.

References in these Terms and Conditions to the "**Final Terms**" are to the Final Terms or Final Terms(s) prepared in relation to the Notes of the relevant Tranche or Series.

References in these Terms and Conditions to a "**Tranche**" are to an individual Tranche within a Series or to a Series without a Tranche.

In respect of any Notes, references herein to these "**Terms and Conditions**" are to these terms and conditions as completed by the Final Terms.

As used in these Terms and Conditions, in relation to any Notes which are to have a "**listing**" or be "**listed**" on Euronext Dublin, the London Stock Exchange and the Oslo Stock Exchange, "**listing**" and "**listed**" shall be construed to mean that such Notes have been (i) admitted to the Euronext Dublin Official List and admitted to trading on the regulated market of Euronext Dublin, (ii) admitted to the UKLA Official List and admitted to trading on the regulated market of the London Stock Exchange and (iii) admitted to listing and trading on the regulated market of Oslo Børs ASA (the "**Oslo Stock Exchange**").

1. **Form and Denomination**

1.1 The Notes of a Series are issued in bearer form ("**Bearer Notes**"), in registered form ("**Registered Notes**"), or in uncertificated book entry form ("**VPS Notes**") as specified in the Final Terms and are serially numbered, save for the VPS Notes. Registered Notes and VPS Notes will not be exchangeable for Bearer Notes.

1.2 The Final Terms shall specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") shall apply, or whether neither are applicable. Unless the Final Terms specifies that the TEFRA C Rules are applicable in respect of Notes, each Tranche of Bearer Notes is represented upon issue by a temporary global Note (a "**Temporary Global Note**") substantially in the form (subject to amendment and completion) of the First Schedule to the Trust Deed. Such Temporary Global Note which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or before the relevant issue date therefor with a depository or a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg (the "**ICSDs**").

Where the Final Terms applicable to a Tranche of Bearer Notes specifies that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a permanent global Note (a "**Permanent Global Note**").

Interests in the Temporary Global Note may be exchanged for:

- (a) interests in a Permanent Global Note substantially in the same form (subject to amendment and completion) of the Second Schedule to the Trust Deed; or
- (b) if so specified in the Final Terms, definitive instruments in bearer form ("**Definitive Notes**") substantially in the same form (subject to amendment and completion) of the Third Schedule to the Trust Deed and/or (in the case of a Series comprising both Bearer Notes and Registered Notes and if so specified in the Final Terms) Registered Notes substantially in the form (subject to amendment and completion) of the Fourth Schedule to the Trust Deed.

Exchanges of interests in a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made not earlier than 40 days after the issue date of the relevant Tranche of Notes (the "**Exchange Date**") and (unless the Final Terms specifies that the TEFRA C Rules are applicable to the Notes) provided certification as to the beneficial ownership thereof as required by U. S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received. An exchange for Registered Notes will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, the Temporary Global Note shall only be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

1.3 The bearer of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole but not in part only) for a Permanent Global Note or for delivery of Definitive Notes and/or Registered Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

- 1.4 Unless the Final Terms specifies that the TEFRA C Rules are applicable to the Notes and subject to Condition 1.3 above, if any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by US Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg or any other relevant clearing system. Payments of amounts due in respect of a Permanent Global Note or (subject to Condition 1.3 above) a Temporary Global Note (if the Final Terms specifies that the TEFRA C Rules are not applicable to the Notes) will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.
- 1.5 Interests in a Permanent Global Note will be exchanged by the Issuer (in whole but not in part only), at the option of the Holder of such Permanent Global Note, for Definitive Notes and/or (in the case of a Series comprising both Bearer and Registered Notes and if so specified in the Final Terms) Registered Notes, (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (c) if so specified in the Final Terms, at the option of the Holder of such Permanent Global Note upon such Holder's request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty five days before the date upon which the delivery of such Definitive Notes and/or Registered Notes is required, deposit the relevant Permanent Global Note to or to the order of the Principal Paying Agent with the form of exchange notice endorsed thereon duly completed.

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, the Permanent Global Note shall only be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

- 1.6 Interest-bearing Definitive Notes have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Interest-bearing Definitive Notes, if so specified in the Final Terms, have attached thereto at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.
- 1.7 Notes, the principal amount of which is repayable by instalments ("**Instalment Notes**") which are Definitive Notes, have endorsed thereon a grid for recording the repayment of principal or, if so specified in the Final Terms, have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.
- 1.8 The Trustee and the Issuer may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof any certificate, letter of confirmation or other document issued on behalf of any ICSD or any form of record made by any of them or such other evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note and if the Trustee or the Issuer does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned for all purposes. Any such certificate may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

## **Denomination**

### *Denomination of Bearer Notes*

- 1.9 Bearer Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Bearer Notes of one denomination may not be exchanged for Bearer Notes of any other denomination.

### *Denomination of Registered Notes*

- 1.10 Registered Notes are in the minimum denomination specified in the Final Terms or integral multiples thereof.

### *Denomination of VPS Notes*

- 1.11 VPS Notes are in the minimum denomination specified in the Final Terms or integral multiples thereof.

### *Currency of Notes*

- 1.12 The Notes are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified (including, without limitation, euro (as defined in Condition 9E) ("**EUR**"), Japanese Yen ("**JPY**"), Pounds Sterling ("**GBP**"), Norwegian Kroner ("**NOK**"), Swiss Francs ("**CHF**"), Swedish Kronor ("**SEK**") and United States dollars ("**USD**")), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Save where more specifically defined or where the context otherwise requires for the purposes of these Terms and Conditions, references to "**Notes**" shall be to any of Temporary Global Notes, Permanent Global Notes, Definitive Notes and references to the deposit of Notes or Registered Note Certificates will, if applicable, be construed in accordance with the practice of the relevant clearing system.

## **2. Title and Transfer**

- 2.1 Title to Bearer Notes, Receipts and Coupons passes by delivery. References herein to the "**Holders**" of Bearer Notes or of Receipts or Coupons are to the bearers of such Bearer Notes or such Receipts or Coupons.
- 2.2 Title to Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar. For the purposes of these Terms and Conditions, "**Registrar**" means, in relation to any Series comprising Registered Notes, the Principal Registrar. References herein to the "**Holders**" of Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant register (or in the case of a joint holding the first named thereof). A certificate (each a "**Registered Note Certificate**") will be issued to each Noteholder in respect of its initial registered holding.
- 2.3 Title to the VPS Notes passes by book entries in the records of the VPS. On the issue of VPS Notes, the Issuer will send a letter to the Trustee, (the "**VPS Letter**") with a copy sent to a VPS account manager to be appointed by the Issuer prior to the issue of any VPS Notes (the "**VPS Account Manager**"), which will set out the terms of the relevant issue of VPS Notes in the form of Final Terms attached to such VPS Notes. On delivery of a copy of such VPS Letter, including the applicable Final Terms, to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Account Manager will credit each subscribing account holder with the VPS with a nominal amount of VPS Notes equal to the nominal amount for which it has subscribed and paid. Settlement of transactions in the VPS will take place two Oslo business days after the date of the relevant transaction. Transfers of interests in the relevant VPS Notes will take place in accordance with the rules and procedures for the time being of the VPS. References herein to the "**Holders**" of VPS Notes are to the persons in whose names such VPS Notes have been entered in the records of the VPS.

- 2.4 The Holder of any Bearer Note, Coupon or Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon or on the related Registered Note Certificate, or any theft or loss thereof) and no person shall be liable for so treating such Holder and the Issuer, the Trustee, the Paying Agents and the Registrar shall not be required to obtain any proof thereof or as to the identity of the Holder.

*Transfer of Registered Notes and exchange of Bearer Notes for Registered Notes*

- 2.5 A Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred upon the surrender of the related Registered Note Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note Certificate will be issued to the transferee and, where not all of the Notes represented by the surrendered Note Certificates are the subject of the transfer, a new Registered Note Certificate in respect of the balance not transferred will be issued to the transferor.
- 2.6 If so specified in the Final Terms, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of the Principal Paying Agent or of the Registrar together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.7) where the exchange date would, but for the provisions of Condition 2.6, occur between the Record Date (as defined in Condition 9B. 3) for such payment of interest and the date on which such payment of interest falls due.
- 2.7 Each new Registered Note Certificate to be issued upon the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Principal Paying Agent after the Record Date (as defined in Condition 9B.3) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or the Principal Paying Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions,

- (a) "**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Principal Paying Agent, in the place where the specified office of the Principal Paying Agent is located;
- (b) the "**exchange date**" shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in accordance with Condition 2.5; and
- (c) the "**transfer date**" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.4.
- 2.8 The issue of new Registered Notes on transfer or on the exchange of Bearer Notes for Registered Notes will be effected without charge by or on behalf of the Issuer, the Principal Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Principal Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

3. **Status of the Notes**

The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with the claims of all its other unsecured creditors save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

4. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness without at the same time or prior thereto (x) securing (in the sole opinion of the Trustee) the Notes equally and rateably therewith or (y) providing such other security for the Notes as the Trustee shall, in its absolute discretion, deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

In these Terms and Conditions:

**"Indebtedness"** means any indebtedness of any person for or in respect of moneys borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) moneys borrowed; or
- (b) amounts raised by way of acceptance under any acceptance credit facility but excluding acceptance of trade bills in respect of the purchase or sale of goods in the ordinary course of trading; or
- (c) amounts raised under any note purchase facility; or
- (d) amounts raised pursuant to any issue of shares of any person which are expressed to be redeemable prior to the payment of any amounts due under this Note; or
- (e) the capital amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting principles in Norway, be treated as finance leases; or
- (f) the capital amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; or
- (g) any interest rate swap, currency swap, forward foreign exchange transaction, forward rate agreement, cap, floor, collar or option transaction or other similar transaction or any combination thereof or other like transaction; or
- (h) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

**"Norway"** means the Kingdom of Norway;

**"person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Permitted Security Interest"** means a Security Interest in respect of Relevant Indebtedness:

- (a) acquired or assumed by the Issuer in connection with its business after the date hereof which exists at the time of such acquisition or assumption (other than a Security Interest created in contemplation of such acquisition or assumption); and/or

- (b) where such Security Interest exists over assets acquired at fair market price by the Issuer in connection with its business after the date hereof and such Security Interest was created prior to and not in contemplation of such acquisition;

**"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) other than any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which has an initial maturity of less than 12 months; and

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

## 5. Interest

### *Interest*

- 5.1 Notes may be interest-bearing or non interest-bearing, as specified in the Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein or in the Final Terms shall have the meanings given to them in Condition 5.12.

### *Interest-bearing Notes*

- 5.2 Notes which are specified in the Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date.

### *Floating Rate Notes*

- 5.3 If the Final Terms specifies the Interest Rate applicable to the Notes as being Floating Rate it shall also specify which Reference Rate and the Relevant Screen Page (whether on the Reuters Service or any other information vending service) that shall be applicable. If such a page is so specified, the Interest Rate applicable to the relevant Notes for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:

- (a) the Calculation Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point 0.00005 being rounded upwards) of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Accrual Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (b) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks (as identified by the Issuer in consultation with the Calculation Agent) in the London interbank market (or, in the case of Notes denominated or payable in euro, in the Euro-zone interbank market), selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market (or, in the case of Notes denominated or payable in euro, in the Euro-zone interbank market) for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (c) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (d) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks (as identified by the Issuer in consultation with the Calculation Agent) in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in such financial centre or centres in the Euro-zone

as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Accrual Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Interest Rate applicable to such Notes during each Interest Accrual Period will be the sum of the relevant margin (the "**Relevant Margin**") specified in the Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined *provided, however*, that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to such Notes during such Interest Accrual Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Notes in respect of the last preceding Interest Accrual Period.

