

## **VPS TRUSTEE AGREEMENT**

**between**

**Avinor AS  
(the “Issuer”)**

**and**

**Nordic Trustee AS  
(the “Bond Trustee”)**

**dated 13 December 2019**



This Bond Trustee Agreement dated 13 December 2019 (the "**Agreement**") is an amendment and restatement agreement of the bond trustee agreement originally entered into 4 December 2013 (as amended by agreements dated 9 December 2015, 14 December 2016, 15 December 2017 and 10 December 2018) between

- (1) **Avinor AS**, Dronning Eufemias gate 6, 0191 Oslo, Norway with registration number 985 198 292 (the "**Issuer**"), and
- (2) **Nordic Trustee AS**, Kronprinsesse Märthas plass 1, 0160 Oslo with registration number 963 342 624, (the "**Bond Trustee**").

## 1. INTRODUCTION

- 1.1 The Issuer is a company responsible for planning, developing and operating the Norwegian airport network. The Issuer was established as a limited liability company, wholly owned by the state, on 1 January 2003. The ownership is administered by the Ministry of Transport and Communications.
- 1.2 Under a EUR 3.000.000.000 EMTN Programme (the "**Programme**"), the Issuer may from time to time issue notes (the "**VPS Notes**") to be registered in Verdipapirsentralen ASA ("**VPS**") (the Norwegian Central Depository).
- 1.3 The Bond Trustee will be appointed to act with respect to the issue of VPS Notes.
- 1.4 This Agreement and the VPS Conditions (as defined below) set out the terms and conditions on which the Bond Trustee has agreed to act as a Bond Trustee for the VPS Notes issued by the Issuer under the Programme.

## 2. DEFINITIONS

Terms defined in the VPS Conditions (as defined below) shall have the same meaning when used in this Agreement, if not otherwise stated herein, in addition the following capitalised terms shall have the meaning set out below:

"VPS Conditions"	means the terms and conditions for VPS Notes as attached to this Agreement as Schedule 1;
"Exchange"	means Oslo Børs ASA (the Oslo Stock Exchange);
"Issue"	means an issue of VPS Notes for which the Bond Trustee has been appointed by the Issuer as trustee;

<b>"Issue Date"</b>	means the date of an Issue;
<b>"Issuer's VPS Notes"</b>	means any VPS Notes of any Issue purchased beneficially by the Issuer, any party who has decisive influence over the Issuer, or any party over whom the Issuer has decisive influence;
<b>"Voting VPS Notes"</b>	means the aggregate nominal value of the total number of VPS Notes not redeemed or otherwise deregistered in the VPS, less Issuer's VPS Notes.

Capitalised terms used herein and not defined herein, shall have the same meaning as in the VPS Conditions.

### **3. LISTING AND PROSPECTUS**

- 3.1 In the event that any Issue is listed on the Exchange, matters concerning the listing requiring the approval of the Bondholders shall be resolved pursuant to the terms of this Agreement.
- 3.2 In the event that any Issue is listed on the Exchange, the Issuer shall submit the documents and the information necessary to maintain the listing.
- 3.3 The Issuer shall ensure that this Agreement shall be incorporated as may be required by law in any prospectus and any other subscription or information materials related to any Issue.

### **4. CONDITIONS PRECEDENT**

- 4.1 The Bond Trustee shall have received the following documentation, no later than 2 – two – Business Days prior to the Issue Date:
  - (a) the Issuer's corporate resolution to make the Issue,
  - (b) confirmation that the relevant individuals are authorised to sign on behalf of the Issuer all relevant documents in relation to the Issue,
  - (c) the Issuer's Articles of Association,
  - (d) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (prospectus requirements) are fulfilled,
  - (e) to the extent necessary, any public authorisations required for the Issue,

- (f) confirmation that the Issue has been registered in the VPS,
- (g) agreement regarding the Bond Trustee's fees and expenses as set forth in Clause 9.2 duly signed,
- (h) confirmation by the Issuer of its compliance with clause 5.1 of this Agreement in accordance with Clause 5.2, if applicable,
- (i) any other relevant documentation presented in relation to the Issue,
- (j) any statements (including legal opinions) required by the Bond Trustee regarding documentation in this Clause 4, and
- (k) a copy of the particular VPS Conditions in respect of the Issue.

4.2 The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for the documentation as set forth in Clause 4.1.

4.3 Any Issue is subject to the Bond Trustee's written notice to the Issuer, the manager of the VPS Notes and the VPS paying agent that the documents have been controlled and that the required Conditions Precedent are fulfilled.

## **5. REPRESENTATIONS AND WARRANTIES**

5.1 At any Issue, the Issuer represents and warrants that:

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

5.2 The Bond Trustee may prior to any Issue require a statement from the Issuer confirming the Issuer's compliance with Clause 5.1.

## **6. REGISTRATION OF VPS NOTES**



6.1 The Issuer shall continuously ensure the correct registration in VPS of any Issue.

## **7. INFORMATION COVENANTS**

7.1 The Issuer undertakes to:

- (a) inform the Bond Trustee promptly of any matter which is likely to result in the default of the Issuer's payment obligations under any Issue,
- (b) inform the Bond Trustee of any other event which may have a material effect on the Issuer's ability to fulfil its obligations in respect of VPS Notes in respect of any Issue,
- (c) upon request, provide the Bond Trustee with its annual and interim reports and any other information reasonably required by the Bond Trustee,
- (d) upon request report to the Bond Trustee the principal amount outstanding of the Issuer's VPS Notes,
- (