### ***Benchmark Discontinuation***

#### 5.4

- (i) If a Benchmark Event occurs in relation to the Reference Rate when the rate of interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.4(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.4(iii)) and any Benchmark Amendments (in accordance with Condition 5.4(iv)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Principal Paying Agent, Trustee or the Noteholders for any determination made by it pursuant to this Condition 5.4.

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.4 prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Floating Rate Interest Period. For the avoidance of doubt, any adjustment pursuant to this final paragraph of Condition 5.4 shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 5.4.

- (ii) If the Independent Adviser determines in its discretion that:
- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.4(iii)) subsequently be used in place of the Reference Rate to determine the rate of interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 5.4; or
  - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.4(iii)) subsequently be used in place of the Reference Rate to determine the rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 5.4.
- (iii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment



Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

- (iv) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.4 and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Principal Paying Agent and the Trustee (or the person specified in the applicable Final Terms as the party responsible for calculating the rate of interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 5.4(v), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Principal Paying Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.4). In addition, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 5.4(vi), the Trustee shall (at the expense of the Issuer), without the requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any Supplemental Trust Deed) in any way.
- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.4 will be notified promptly by the Issuer to the Principal Paying Agent, the Trustee, the Calculation Agent and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Principal Paying Agent and the Trustee of the same, the Issuer shall deliver to the Principal Paying Agent and the Trustee a certificate signed by two Authorised Signatories of the Issuer:
  - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.4; and
  - (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Principal Paying Agent, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders as of their effective date.

- (vii) Without prejudice to the obligations of the Issuer under Condition 5.4(i), (ii), (iii) and (iv), the Reference Rate and the fallback provisions provided for in the definition of the term "Reference Rate" will continue to apply unless and until a Benchmark Event has occurred.
- (viii) As used in this Condition 5.4:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5.4(ii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Authorised Signatories**" has the meaning given in the Trust Deed.

"**Benchmark Amendments**" has the meaning given to it in Condition 5.4(iv).

"**Benchmark Event**" means:

- (A) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Reference Rate that it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Reference Rate, that the Reference Rate has been or will permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used either generally, or in respect of the relevant Floating Rate Notes; or
- (E) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any rate of interest using the Reference Rate.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 5.4(i).

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally published, endorsed, approved, recommended or recognised by any Relevant Nominating Body.

#### ***Linear Interpolation***

5.5 Where Linear Interpolation in connection with this Condition 5.4 is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate of interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), where:

- (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

***provided, however, that*** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

#### ***ISDA Rate Notes***

5.6 If the Final Terms specifies the Interest Rate applicable to the Notes as being ISDA Rate, each Note shall bear interest as from such date, and at such rate or in such amounts, and such interest will be payable on such dates, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of such Note under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Fixed Price Payer, Floating Rate Payer, Floating Amount Payer or, as the case may be, the Floating Price Payer is the Issuer (as specified in the Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Termination Date is the Maturity Date;

- the Calculation Agent is the Calculation Agent as defined in Condition 5.12;
  - the Calculation Periods are the Interest Accrual Periods;
  - the Period End Dates are the Interest Period End Dates;
  - the Payment Dates are the Interest Payment Dates;
  - the Reset Dates are the Interest Period End Dates;
  - the Calculation Amount is the principal amount of such Note;
  - the Day Count Fraction applicable to the calculation of any amount is that specified in the Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
  - the Applicable Business Day Convention applicable to any date is that specified in the Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions.
- 5.7 If any Maximum or Minimum Interest Rate is specified in the Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

***Accrual of Interest***

- 5.8 Interest shall accrue on the Outstanding Principal Amount of each Note during each Interest Accrual Period from the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 6.10) or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the third day after the date on which, the Principal Paying Agent or, as the case may be, the Registrar or the VPS Account Manager having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 that the Principal Paying Agent or, as the case may be, the Registrar or the VPS Account Manager has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

***Interest Amount(s), Calculation Agent and Reference Banks***

- 5.9 If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in respect of each Denomination of the Notes (in the case of Bearer Notes) and the minimum denomination (in the case of Registered Notes or VPS Notes) for the relevant Interest Accrual Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Registrar (in the case of Registered Notes), the VPS Account Manager (in the case of VPS Notes) the Issuer, the Trustee and the Holders in accordance with Condition 14 and, if the Notes are listed with a competent listing authority and/or on a stock exchange and such listing authority or exchange so requires, such listing authority or exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the

case of notification to the listing authority or stock exchange, the time required by the relevant stock exchange. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended by the Calculation Agent (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. If the Notes become due and payable under Condition 7, the Interest Rate and the accrued interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer, the Trustee and the Holders and neither the Calculation Agent, the Trustee nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be a Calculation Agent, if provision is made for one in the Terms and Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent). In doing so the Trustee shall determine or calculate the relevant matter in such manner as, in its absolute discretion, it shall deem fair and reasonable in the circumstances (showing such regard as it shall think fit to the procedures described above, but subject always to such maximum or minimum interest rate which may be prescribed) or apply the foregoing provisions of this condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so and in all other respects it shall do so in such manner as it shall in its absolute discretion deem fair and reasonable in the circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

### ***Calculations and Adjustments***

- 5.10 The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount by the Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being round upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount save that (i) if the Final Terms specifies a specific amount in respect of such period, the amount of interest payable in respect of such Note for such period will be equal to such specified amount and (ii) in the case of Notes where the Interest Rate is fixed, the interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

### ***Non-Interest Bearing Notes***

- 5.11 If any Maturity Redemption Amount or Instalment Amount (as defined in Condition 6.1) in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield defined in the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the third day after the date on which, the Principal Paying Agent or, as the case may be, the Registrar or the VPS Account Manager having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 that the Principal Paying Agent or, as the case may be, the Registrar or the VPS Account Manager has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.9 as if the Interest Rate was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.12).

### ***Definitions***

- 5.12 "**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Applicable Business Day Convention**" means the "**Business Day Convention**" which may be specified in the Final Terms as applicable to any date in respect of the Notes unless the Final Terms specifies "No Adjustment" in relation to any date in which case such date shall not be adjusted in accordance with any Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Notes.

"**Banking Day**" means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city.

"**Benchmark Security**" has the meaning given in the relevant Final Terms or, if not so specified or to the extent that such Benchmark Security specified in the Final Terms is no longer outstanding on the relevant Reference Date, a Similar Security.

"**Benchmark Security Price**" means, if the Calculation Agent obtains (i) five Reference Market-Maker Quotations, the arithmetic mean of the quotations after disregarding the highest and lowest quotations; (ii) lower than five Reference Market-Maker Quotations, the average of all such quotations, or (iii) one Reference Market-Maker Quotation, the amount of the Reference Market-Maker Quotation so obtained, or if no Reference Market-Maker Quotations are received, any subsequent rate of interest shall be determined to be the rate of interest as at the last preceding Interest Payment Date.

"**Business Day**" means:

- (a) in relation to any Notes denominated or any sum payable in euro, a TARGET Settlement Day; and
- (b) in relation to any Notes denominated or any sum payable in a currency other than euro, a day on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant currency;

and, in either case, a day on which commercial banks are open for business and foreign exchange markets settle payments in each (if any) Additional Business Centre or any other place specified in the relevant Final Terms.

"**Business Day Convention**" means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified

in the Final Terms in relation to any date applicable to any Notes, shall have the following meanings:

- (a) **"Following Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (d) **"FRN Convention"** or **"Eurodollar Convention"** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms as the Specified Period after the calendar month in which the preceding such date occurred Provided that:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

**"Calculation Agent"** means such agent as may be specified in the Final Terms as the Calculation Agent.

**"Calculation Amount"** has the meaning given in the relevant Final Terms.

**"Call Option Date"** has the meaning given in the relevant Final Terms.

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (**"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **"Actual/Actual (ICMA)"** is so specified, means:
  - (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year; and
  - (ii) if the Calculation Period is longer than one Determination Period, the sum of:

- (A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year; and
  - (B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year;
- (c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;



"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

*provided, however, that* in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.

**"Determination Period"** means the period from and including an Interest Payment Date in any year to, but excluding the next Interest Payment Date.

**"First Interest Payment Date"** means the date specified in the relevant Final Terms.

**"Gross Redemption Yield"** means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 4, Section One: Price/Yield Formulae "Conventional Gilts"; "Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted

to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the relevant Dealer(s) may approve.

**"Interest Accrual Period"** means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of final maturity.

**"Interest Commencement Date"** means the date of issue of the Notes (as specified in the Final Terms) or such other date as may be specified as such in the Final Terms.

**"Interest Determination Date"** means, in respect of any Interest Accrual Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the Final Terms prior to the first day of such Interest Accrual Period, or if none is so specified:

- (a) if the Reference Rate is the London interbank offered rate ("**LIBOR**") (other than for deposits in Sterling or Euro), the second London business day prior to the start of each Interest Period;
- (b) if the Reference Rate is LIBOR for deposits in Sterling, the first day of each Interest Period;
- (c) if the Reference Rate is LIBOR for deposits in Euro or the Euro-zone interbank offered rate ("**EURIBOR**"), the second day on which TARGET2 is open prior to the start of each Interest Period;
- (d) if the Reference Rate is the Norwegian interbank offered rate ("**NIBOR**"), the second Oslo business day prior to the start of each Interest Period; or
- (e) if the Reference Rate is the Stockholm interbank offered rate ("**STIBOR**"), the second Stockholm business day prior to the start of each Interest Period.

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such Specified Period of calendar months following the date of issue of the Notes (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

**"Interest Period"** means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

**"Interest Period End Date"** means the date or dates specified as such in the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Notes.

**"Interest Rate"** means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Notes as specified in the Final Terms.

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

**"London Banking Day"** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

**"Make-Whole Margin"** will be specified in the relevant Final Terms.

**"Outstanding Principal Amount"** means, in respect of any Note, its principal amount or in respect of any Instalment Note, its principal amount less, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.7.

**"Par Redemption Date"** will be specified in the relevant Final Terms.

**"Reference Banks"** means such banks as may be specified in the Final Terms as the Reference Banks or, if none are specified, **"Reference Banks"** has the meaning given in the ISDA Definitions, *mutatis mutandis*.

**"Reference Date"** means the date which is the third London Business Day prior to the date fixed for redemption or such other date as may be specified as such in the relevant Final Terms.

**"Reference Market-Makers"** means up to five brokers or market-makers of securities such as the Benchmark Security selected in good faith by the Issuer or such other five persons operating in the market for securities such as the Benchmark Security as are selected in good faith by the Issuer and "Reference Market Maker" shall be construed as any one of them.

**"Reference Market-Maker Quotations"** means, with respect to each Reference Market-Maker and any Call Option Date, the arithmetic average, as determined by the Calculation Agent, of the bid and asked prices for the Benchmark Security (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent on the Reference Date at the Reference Time each as specified in the applicable Final Terms.

**"Reference Rate"** means, either (A) with respect to calculating the Interest Rate for the purposes of Condition 5.3, (i) LIBOR, (ii) EURIBOR, (iii) NIBOR, or (iv) STIBOR, in each case for the relevant currency and for the relevant period, as specified in the applicable Final Terms; or (B) with respect to any Call Option Date, the rate per annum equal to the equivalent yield to maturity of the Benchmark Security calculated using a price for the Benchmark Security (expressed as a percentage of its principal amount) equal to the Benchmark Security Price for such Call Option Date. The Reference Rate in respect of (B) will be calculated on the Reference Date at the Reference Time each as specified in the applicable Final Terms.

**"Reference Time"** will be specified in the relevant Final Terms.

**"Relevant Financial Centre"** means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the ISDA Definitions provided that, in relation to euro, it means the principal financial centre of such member state of the European Union as is selected (in the case of a payment) by the payee, or (in the case of a calculation) by the Calculation Agent.

**"Relevant Screen Page"** means such page, section, caption, column or other part of a particular information service as may be specified in the Final Terms. In the event that any Relevant Screen Page stops providing quotations for a Reference Rate, then such other page, section, caption, column or other part as may replace the same on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the relevant Reference Rate for the purpose of displaying comparable rates or prices will be used. If there is more than one service displaying the Reference Rate, the one approved in writing by the Issuer in consultation with the Calculation Agent will be used.

**"Relevant Time"** means the time as of which any rate is to be determined as specified in the Final Terms or, if none is specified, at which it is customary to determine such rate.

"**Reuters Service**" means, when used in connection with a designated page and any designated information, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying such information).

"**Specified Period**" has the meaning given in the relevant Final Terms.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

## 6. **Redemption and Purchase Redemption at Maturity**

- 6.1 Unless previously redeemed, or purchased and cancelled each Note which is not an Instalment Note shall be redeemed at its maturity redemption amount (the "**Maturity Redemption Amount**") (which shall be its Outstanding Principal Amount). In the case of Instalment Notes, each Note shall be redeemed in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in the Final Terms on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms ("**Instalment Date(s)**").

### *Early Redemption for Taxation Reasons*

- 6.2 If, in relation to any Series of Notes, provided the Issuer satisfies the Trustee that (i) as a result of any change in the laws, regulations or rulings of Norway or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of such Notes or any other date specified in the Final Terms, the Issuer would be required to pay additional amounts as provided in Condition 8 and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may, at its option and having given no less than thirty nor more than sixty days notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Notes in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in the Final Terms), together with accrued interest (if any) thereon (calculated as provided in these Terms and Conditions and the Trust Deed) Provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6.2 the Issuer shall deliver to the Trustee (A) a certificate signed by two directors of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the condition precedent set out in (ii) above in which case it shall become conclusive and binding on the relevant Noteholders and (B) an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, and the Trustee shall be entitled to accept such opinion as sufficient evidence of the condition precedent set out in (i) above in which case it shall become conclusive and binding on the relevant Noteholders.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.6 or Condition 6.7.

### ***Optional Early Redemption (Call)***

- 6.3 If this Condition 6.3 is specified in the Final Terms as being applicable, then the Issuer may, having given the appropriate notice (as defined in Condition 6.4 below) to the Noteholders and having notified the Trustee or (in the case of a redemption of VPS Notes) the Trustee and the VPS Account Manager, prior to the provision of such notice and subject to such conditions as may be specified in the Final Terms, redeem all (but not, unless and to the extent that the Final Terms specifies otherwise, some only) of the Notes of the relevant Series on the relevant Call Option Date specified in the notice at their **Early Redemption Amount (Call)** (as defined below) together with accrued interest (if any) thereon (calculated as provided in this Condition and the Trust Deed). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the relevant Final Terms.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.6.

**"Early Redemption Amount (Call)"** means, as specified in the relevant Final Terms, either (i) the Outstanding Principal Amount or, in the case of a Note which is non-interest bearing, its Amortised Face Amount (as defined in Condition 6.11); (ii) if Make-Whole Redemption Price is specified in the applicable Final Terms as being applicable, the relevant Make Whole Redemption Amount; or (iii) the amount per Calculation Amount of the Notes.

The **"Make-Whole Redemption Price"** means:

- (i) if Spens Amount is specified in the applicable Final Terms as being applicable: the higher of (A) 100 per cent. of the Outstanding Principal Amount of the Notes to be redeemed; and (B) the Outstanding Principal Amount of the Notes to be redeemed multiplied by the price (expressed as a percentage of its principal amount), as reported to the Issuer by the Calculation Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Reference Time on the Reference Date of the Benchmark Security, plus the Make-Whole Margin specified in the applicable Final Terms; or
- (ii) if Make-Whole Redemption Amount is specified in the applicable Final Terms as being applicable: the higher of (A) 100 per cent. of the Outstanding Principal Amount of the Notes to be redeemed; and (B) the sum of the then present values of the remaining scheduled payments of principal and (if applicable) interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the relevant Call Option Date on an annual basis at the Reference Rate plus the Make-Whole Margin specified in the applicable Final Terms,

all as determined by the Calculation Agent, *provided however that*, if the relevant Call Option Date occurs on or after the Par Redemption Date (if specified in the relevant Final Terms), the Make-Whole Redemption Price will be the Outstanding Principal Amount of the Notes.

**"Similar Security"** means the government security or securities selected by the Issuer, in consultation with the Calculation Agent, as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes. Such Similar Security will be published by the Issuer in accordance with Condition 14 and the definition of Benchmark Security Price shall be amended accordingly.

- 6.4 The appropriate notice referred to in Condition 6.3 is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:
- (a) the Series of Notes subject to redemption;

- (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note or Permanent Global Note) the serial numbers of the Notes of the relevant Series which are to be redeemed;
- (c) the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- (d) the relevant Early Redemption Amount (Call) at which such Notes are to be redeemed.

***Partial Redemption***

6.5 If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 6.3:

- (a) in the case of Bearer Notes (other than a Temporary Global Note or Permanent Global Note or Definitive Bearer Note held in Euroclear or Clearstream, Luxembourg or any other relevant clearing system), the Notes to be redeemed shall be drawn by lot in such European city as the Trustee may specify, or identified in such other manner or in such other place as the Trustee may approve and deem appropriate and fair;
- (b) in the case of a Temporary Global Note or a Permanent Global Note, the Notes to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion);
- (c) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an integral multiple thereof; and
- (d) in the case of VPS Notes, the Notes to be redeemed shall be selected in accordance with the rules of the relevant Securities Depository.

subject always to compliance with all applicable laws and the requirements of any competent listing authority and/or stock exchange on which the relevant Notes may be listed.

In the case of the redemption of part only of a Registered Note, a new Registered Note Certificate in respect of the unredeemed balance shall be issued in accordance with Conditions 2.4 to 2.8 which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note Certificate were in respect of the untransferred balance.

"**Securities Depository**" means a securities depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be the VPS.

***Optional Early Redemption (Put) in the event of a Change of Control***

6.6 If this Condition 6.6 is specified in the Final Terms as being applicable, then if at any time while any Note remains outstanding:

- (a) a Change of Control occurs, and
- (b) within the Change of Control Period (i) if the Notes are rated with the agreement of the Issuer, a Rating Downgrade in respect of that Change of Control occurs, or (ii) if the Notes

are not rated, a Negative Rating Event in respect of that Change of Control occurs (in either case, a "Put Event"),

the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes (A) under Condition 6.2 (*Early Redemption for Taxation Reasons*) or (B) pursuant to the provisions of this Condition 6.6) to require the Issuer to redeem that Note on the Optional Redemption Date (Put) (as defined below) at its Outstanding Principal Amount together with accrued interest to but excluding the Optional Redemption Date (Put), or if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6.11).

For the purposes of this Condition 6.6:

- (a) "**Acting in concert**" means acting together for the purpose of exercising joint control over the Issuer.
- (b) A "**Change of Control**" shall be deemed to have occurred if at any time:
  - (i) any person or group of persons acting in concert acquires control of at least 50 per cent. of the contributed capital of the Issuer; and
  - (ii) the Kingdom of Norway controls (either directly or indirectly) less than 50.1 per cent. of the contributed capital of the Issuer.
- (c) "**Change of Control Period**" means the period commencing on the earlier of (a) the date of the relevant Change of Control and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any) and ending 180 days after the public announcement of the Change of Control having occurred.
- (d) "**Investment Grade Rating**" means a rating of at least BBB- (or equivalent thereof) in the case of S&P or a rating of at least Baa3 (or equivalent thereof) in the case of Moody's or the equivalent rating in the case of any other Rating Agency.
- (e) A "**Negative Rating Event**" shall be deemed to have occurred if (i) the Issuer does not within the Change of Control Period seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or publicly confirms in writing that its declining to assign an Investment Grade Rating was the result of the applicable Change of Control.
- (f) "**Rating Agency**" means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Services Limited ("**Moody's**") or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.
- (g) A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency at the invitation of the Issuer is (x) withdrawn and not subsequently reinstated within the Change of Control Period or (y) changed from an Investment Grade Rating to a non-Investment Grade Rating (for example, from BBB- to BB+ by S&P, or its equivalents for the time being, or worse) and not subsequently upgraded to an Investment Grade Rating within the Change of Control Period or (z) (if the rating assigned to the Notes by any Rating Agency at the invitation of the Issuer shall be below an Investment Grade Rating) lowered one full rating category (for example, from BB+ to BB by S&P or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result of the applicable Change of Control.

- (h) **"Relevant Potential Change of Control Announcement"** means any formal public announcement or statement by or on behalf of the Issuer, or any actual or potential bidder or any advisor thereto relating to any potential Change of Control where, within 180 days of the date of such announcement or statement, a Change of Control occurs.

If a Put Event has occurred, the Issuer shall within 21 days of the end of the Change of Control Period give notice (a **"Put Event Notice"**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6.6.

To exercise the option to require redemption of a Note under this Condition 6.6 the holder of that Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver such Note, on any business day in the city of the specified office of the relevant Paying Agent falling within the period (the **"Put Period"**) of 30 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **"Put Option Notice"**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.6. The Note should be delivered together with all Coupons appertaining thereto maturing after the date (the **"Optional Redemption Date (Put)"**) which is the seventh day after the last day of the Put Period failing which an amount will be deducted from the payment to be made by the Issuer on redemption of the Notes corresponding to the aggregate amount payable in respect of such missing Coupons.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of a Note under this Condition 6.6 the holder of the Note must, within the Put Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to such Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the relevant Paying Agent for notation accordingly.

The Paying Agent to which such Note and Put Notice are delivered or the Principal Paying Agent, as the case may be, will issue to the holder concerned a non-transferable receipt (a **"Put Option Receipt"**) in respect of the Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear or Clearstream, Luxembourg, notice received. The Issuer shall redeem the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date (Put), unless previously redeemed. Payment in respect of any Note so delivered will be made, if the holder duly specified a Euro bank account in the Put Option Notice to which payment is to be made, on the Optional Redemption Date (Put) by transfer to that bank account and in every other case on or after the Optional Redemption Date (Put), in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 6.6.

If 95 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 6.6, the Issuer may, having given not less than 30 days' notice to the Noteholders in accordance with Condition 14, such notice to be given within 30 days after the Optional Redemption Date (Put), redeem all but not some only of, the Notes then outstanding at their principal amount together with interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption (which shall not be more than 60 days after the date of the notice). Upon expiry of such notice, the Issuer will redeem the Notes.

#### ***Optional Early Redemption (Put)***

- 6.7 If this Condition 6.7 is specified in the Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Note of the relevant Series, redeem such Note on the date specified in the relevant Put Notice (as defined below) at its put early redemption



amount (the "**Early Redemption Amount (Put)**") (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6.11)), together with accrued interest (if any) thereon (calculated as provided in these conditions). In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates ("**Put Date(s)**") or a day falling within such period ("**Put Period**") as may be specified in the Final Terms), deposit the relevant Note or Registered Note Certificate (together, in the case of an interest-bearing Definitive Note, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 9A.6 apply)) during normal business hours at the specified office of, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note Certificate, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Temporary Global Note or Permanent Global Note or Registered Note, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof) or, in the case of VPS Notes, the holder must deposit with the VPS Account Manager or the Issuer at its specified office a duly completed option exercise notice in the form obtainable from the Paying Agent or the VPS Account Manager. No Note so deposited and option exercised may be withdrawn (except as provided in the Trust Deed).

In the case of the redemption of part only of a holding of Registered Notes, a new Registered Note Certificate in respect of the unredeemed balance shall be issued in accordance with Conditions 2.4 to 2.8 which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note Certificate were in respect of the untransferred balance.

The holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 6.2 or 6.3.

#### ***Purchase of Notes***

- 6.8 The Issuer or any of its Subsidiaries may at any time purchase Notes of a Series insofar as this is permitted by Norwegian law in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of such Series alike in a place and following procedures previously approved in writing by the Trustee.

#### ***Cancellation of Redeemed and Purchased Notes***

- 6.9 Subject to the following, all unmatured Notes and Coupons redeemed in accordance with this Condition 6 will be cancelled forthwith and may not be reissued or resold. Any Notes purchased by a Subsidiary of the Issuer pursuant to Condition 6.7 may at the option of the Issuer, be retained by the relevant Subsidiary, or be resold or surrendered by that Subsidiary (as defined below) to a Paying Agent for cancellation, or in the case of VPS Notes, be deleted from the relevant Securities Depository and cannot thereafter be reissued or resold.

#### **Further Provisions applicable to Redemption Amount and Instalment Amounts**

- 6.10 References herein to "**Redemption Amount**" shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount.
- 6.11 In the case of any Note which is non-interest bearing, the "**Amortised Face Amount**" shall be an amount equal to the sum of:
- (a) the Issue Price specified in the Final Terms; and
  - (b) the product of the Amortisation Yield specified in the Final Terms (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.12) specified in the Final Terms for the purposes of this Condition 6.11.

6.12 In the case of a Note which is non-interest bearing, if any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 6.11 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Note becomes due and repayable were replaced by references to the earlier of:

- (a) the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made; and
- (b) (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the third day after the date on which, the Principal Paying Agent or, as the case may be, the Registrar (or the Trustee) having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

## 7. Events of Default

7.1 The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. of the Outstanding Principal Amount or Amortised Face Amount of the Notes of any Series then outstanding or if so directed by an Extraordinary Resolution of the Holders of such Series shall (subject in each case to being indemnified to its satisfaction) (but, in the case of the happening of any of the events mentioned in paragraphs (b) to (l) below (inclusive), only if the Trustee shall have certified that, in its opinion, such event is materially prejudicial to the interests of the Holders of such Series), give notice to the Issuer that the Notes of such Series are, and they shall accordingly thereby become, immediately due and repayable at their Outstanding Principal Amount or their Amortised Face Amount (or as otherwise specified in the Final Terms), together with accrued interest as provided in the Trust Deed, if any of the following events occur (each, an "Event of Default"):

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes of the relevant Series or any of them on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes of the relevant Series or any of them within five days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes of the relevant Series or the Trust Deed or the Agency Agreement and (except in the case where the Trustee determines that such default is incapable of remedy when no such continuation or notice, as hereinafter mentioned will be required) such default remains unremedied for 30 days (or such longer period as the Trustee may permit) after written notice thereof has been delivered to the Issuer by the Trustee requiring the same to be remedied; or
- (c) *Cross-default of Issuer or any Material Subsidiary*:
  - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes due and payable prior to its stated maturity as a result of the occurrence of an event of default howsoever described; or
  - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that the aggregate amount of the indebtedness, guarantees and indemnities of either the Issuer and/or any of its Material Subsidiaries in respect of which one or more of

the events mentioned above in this paragraph (c) have occurred exceeds Norwegian Kroner 300,000,000 (or its equivalent in any other currency or currencies) at any time; or

- (d) *Unsatisfied judgment*: a judgment or order for the payment of any amount is rendered against the Issuer or any of its Material Subsidiaries and continues unsatisfied or unstayed for a period of 30 days after the date thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or
- (f) *Insolvency etc.*: (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made) in relation to the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries, (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally (other than for the purpose of a reconstruction or amalgamation upon terms and within such a period as may have been previously agreed in writing by the Trustee) or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) otherwise than for the purposes of or pursuant to a Permitted Reorganisation, the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business; or
- (g) *Winding up etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than for the purposes of or pursuant to a Permitted Reorganisation); or
- (h) *Analogous event*: any event occurs which under the laws of Norway has an analogous effect to any of the events referred to in paragraphs (d) to (g) above (otherwise than for the purposes of or pursuant to a Permitted Reorganisation); or
- (i) *Failure to take action etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, the Trust Deed and the Agency Agreement, (ii) to ensure that those obligations are legal, valid and binding and (iii) to make the Notes, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Norway is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or the Agency Agreement.

In this Condition 7, "**Permitted Reorganisation**" means the conversion of the Issuer from a State Owned Enterprise of which the Norwegian State is the sole owner, and to which the King of Norway has decided that Act No. 71 of 30 August 1991 of Norway relating to State Owned Enterprises (as amended) shall apply, to a limited company (AS or ASA) to which the Norwegian Limited Companies Acts of 13 June 1997 no. 44 and 45 (as amended) shall apply provided that prior to such conversion the Issuer shall deliver to the Trustee (i) a certificate signed by two directors of the Issuer stating that the said conversion is to occur and describing the facts leading thereto and confirming that the surviving entity will not have any greater financial liabilities following the conversion than does the Issuer prior to the conversion and the Trustee shall be entitled to accept such certificate as sufficient evidence of the facts stated therein without further investigation and (ii) an opinion of independent legal advisers of recognised standing to the effect that such reorganisation is a universal succession such that the new entity succeeds to the rights and obligations of the Issuer by operation of law.

- 7.2 No Noteholder shall be entitled to take any of the actions referred to in Condition 7.1 except that if the Trustee, having become bound to take such action, fails to do so within a reasonable period

and such failure shall be continuing, then any Noteholder of the relevant Series may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself take such action to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do.

7.3 In this Condition, "**Material Subsidiary**" means at any time any Subsidiary of the Issuer, the book value of the assets of which exceeds 10 per cent. of the Consolidated Assets of the Group or the revenues of which exceed 10 per cent. of the Consolidated Revenues of the Group and, for these purposes, the book value of the assets and revenues of such Subsidiary shall be determined by reference to the Issuer's then most recent audited consolidated annual financial statements as certified to the Trustee by the Auditors of the Issuer (as defined in the Trust Deed).

7.4 In these Terms and Conditions:

"**Consolidated Assets**" means the consolidated assets, tangible and intangible, of the Group as shown in the most recent audited consolidated financial statements of the Issuer;

"**Consolidated Revenues**" means the consolidated revenues of the Group as shown in the most recent audited consolidated financial statements of the Issuer;

"**Group**" means the Issuer and its Subsidiaries from time to time;

"**Guarantee**" means, in respect of any Indebtedness of any person, any obligation of another person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"**Subsidiary**" means in respect of the Issuer at any particular time, any company or corporation:

- (a) which is controlled, directly or indirectly, by the Issuer; or
- (b) more than half of the issued share capital of which is beneficially owned, directly or indirectly, by the Issuer; or
- (c) which is a subsidiary of another subsidiary of the Issuer.

## 8. **Taxation**

8.1 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Norway or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with Norway other than (a) the mere holding of such Note or Coupon or (b) the receipt of principal, interest or other amount in respect of such Note or Coupon; or

- (b) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days.
- 8.2 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Principal Paying Agent (or as the case may be, the Registrar) or the Trustee on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 14.
- 8.3 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Norway, references in Condition 6.2 and Condition 8.1 to Norway shall be read and construed as references to Norway and/or to such other jurisdiction(s).
- 8.4 Any reference in these Terms and Conditions to "**principal**" and/or "**interest**" in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8 or under any undertakings given in addition to or in substitution for this Condition pursuant to the Trust Deed. Unless the context otherwise requires, any reference in these Terms and Conditions to "**principal**" shall include any premium payable in respect of a Note, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "**interest**" shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

## 9. **Payments**

### 9A **Payments – Bearer Notes**

- 9A.1 This Condition 9A is applicable in relation to Notes in bearer form.
- 9A.2 Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together (if applicable) with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

- 9A.3 Payment of amounts in respect of interest on Bearer Notes will be made:
- (i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note to the order of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States and, in the case of a Temporary Global Note, upon due certification as required therein;
  - (ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States; and
  - (iii) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the

relevant Definitive Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States.

- 9A.4 Payments of amounts due in respect of interest on the Bearer Notes and exchanges of Talons or Coupon sheets in accordance with Condition 9A.7 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986, as amended, and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.
- 9A.5 If the due date for payment of any amount due in respect of any Bearer Note is not a Relevant Financial Centre Day and a local banking day (both as defined in Condition 9C.3), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue from the due date for payment as provided in Condition 5.7 or, if appropriate, Condition 5.10.
- 9A.6 Each Definitive Note initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmaturing Receipts, Coupons and Talons relating thereto, failing which:
- (i) if the Final Terms specifies that this paragraph (i) of Condition 9A.6 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Definitive Notes which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmaturing Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
  - (ii) if the Final Terms specifies that this paragraph (ii) of Condition 9A.6 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Notes which bear interest at a floating rate or rates or in variable amounts) all unmaturing Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
  - (iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmaturing Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
  - (iv) in the case of Definitive Notes initially delivered with Receipts attached thereto, all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 9A.6 notwithstanding, if any Definitive Notes should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

9A.7 In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9A.4 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

**9B Payments – Registered Notes**

9B.1 This Condition 9B is applicable in relation to Notes in registered form.

9B.2 Payment of the Redemption Amount (together with accrued interest) due in respect of Registered Notes will be made against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Note Certificates at the specified office of the Registrar. If the due date for payment of the Redemption Amount of any Registered Note is not a Relevant Financial Centre Day and a local banking day (both as defined in Condition 9C.3), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and, will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.7 or, as appropriate, Condition 5.10.

9B.3 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar at:

(i) in the case of Registered Notes which are not in global certificate form, opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.7) before the due date for such payment;  
or

(ii) in the case of Registered Notes which are in global certificate form, close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment where "**Clearing System Business Day**" means a day on which each clearing system for which the Registered Note is being held is open for business,

(the "**Record Date**").

9B.4 Notwithstanding the provisions of Condition 9C.2, payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Notes will be made in the currency in which such amount is due by cheque posted to the address (as recorded in the

register held by the Registrar) of the Holder thereof on the Relevant Banking Day (as defined in Condition 2.7) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency (in the case aforesaid, a non-resident account with an authorised foreign exchange bank) in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.7 or, as appropriate, Condition 5.10.

#### 9C **Payments – General Provisions**

9C.1 Save as otherwise specified in these Terms and Conditions, this Condition 9C is applicable in relation to Notes whether in bearer or in registered form.

9C.2 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee (in the case of payment in Japanese Yen to a non-resident of Japan, a non-resident account with an authorised foreign exchange bank specified by the payee). Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to (i) any applicable fiscal or other laws and regulations and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

9C.3 For the purposes of these Terms and Conditions:

- (i) "**Relevant Financial Centre Day**" means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other place specified in the Final Terms and, in the case of payment in euro, a TARGET Settlement Day; and
- (ii) "**local banking day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Note or, as the case may be, Coupon.

9C.4 No commissions or expenses shall be charged to the holders of Notes or Coupons in respect of such payments.

#### 9D **Redenomination**

9D.1 This Condition 9D is applicable to a Series of Notes only if it is specified in the Final Terms as being applicable.

9D.2 If the country of the Specified Currency (as defined below) adopts or announces its intention to adopt the euro as its lawful currency, the Issuer may, without the consent of the Holders of the Notes, the Receipts and the Coupons of such Series, on giving at least 30 days' prior notice to the Holders of the Notes of such Series in accordance with Condition 14 and to the Trustee, elect that, with effect from the Redenomination Date specified in the notice, the Notes of such Series shall be redenominated in euro.



9D.3 The election will have effect as follows:

- (i) each Specified Denomination (as defined below) and, in the case of Fixed Rate Notes, each amount specified on the Coupons will be deemed to be denominated in such amount of euro as is equivalent to its denomination or the amount of interest so specified in the Specified Currency at the rate of conversion of such Specified Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Union regulations), rounded down to the nearest euro 0.01;
- (ii) after the Redenomination Date (as defined below), all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Relevant Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (iii) if the Notes are interest-bearing Notes (as described in Condition 5.2) and interest for any period ending on or after the Redenomination Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365);
- (iv) if the Notes are Floating Rate Notes (as described in Condition 5.3) the Final Terms will specify any relevant changes to the provisions relating to interest; and
- (v) such other changes shall be made to these Terms and Conditions as the Issuer may decide, with the prior written approval of the Trustee, and as may be specified in the notice, to conform them to conventions then applicable to Notes denominated in euro or to enable the Notes to be consolidated with Other Notes (as defined below) whether or not originally denominated in the Specified Currency or euro. Any such other changes will not take effect until after they have been notified to the Holders of the Notes in accordance with Condition 14.

#### 9E **Exchangeability**

Where Exchangeability is specified in the applicable Final Terms as being applicable, the Issuer may without the consent of the Holders of the Notes, the Receipts and the Coupons of the relevant Series, on giving at least 30 days' prior notice to the Holders of the Notes in accordance with Condition 14, elect that, with effect from the Redenomination Date or such later date for payment of interest on the Notes as it may specify in the notice, the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide, with the prior written approval of the Trustee and as may be specified in the notice, including arrangements under which Receipts and Coupons unmaturing at the date so specified become void.

In these Terms and Conditions, the following expressions have the following meanings:

- (a) "**euro**" means the currency of those member states of the European Union that adopt the single currency in accordance with the Treaty;
- (b) "**Other Notes**" means, at any time, any one or more Series of other Notes of the Issuer which have the same or substantially the same Terms and Conditions (as then in effect and which have not lapsed and/or the rights in respect of which have not been exercised) as the Notes (other than in relation to the currency of original denomination and/or denomination and/or the Terms and Conditions relating to business days or interest accrual bases and/or the stock exchange(s) if any on which such Notes are listed and/or the clearing system(s) on which such Notes are cleared and settled and/or redenomination into euro and/or notices);

- (c) **"Redenomination Date"** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of non-interest bearing Notes) any date, in each case specified by the Issuer in the notice given to the Holders of Notes and to the Trustee pursuant to Condition 9D.2 above and which falls on or after the start of the third stage of European economic and monetary union pursuant to the Treaty or, if the country of the Specified Currency is not one of the countries then participating in such third stage, which falls on or after such later date as it does so participate;
- (d) **"Specified Currency"** means the currency specified in the Final Terms;
- (e) **"Specified Denomination"** means the denomination specified in the Final Terms; and
- (f) **"Treaty"** means the Treaty on the Functioning of the European Union.

9F **Payments – VPS Notes**

Payments of principal and interest in respect of VPS Notes will be made to the Noteholders shown in the records of the VPS in accordance with and subject to the rules and regulations from time to time governing the relevant Securities Depository.

10. **Prescription**

10.1 Claims against the Issuer for payment of principal and interest in respect of Notes will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 8.2) for payment thereof.

10.2 In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 9A.6 or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 10 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Note.

11. **The Paying Agents, the Registrars, the VPS Account Manager and the Calculation Agent**

11.1 The initial Paying Agents, Registrars and VPS Account Manager and their respective initial specified offices are specified below. The Calculation Agent in respect of any Notes shall be specified in the Final Terms. The Issuer reserves the right at any time to vary or terminate (with the prior written approval of the Trustee) the appointment of any Paying Agent (including the Principal Paying Agent) or the Registrar or the Calculation Agent or the VPS Account Manager and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent or another VPS Account Manager provided that it will at all times maintain (i) a Principal Paying Agent, (ii) in the case of Registered Notes, a Registrar, (iii) a Paying Agent (which may be the Principal Paying Agent) with a specified office in a continental European city, (iv) so long as the Notes are listed on Euronext Dublin, the London Stock Exchange and the Oslo Stock Exchange, a Paying Agent (which may be the Principal Paying Agent) and a Registrar each with a specified office in London and/or in such other place as may be required by such other stock exchange, (v) in the circumstances described in Condition 9A.4, a Paying Agent with a specified office in New York City, (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Notes (in the case of (i), (ii), (iii)), (vii) a Paying Agent with a specified office located in such place (if any) as may be required by the Terms and Conditions) and (viii) in the case of VPS Notes, a VPS Account Manager. The Paying Agents, the Registrar, the VPS Account Manager and the Calculation Agent reserve the right (with the prior written approval of the Trustee) at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar, the VPS Account Manager or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 14.

11.2 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer or, following the occurrence of an Event of Default or a Potential Event of Default the Trustee and, save as provided in the Agency Agreement or any other agreement entered into with respect to its

appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

12. **Replacement of Notes**

If any Note, Registered Note Certificate, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Final Terms (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes) ("**Replacement Agent**"), subject to all applicable laws and the requirements of any competent listing authority and/or stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes, Registered Note Certificates, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

13. **Meetings of Noteholders, Modification and Waiver**

The Trust Deed contains provision for convening meetings of the Noteholders of any Series to consider any matter affecting their interest, including (without limitation) the modification of the Terms and Conditions or the Trust Deed. An Extraordinary Resolution passed at any meeting of the Noteholders of any Series will be binding on all the Noteholders of such Series, whether or not they are present at the meeting, and on all holders of Coupons or Receipts relating to Notes of such Series.

The Trust Deed contains provisions for the convening of a single meeting of Noteholders of more than one series of Notes where the Trustee so decides.

The Trustee may agree, without the consent of the Noteholders of any Series or the Coupons appertaining thereto, to any modification (subject to certain exceptions) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed which, in the opinion of the Trustee, is not materially prejudicial to the interests of the holders of such Notes or to any modification which is of a formal, minor or technical nature or is made to correct a manifest error. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any modification in the circumstances and as set out in Condition 5.4(iv) without the consent of the Noteholders or Couponholders. The Trustee may also determine that any event which would or might otherwise constitute an Event of Default under Condition 7 shall not do so, provided that, in the opinion of the Trustee, such event is not materially prejudicial to the interests of the Holders of the Notes of the relevant Series. Any such modification, waiver, authorisation or determination shall be binding on the Holders of the Notes of such Series and of the Receipts and of the Coupons (if any) relating thereto and (unless the Trustee agrees otherwise) any such modification shall be notified to the Holders of such Notes as soon as practicable thereafter in accordance with Condition 14.

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to, those in relation to any proposed modification, waiver, authorisation, determination or assumption as aforesaid) in relation to any Series of Notes, the Trustee shall have regard to the interest of the Holders of such Notes as a class and, in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Holders resulting from their being, for any purpose, domiciled or resident in, or otherwise connected with, or subject to any jurisdiction of, any particular territory. No Holder of a Note or Coupon shall, in connection with any assumption as aforesaid, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Holders except to the extent already provided for in Condition 8.

## 14. Notices

### *To Holders of Bearer Notes*

- 14.1 Notices to Holders of Bearer Notes will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times) or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in the United Kingdom (or, if permitted by the relevant listing authority or stock exchange, in the case of Notes represented by a Temporary Global Note or Permanent Global Note, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each listing authority or stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth weekday after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or such other clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition.

### *To Holders of Registered Notes*

- 14.2 Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

### *To Holders of VPS Notes*

- 14.3 Notices to Holders of VPS Notes shall be given in accordance with the rules and regulations set out by the VPS as amended from time to time.

## 15. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Notes or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of any particular Series.

## 16. Law and Jurisdiction

- 16.1 The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with them are governed by English law. VPS Notes must comply with the Norwegian Securities Depository Act of 15 March 2019 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.
- 16.2 The Issuer has in the Trust Deed: (i) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes; (ii) agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (iii) designated a person in England to accept service of any process on its behalf; (iv) consented to the enforcement of any judgment; and (v) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws

of such jurisdiction. The submission to the jurisdiction of the English courts by the Issuer in the Trust Deed is for the benefit of the Trustee and the Noteholders. Nothing contained in the Trust Deed prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

17. **Rights of Third Parties**

No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive (EU) 2016/97 where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")/[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]/[•]

*The Final Terms in respect of each Tranche of Notes will be in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.*

**Final Terms dated [•]**

### STATNETT SF

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the

**€4,000,000,000**

**Euro Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 26 May 2020 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.] / [Terms used herein shall be deemed to be defined as such for the purposes of the [•] Conditions (the "**Conditions**") set forth in the base prospectus dated [•], which are incorporated by reference in the base prospectus dated 26 May 2020 (the "**Base Prospectus**"). These Final Terms contain the final terms of the Notes and, save in respect of the Conditions, must be read in conjunction with the Base Prospectus [and the supplemental Base Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.]

This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the Prospectus Regulation. The Base Prospectus [and the supplemental Base Prospectus[es]] as well as these Final terms [has/have] been published on the website of (i) Euronext Dublin at <https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/>, (ii) the Regulatory News Service operated by the London Stock Exchange at

<sup>1</sup> Include where Part B item 9(vii) of the Final Terms specifies "Applicable".

<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and (iii) the Oslo Stock Exchange at <https://newsweb.oslobors.no/>.

The expression "**Prospectus Regulation**" means Regulation 2017/1129.

1. (i) Series Number: [•]
- (ii) Tranche Number: [•]
- (iii) Date on which the Notes will be consolidated and form a single series: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below [which is expected to occur on or about [ ]]
2. Specified Currency or Currencies: [•]  
(Condition 1.12)
3. Aggregate Nominal Amount: [•]
  - [(i)] [Series:] [•]
  - [(ii)] [Tranche:] [•]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from the Interest Commencement Date/[•]]
5. (i) Specified Denominations: [•] [and integral multiples of [•]] subject to an initial minimum denomination of EUR 100,000 or its equivalent in any other currency  
(Condition 1.9, 1.10 or 1.11)  
  
(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made) [•]
- (ii) Calculation Amount: [•]
6. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [*Specify*]/Issue Date/Not Applicable]
7. Maturity Date: [•]/[*in the case of Instalment Notes specify the Instalment Date(s) for repayment of each Instalment Amount*]  
(Condition 6.1)
8. Interest Basis: [[•] per cent. Fixed Rate]  
  
[reference rate] +/- [•] per cent. Floating Rate]  
  
[Zero Coupon]  
  
(further particulars specified below at item [13]/[14]/ [15])
9. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at the Maturity Redemption Amount]/ [•]

10. Change of Interest Basis: [[For the period from (and including) the Interest Commencement Date, up to (but excluding) *[date]* paragraph [13]/[14] applies and for the period from (and including) [•] to (but excluding) the Maturity Date, paragraph [13/14] applies]/Not Applicable]
11. Put/Call Options: [Investor Put - Change of Control]  
(Conditions 6.3, 6.6 and 6.7) [Investor Put]  
[Issuer Call]  
[Not Applicable]
12. Date Board approval for issuance of Notes obtained: [[•]/Not Applicable]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE (Condition 5)**

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable in arrear] on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year [adjusted for payment purposes only in accordance with [•]/; not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
- (v) Day Count Fraction: 30/360 / Actual/Actual(ICMA) / Actual/Actual (ISDA) / Actual/365(Fixed) / Actual/360 / 30E/360 / 30E/360(ISDA)
- (vi) Determination Dates:
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Interest Payment Date: [•]
- (iv) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/ Eurodollar Convention/No Adjustment]
- (v) Additional Business Centre(s): [Not Applicable]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest [Not Applicable/[•]shall be the Calculation Agent]



	Amount(s) (if not the Paying Agent):	
(viii)	Screen Rate Determination:	
	• Reference Rate:	[•] month [LIBOR/EURIBOR/STIBOR/NIBOR]
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[•]
	• Relevant Time:	[•]
	• Relevant Financial Centre:	[•]
(ix)	ISDA Determination: ("ISDA Rate Notes" - Condition 5.6)	[Not Applicable/Issuer is [Fixed Rate/Fixed Amount/Fixed Price/Floating Rate/Floating Amount/Floating Price] Payer]
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[•]
	• Interest Period End Dates:	[•]
(x)	Linear Interpolation	[Not Applicable/Applicable – the rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation] ( <i>specify for each short or long interest period</i> )
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction: (Condition 5.12)	[•]
15.	<b>Zero Coupon Note Provisions</b> (Condition 5.10)	[Applicable/Not Applicable]
(i)	Accrual Yield:	[•] per cent. per annum
(ii)	Reference Bank: (Condition 5.12)	[•]

(iii) Day Count Fraction in relation to Early Redemption Amounts: [•]

**PROVISIONS RELATING TO REDEMPTION (Condition 6)**

16. **Call Option** [Applicable/Not Applicable]  
(Condition 6.3)
- (i) Call Option Date(s): [[•]/Any day in the period from (and including) *[date]* to (but excluding) [[•]/ the Maturity Date]
  - (ii) Early Redemption Amount (Call) per Calculation Amount: [[•]/[•] per Calculation Amount/Make-Whole Redemption Price] [in the case of the Call Option Date(s) falling [on [•]]/[in the period from and including *[date]* to but excluding *[date]*] [and [[•] per Calculation Amount/Make-Whole Redemption Amount] [in the case of the Call Option Date(s) falling [on [•]]/in the period from and including *[date]* to but *excluding [date]*]
  - (iii) Make-Whole Redemption Price: [Spens Amount/Make-Whole Redemption Amount/Not Applicable]  
*[(If Not Applicable, delete the rest of this paragraph)]*
    - [(a) Benchmark Security: *[Insert applicable Benchmark Security]*
    - [(b) Reference Date: [•]
    - [(c) Reference Time: [•]
    - [(d) Make-Whole Margin: [•] per cent.
    - [(e) Par Redemption Date: [•]
    - [(f) Calculation Agent for the purposes of Condition 6.3 [•]
    - [(g) Notice Period: [5/[•]] Business Days, as set out in the redemption notice to Holders pursuant to Condition 6.4]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
  - (b) Maximum Redemption Amount [•] per Calculation Amount
17. **Put Option** [Applicable/Not Applicable]  
(Condition 6.6)
- (i) Put Date(s): [•]
  - (ii) Early Termination Amount(s) per Calculation Amount: [•] per Calculation Amount

- (iii) Notice Period: [15/[•]] Business Days, as set out in the redemption notice to Holders pursuant to Condition 6.7]
18. **Final Redemption Amount of each Note** [•] per Calculation Amount  
(Condition 6.1)
- (i) Maturity Redemption Amount [•]/[*in the case of Instalment Notes specify Instalment Amount payable on the relevant Maturity Date*]
19. **Early Redemption Amount** [[•] / [Par] per Calculation Amount / Not Applicable]
- [(i)] Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption
- [(ii)] Date after which changes in law etc. entitle Issuer to redeem: [•]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. **Form of Notes:** [Bearer Notes]
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] (Condition 1.2) [*In relation to any Notes with a minimum Specified Denomination plus a higher integral multiple of another smaller amount, note that "in the limited circumstances specified in the Permanent Global Note" should be selected.*]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] (Condition 1.2) [*If issuing in this form, note that Notes with a minimum Specified Denomination plus a higher integral multiple of another smaller amount will not be permitted.*]
- [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] (Condition 1.5) [*In relation to any Notes with a minimum Specified Denomination plus a higher integral multiple of another smaller amount, note that "in the limited circumstances specified in the Permanent Global Note" should be selected.*]
- [Registered Notes]
- [VPS Notes issued in uncertificated book entry form]
21. New Global Note: [Yes] [No] [Not Applicable]
22. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable]

23. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing and Admission to trading: [Application is/has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market of Euronext Dublin] [and] [regulated market of the London Stock Exchange] [and] [regulated market of the Oslo Stock Exchange] with effect from the Issue Date/[•].]
- (ii) Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

[The issuance of Notes itself has not been rated/The Notes [have been/are expected to be] rated:

Moody's Investors Service Ltd.: [•]

S&P Global Ratings Europe Limited: [•]

[Add a brief explanation of the meaning of the ratings if previously published by the ratings provider.]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in future engage, in investment banking activities and or/commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

### 4. [Fixed Rate Notes only – YIELD

Indication of yield: [•]/Not Applicable]

### 5. [Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/STIBOR/NIBOR] rates can be obtained from Reuters.]

### 6. OPERATIONAL INFORMATION

(i) ISIN Code: [•]

(ii) Common Code: [•]

[(iii) FISN [•]

[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sources from the responsible National Numbering Agency that assigned the ISIN]]

[(iv) CFI Code [•]

[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sources from the responsible National Numbering Agency that assigned the ISIN]]

- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]
- (viii) If issued in Registered Form:  
Registrar: [Name and specified office]  
(Condition 2.2)
- (ix) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /  
[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper.] [include this text for registered notes]]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. [REASONS FOR THE OFFER

[General Corporate Purposes / [To [finance/refinance] [investment in] Green Projects meeting the Eligibility Criteria] / [•] / See "Use of Proceeds" in the Base Prospectus]

["**Green Projects**"] means projects and activities that promote climate friendly and other environmental purposes.

["**Eligibility Criteria**"] means the criteria set out in the Issuer's Green Bond Framework (available on the Issuer's website at <http://www.statnett.no/en/investor-relations/>.)]

## 8. [THIRD PARTY INFORMATION

(Relevant third party information) has been extracted from (specify source).The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to

ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

## 9. DISTRIBUTION

- (i) Method of Distribution: Syndicated/Non-syndicated
- (ii) Date of Subscription Agreement: [Not Applicable/[•]]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/[•]]
- (iv) If non-syndicated, name and address of Dealer: [Not Applicable/[•]]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/ TEFRA not applicable]
- (vi) Relevant Benchmark[s]: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name]][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation by virtue of Article 2 of the Benchmark Regulation] OR [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [administrator legal name] is not currently required to obtain authorisation or registration (or if, if located outside the European Union, recognition, endorsement or equivalence)/[Not Applicable]
- (vii) Prohibition of Sales to EEA and UK Retail Investors [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, and no key information document will be prepared, "Applicable" should be specified.)*
- (viii) Prohibition of sales to Belgian Consumers [Applicable/Not Applicable]

## 10. ADDITIONAL PROVISIONS RELATING TO GREEN BONDS

- Green Bonds: [Yes/No]  
*Delete the rest of this paragraph if No*
- [Reviewer(s):] [Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s) and availability]]
- [Date of Third Party Opinion(s):] [Not Applicable/give details]



## THE BUSINESS OF STATNETT SF

### History and Development of the Issuer

The legal and commercial name of the Issuer is Statnett SF.

The Issuer is a state-owned enterprise registered in the Kingdom of Norway with registration number 962986633 and was incorporated on 20 December 1991.

The Issuer is governed by the State Enterprise Act of Norway 1991 (the "Act") as amended. Following amendments to the Act, there are few differences in law between state-owned enterprises and limited liability companies divided by share. A state-owned enterprise is however, not allowed to issue shares and can only be owned by the Norwegian State. Furthermore, a state-owned enterprise cannot, without the consent of its general meeting, conclude any cooperation agreements whereby it accepts unlimited liability for any or all of the obligations under the agreement. Following the amendments to the Act, the Norwegian Government is no longer liable for the Issuer's debts and liabilities incurred after 1 January 2003.

The registered office of the Issuer is PO Box 4904 Nydalen, Nydalen Allé 33 N-0423 Oslo and its telephone number is +47 23 90 30 00.

### *Recent Events*

There are no recent events particular to the Issuer that are, to a material extent, relevant to the evaluation of its solvency.

### **Business overview**

#### *Principal Activities*

The Issuer is the Norwegian Transmission System Operator ("**TSO**") for electricity. Being a TSO involves ownership and operation of the Norwegian high voltage electricity transmission grid (the "**Transmission Grid**") and responsibility for the coordination and day-to-day management of the entire Norwegian electricity system. The Issuer owns approx. 98 per cent of the Transmission Grid, the rest being owned by various other companies. Statnett administers the entire Transmission Grid.

The Transmission Grid comprises subsea cables, power lines with voltages ranging from 132 kV to 420 kV and substations connecting high voltage lines with lower voltage installations.

#### *Revenue*

The Issuer's revenues derive principally from two sources, from the users of the Norwegian electricity grid and from the Issuer's power transmission lines and subsea cables between price areas inside Norway and to other countries. Because the Issuer is in a monopoly situation, its revenues are regulated and controlled by the government authorities, specifically the Norwegian Energy Regulatory Authority ("**RME**").

Each year, the RME sets an upper limit (or "**Revenue Cap**", on the amount of revenue the Issuer may earn. This Revenue Cap then forms the basis for setting the level of tariffs that the users of the electricity grid have to pay. The basic principle for the RME is that the revenues earned should cover costs over time, as well as providing a reasonable return on investment in the electricity grid for efficient operators.

Actual revenues may be higher or lower than the Revenue Cap set for a year. In such cases, the difference will be made up in following years.

The basis for calculating the return is a regulated rate of return and the book value of the Issuer's transmission assets. The regulated rate of return is a Weighted Average Cost of Capital/Capital Asset Pricing Model-based formula which has been revised from and including 2019. The book value is updated annually with full effect on the same year's Revenue Cap. There is therefore no time lag from completion of an investment to the increase in Revenue Cap.

## ***Business Operations***

The Issuer's main business involves the operation and maintenance of the electricity transmission lines, subsea cables and substations that it owns. As a TSO, however, the Issuer has a system-wide responsibility for the entire Norwegian electricity power system as defined in the Energy Act (laid down by the Norwegian Parliament), and through regulations laid down by the RME, especially regulations regarding system responsibility in the power system. In short, the system responsibility covers:

- (i) coordination and day-to-day management of the entire Norwegian electricity power system, in order to ensure a balance between electricity generation and consumption;
- (ii) efficient operation of the Transmission Grid, including interconnections; and
- (iii) in the long-term, ensuring quality of power supplied through development and investment in the Transmission Grid.

In addition to the business described above, the Issuer carries out the following tasks according to concessions granted by the RME:

(a) *Transmission Grid Commercial Arrangement (the "Arrangement")*

The Issuer is required to administer tariffs and fees for access to, and use of, the Transmission Grid. The Issuer collects fees from users of the Transmission Grid (which includes producers, industries with substantial power needs as well as local and regional distribution companies) and, on the basis of utilisation and ownership of the Transmission Grid, calculates and disburses the correct revenue to each individual grid owner, including the Issuer. The Arrangement ensures that collections and disbursements will break even over time. At any year-end, there may be a surplus (or a deficit), which will be paid back to (or which will be paid by) the customers over some years.

(b) *Balance settlement*

The balance settlement is administered by the Issuer in order to settle imbalances between actual production and consumption of electricity to ensure economical balance in the power market. This also involves the settlement of power required at short notice to maintain the system balance. The operational task to perform the balance settlement is outsourced to eSett Oy in Finland. eSett operates the balance settlement on behalf of the TSOs in Finland, Sweden and Norway, in line with a harmonized set of rules. Denmark will join the common operations early 2021. Statnett is still responsible for the national balance settlement in accordance with the national regulation and for verifying that the imbalance settlement model and eSett fulfil such regulations.

(c) *Elhub*

Elhub is a separate operations area assigned to Statnett by the RME through the electricity imbalance settlement licence and will support market processes and distribution of metering values in the Norwegian electricity market. The Elhub business has been organized as a subsidiary company, Elhub AS, performing the data hub tasks on behalf of Statnett. Elhub has developed a data hub which started commercial operations in February 2019.

(d) *Elcertificates and Guarantees of origin*

Statnett SF is appointed issuing body for Elcertificates and Guarantees of Origin (GO) by the Ministry of Petroleum and Energy. The Norwegian Energy Certificates System (NECS) keeps track on all issued certificates, account holders inventories, transactions and the elcertificate annual settlement process.

The Renewables Directive 2009/28/EC specifies that all producers of renewable power have a right to receive GOs for their renewable power production, on a request from the producer. The

Norwegian Energy law § 4-3 states that Statnett has a duty to issue GOs. NECS is the registry for GOs in Norway. GOs and elcertificates are issued based on meter values from Elhub.

### ***The EU Third Internal Energy Market Package***

On 22 March 2018, the Norwegian Parliament approved certain amendments to the Energy Act in order to implement the EU's Third Internal Energy Market Package. The amendments entered into force in November 2019. The amendments to the Energy Act may impact the Issuer in different ways and implies *inter alia* that the Issuer shall assume ownership over the parts of the Transmission Grid that are not currently owned by the Issuer. The Issuer is well underway in its strategy to acquire such parts of the Transmission Grid and expects to complete negotiations of such transactions by October 2020. No counterpart to such negotiations has resisted or is expected to resist such transfer, as third parties may not own Transmission Grid assets according to the new regulations. Nevertheless, the law has provided the means for the Issuer to force transfer of ownership, by expropriation if necessary.

The amendments to the Energy Act include a provision that the government may put into force additional regulations regarding the implementation of the amendments, including time limits for implementation of transfer of ownership as set out above.

As part of the implementation legislation, Statnett must be certified as a TSO. The main purpose of this process is verification of the unbundling requirements for TSOs. Statnett will file its application later this year.

### ***Interconnectors***

Statnett's interconnectors connect the Norwegian market with a foreign market. Revenues derive from price differences between the two price areas and the power volume transmitted. The price differences arise from differences between the interconnected power markets, such as electricity power generation from different sources, differences in demand patterns and limited transmission capacity or congestions. Ownership of the assets are divided, so that Statnett owns assets in and offshore Norway, while the partner owns assets in its country and offshore that country.

The Issuer holds a 50 per cent. interest in each interconnector and a TSO and/or TSO related partner in the connected market holds the other 50 per cent. interest. Revenues and costs are shared on a 50 per cent. – 50 per cent. basis between the Issuer and the partner in the connected market. Investment in interconnectors, like any other grid investment, will be taken into account by the RME when calculating future Revenue Caps. Consequently, the Issuer's customers will bear the risks and rewards of the fluctuations in congestion revenues over time.

### ***The Netherlands***

The Issuer and the Dutch TSO, TenneT, jointly own and operate a subsea high-voltage cable ("**NorNed**") between Norway and The Netherlands. NorNed was put into operation in May 2008 and interconnects the Dutch and Norwegian electricity grids.

### ***Sweden and Denmark***

Norway has interconnectors with Sweden (overhead lines) and Denmark (subsea cables), operated jointly with the Swedish and Danish TSOs.

### ***Germany***

A subsea high-voltage cable ("**NordLink**") is currently under construction between Norway and Germany. The investment decision was made in 2015. The Norwegian part of NordLink became part of the regulatory asset base of the Issuer from 2019 when it was completed. Energy exchange is expected to start in December 2020 with a capacity of up to 1400 MW. Trial operation is expected to be completed in March 2021.

### ***UK***

A subsea high-voltage cable ("NSL") is currently under construction between Norway and England. The investment decision for this project was made in 2015. NSL is estimated to be completed by 2021.

### **Organisational Structure**

The Issuer is the main operational company in the Statnett group. However, it has several subsidiaries and associated companies, of which the following are the most significant:

- (i) Statnett Transport AS (100 per cent. owned): Statnett Transport AS offers specialist transport services for heavy equipment primarily for participants in the Norwegian electricity market on a regular and an emergency basis. The business of Statnett Transport AS will be transferred to Statnett SF by the end of 2020, after which time Statnett Transport AS will be dissolved;
- (ii) Nord Pool Holding AS (approximately 10 per cent owned as of 31 January 2020): This company has two subsidiaries: Nord Pool AS which operates an exchange for the trading of power as a commodity, its main activities are in the Nordic countries, and European Market Coupling Operator AS, which performs administrative tasks related to market coupling between national/regional power markets in Europe. In December 2019, Statnett and the other TSOs in the Nordic and Baltic regions agreed to sell 66 per cent of the shares in Nord Pool to Euronext, which also owns the Oslo Stock Exchange. The TSOs are currently restructuring their remaining ownership through the new company TSO Holding AS;
- (iii) Statnett Forsikring AS (100 per cent. owned): Statnett Forsikring AS is a captive insurance company, which only insures the risks of the Issuer and Subsidiaries within the Group;
- (iv) Nord Link Norge AS (100 per cent. owned): The ownership in the interconnector from Norway to Germany is shared 50/50. Statnett will own the Northern part through this company;
- (v) Elhub AS (100 per cent. owned): Elhub AS has developed and operates a datahub for electricity metering data for electricity in Norway;
- (vi) Fifty AS (50 per cent. owned). The remaining shares are owned by Svenska kraftnät, the Swedish TSO. This company develops IT solutions for the benefit of its owners and the other Nordic TSOs, particularly relating to balancing; and
- (vii) eSett OY (25 per cent. owned). The remaining shares are equally owned by Svenska kraftnät, the Swedish TSO, Fingrid, the Finnish TSO and Energinet, the Danish TSO (who joined May 2019). eSett OY is responsible for imbalance settlement and invoicing services for the TSOs.

### **Trend Information**

There has been no material adverse change in the prospects of the Issuer since 31 December 2019.

### **Profit Forecasts or Estimates**

The Issuer does not intend to make or imply any profit forecasts or estimates in this Base Prospectus. No statement contained in this Base Prospectus should be interpreted as a forecast or estimate.

### **Administrative, Management and Supervisory Bodies**

#### ***Senior Management Team***

The Senior Management Team of the Issuer consists of:

<b>Name</b>	<b>Function</b>
Auke Lont	President and CEO
Håkon Borgen	Executive Vice President, Technology and Development Division

Knut Hundhammer	CFO and Executive Vice President, Corporate and Public Relations
Peer O. Østli	Executive Vice President, Grid Operations
Elisabeth Vike Vardheim	Executive Vice President, Constructions Division
Gunnar G. Løvås	Executive Vice President, Systems and Markets
Beate Sander Krogstad	Executive Vice President, IT

The business address of each member of the Senior Management Team is PO Box 4904 Nydalen, Nydalen Allé 33, N-0423 Oslo.

Each member of the Senior Management Team is a full-time employee of the Issuer and does not have any significant activities outside the Issuer.

The list above represents the organisational structure and management of the Issuer, as of the date of this Base Prospectus.

### ***Board of Directors***

Pursuant to the Issuer's articles of association, the Board of Directors consists of between seven to nine members. The employees of the Issuer must elect three members of the Board of Directors.

<b>Name</b>	<b>Function</b>	<b>Principal activities outside the Issuer</b>	<b>Address</b>
Jon Fredrik Baksaas	Chairperson	International telecom consultant and advisor for Norwegian technology start-ups, Board member of LM Ericsson AB and Handelsbanken AB	Kampebråten 5b, 1338 Sandvika
Tove Pettersen	Deputy Chairperson	Chief Corporate Affairs Officer of Bane NOR SF	Priorveien 10b, 0377 Oslo
Egil Gjesteland	Board Member	Senior Consultant, Self-employed	Løvliveien 13, 3470 Slemmestad
Maria Sandsmark	Board Member	Scientist, Møreforskning, Høgskolen i Molde	Anders Sandvigs veg 10, 6414 Molde
Einar Strømsvåg	Board Member	Senior adviser project management and control in Equinor	Mergelbakken 19, 4319 Sandnes
Pernille Dørstad	Board Member	Senior Engineer, Statnett SF	Statnett SF, PO Box 4904, Nydalen 0423 Oslo

Ole Bjørn Kirstihagen	Board Member	Senior standard adviser systems, Statnett SF	Statnett SF, PO Box 4904, Nydalen 0423 Oslo
Steinar Jøråndstad	Board Member	Energy technology specialist, Statnett SF	Statnett SF, Vågåmo Stasjonsgruppe, 2680 Vågå

There are no potential conflicts of interest between the duties to the Issuer of any of the members of the Senior Management Team or the Board of Directors listed above and their private interests or their other duties.

### **Major shareholders**

The Issuer is wholly owned by the Norwegian State. In Norway, a state-owned enterprise can have no owner other than the Norwegian State, and as such there are no arrangements in place of which may result in a change of control of the Issuer.

### **Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses**

#### ***Historical Annual Financial Information***

The following historical financial information in relation to the Issuer for its financial years ended 31 December 2019 (the "**2019 Annual Report**") and 31 December 2018 (the "**2018 Annual Report**" together with the 2019 Annual Report, the "**Annual Reports**") is contained, at the locations listed, in its Annual Reports for those periods prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU, which are incorporated by reference into this Base Prospectus:

- (i) the balance sheets (on page 65 of the 2019 Annual Report and on page 67 of the 2018 Annual Report);
- (ii) the statements of comprehensive income (on page 64 of the 2019 Annual Report and on page 66 of the 2018 Annual Report); and
- (iii) the accounting policies and explanatory notes (on pages 68-135 of the 2019 Annual Report and on pages 70-133 of the 2018 Annual Report).

The financial statements referred to above contain both the Issuer's own financial statements and consolidated financial statements for the Group.

### **Credit ratings of the Issuer**

The Issuer is currently assigned ratings of A2 by Moody's Investors Service Ltd and A+ by S&P Global Ratings Europe Limited. Each credit rating agency is established in the EEA and is registered under the CRA Regulation.

## TAXATION

### NORWEGIAN TAXATION

**The following is a general summary of Norwegian tax considerations relating to acquisitions, holding and disposal of Notes issued under the Programme. The information does not purport to be a complete summary of Norwegian tax law and practice currently applicable. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Such changes could be made on a retrospective basis.**

The tax laws of the investor's state and of the Issuer's state of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

Norwegian tax legislation does not currently include statutory legislation relating specifically to Notes. Instead, taxation treatment must be derived from general tax rules and principles applicable to capital income and capital gains. Therefore, the answers to certain questions in respect of the legal basis and principles of recognition of income related to the Notes may be uncertain. The Final Terms, may cause the taxation of the Notes to depart from the taxation treatment described in this summary.

Due to the general nature of this summary, potential investors are advised to consult with and rely upon their own tax advisers. Noteholders tax resident in jurisdictions other than Norway should consult with and rely upon local tax advisers as regards the tax position in their country of residence.

#### **Non-Norwegian holders**

##### *Payment of interest*

Payments of principal and interest on the Notes to persons or legal entities having no connection with Norway other than the holding of Notes issued by the Issuer, and therefore not considered resident in Norway for tax purposes, (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), are not subject to any withholding or deduction for or on account of any Norwegian taxes, duties, assessments or Governmental charges.

##### *Sale, exchange and redemption of Notes*

Gains or profits realised on the sale, exchange or redemption of the Notes by persons or legal entities having no connection with Norway other than the holding of Notes issued by the Issuer, and therefore not considered resident in Norway for tax purposes (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), are not subject to Norwegian taxes, duties, assessments or Governmental charges.

##### *Stamp duties and net wealth taxation*

No Norwegian issue tax or stamp duties are payable in connection with the issue of the Notes.

Notes held by persons or legal entities having no connection with Norway other than the holding of Notes, and therefore not considered resident in Norway for tax purposes (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), will not be subject to net wealth taxation in Norway.

#### **Norwegian holders**

##### *Payment of interest*

Holders of Notes resident in Norway for tax purposes will be subject to Norwegian capital income taxation on interest which is currently 22 per cent. The same applies to persons and legal entities that hold the Notes in connection with any business activity conducted or managed in Norway.

Interest is generally recognised for tax purposes at the time the interest is considered acquired on an accrual basis. This means that neither the actual payment nor the due date of possible payment of interest is as a starting point decisive when determining when interest deriving from the Notes is recognised for tax purposes.

#### Sale, exchange and redemption of Notes

Holders of Notes resident in Norway for tax purposes are taxed in Norway on realised gains (including sale, exchange and redemption) of Notes and have a right to deduct losses, which arise on such realisation, provided that one of the following conditions is met:

- the Notes are classified as debentures ("*mengdegjeldsbrev*") as opposed to non-negotiable debt, or
- the realisation of the Notes is connected to business activities.

Gains are taxable as ordinary income, currently at a rate of 22 per cent. Losses are deductible at the same rate. This will include gains or losses attributed to any change in the denominated currency (other than NOK). Such gains or losses are taxable event if the Notes are not classified as debentures or not connected to business activities. Such gains will further be subject to special timing rules for tax purposes.

The same applies to persons and legal entities that hold the Notes in connection with any business activity conducted or managed in Norway.

#### ***Net wealth taxation***

For holders of Notes resident in Norway for tax purposes or that hold the Notes in connection with business activities conducted or managed in Norway, except limited liability companies and similar entities, the Notes will be taken into account for net wealth tax purposes in Norway. Listed Notes are valued at the market value on 1 January in the assessment year. The marginal rate of net wealth tax is 0.85 per cent.

#### **THE US FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Kingdom of Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## **THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "**participating Member State**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank Ireland PLC, Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, Mizuho International plc, Mizuho Securities Europe GmbH, NatWest Markets N.V., NatWest Markets Plc, Nordea Bank Abp, Svenska Handelsbanken AB (publ), Skandinaviska Enskilda Banken AB (publ) and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased and paid for by, Dealers are set out in an amended and restated dealer agreement dated 26 May 2020 (as the same may from time to time be further amended supplemented or restated, the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

*Regulation S Category 1 TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*

Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder. The applicable Final Terms will identify whether TEFRA C or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, to the Issuer that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or, to or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A, and such Dealer and its affiliates will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act.

## Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, form or otherwise involving the United Kingdom.

## Norway

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the Issuer has confirmed in writing to each Dealer that the Base Prospectus has been filed with and approved by the Financial Supervisory Authority of Norway, it has not, directly or indirectly, offered or sold and will not directly or indirectly, offer or sell any Notes in Norway or to residents of Norway, other than:

- (a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor cf. the Prospectus Regulation Article 1 no. 4 (c) as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act of 29 June 2007 No. 75. (the "**Securities Trading Act**"); or
- (b) to "qualified investors" as defined in the Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (a), as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act; or
- (c) to fewer than 150 natural or legal persons (other than "qualified investors") as defined the Prospectus Regulation Article 2 (e), cf. Article 1 no. 4 (b), as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or
- (d) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Prospectus Regulation Article 1 no. 4 and no. 6 as incorporated into Norwegian law pursuant to Section 7-1 of the Securities Trading Act.

The Notes shall be registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 64 in a Securities Depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving

securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) which unless otherwise specified in the Final Terms will be the VPS unless (i) the Notes are denominated in NOK, issued outside of Norway and reserved for and only sold and offered to non-Norwegian residents and entities, or (ii) the Notes are denominated in a currency other than NOK and issued outside of Norway.

Further, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will only be sold in Norway to investors who have sufficient knowledge and experience to understand the risks involved with investing in the Notes. See also the selling restriction "Prohibition of Sales to EEA and UK Retail Investors" below.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

### **The Netherlands**

Each Dealer has further represented and agreed that it has not, directly or indirectly, offered, sold, transferred or delivered, and will not, directly or indirectly, offer, sell, transfer or deliver any Zero Coupon Notes in The Netherlands as part of their initial distribution (or immediately thereafter) or as part of any re-offering. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### **Belgium**

Each Dealer has represented and agreed that it has not advertised, offered, sold or delivered and will not advertise, offer, sell or deliver, directly or indirectly, Notes to any Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer. For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession

### **Prohibition of Sales to EEA and UK Retail Investors**

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (ii) a customer within the meaning Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### ***General***

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus or any other material relating to the issue, offering and/or sale of Notes and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any other Dealer shall have any responsibility therefor. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

## GENERAL INFORMATION

1. The admission of the Programme to listing on the Euronext Dublin Official List and trading on the regulated market of Euronext Dublin is expected to take effect on or about 26 May 2020. The listing of the Notes on Euronext Dublin will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Notes intended to be admitted to listing on the Euronext Dublin Official List and trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to the Central Bank of Ireland and Euronext Dublin of the relevant Final Terms and any other information required by the Central Bank of Ireland and Euronext Dublin subject in each case to the issue of the relevant Notes. Prior to official listing, dealings will normally be permitted by Euronext Dublin in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.
2. Notes may also be issued pursuant to the Programme which will be admitted to listing, trading and/or quotation on the London Stock Exchange and the Oslo Stock Exchange as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms. Notes issued under the Programme may also be unlisted, or may be listed on a non-EU regulated market.
3. The establishment of the Programme was authorised by a Meeting of the Board of Directors of the Issuer by a resolution (a "**Board Resolution**") passed on 12 December 1996. The update of the Programme was authorised by a Board Resolution passed on 2 April 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
4. The Legal Entity Identifier (LEI) code of the Issuer is 5967007LIEEXZXHAI017.
5. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, the International Securities Identification Number (ISIN), the Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Final Terms in relation to the Notes of each Series.
6. The Issuer is not, and has not been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had during the 12 months period prior to the date of this Base Prospectus, a significant effect on its financial position or profitability and or that of the Group.
7. Since 31 December 2019, there has been no significant change in the financial performance or financial position of the Issuer and its subsidiaries and since 31 December 2019 there has been no material adverse change in the prospects of the Issuer and its subsidiaries.
8. The financial statements of the Issuer have been audited for the two financial years ended 31 December 2019 and 31 December 2018 by Deloitte AS, independent public auditors of the Issuer for that period, and unqualified opinions have been reported thereon. The address of Deloitte AS is Dronning Eufemias gate 14, Postboks 221 Sentrum, NO-0103 Oslo, Norway. Deloitte AS is a member of the Norwegian Institute of Public Accountants.
9. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected (i) at the Issuer's website, <https://www.statnett.no/en/about-statnett/investor-relations/loan-documentation/>, and (ii) during normal business hours at the specified office of the Principal Paying Agent and Registrar and from the head office of the Issuer, namely:
  - (a) the Articles of Association (*Vedtekter*) and Company Certificate (*Firmaattest*) of the Issuer;
  - (b) the current base prospectus for the Programme, together with any amendments thereto;
  - (c) the Agency Agreement;
  - (d) the Trust Deed;

- (e) the most recent publicly available audited consolidated financial statements of the Issuer for the years ended 31 December 2019 and 31 December 2018;
  - (f) the most recent publicly available unaudited consolidated interim financial statements of the Issuer;
  - (g) any Final Terms relating to Notes which are admitted to listing, trading and for quotation by any listing authority, stock exchange and/or quotation system; and
  - (h) the Issuer ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).
10. Bearer Notes (other than Temporary Global Notes) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986, as amended." The sections referred to in such legend provide that a United States person who holds a Bearer Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
  11. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Principal Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Notes.
  12. The yield of each Tranche of Notes bearing interest at a fixed rate as set out in the relevant Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.
  13. Other than as may be required in respect of Green Bonds, the Issuer does not intend to provide any post issuance information in relation to any issue of Notes.
  14. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.
  15. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
  16. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Euronext Dublin Official List of or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

**Issuer website**

The Issuer's website is <https://www.statnett.no/en/>. Unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this prospectus.

**Validity of prospectus and prospectus supplements**

For the avoidance of doubt, the Issuer shall have no obligation to supplement this base prospectus after the end of its 12-month validity period.



## ISSUER

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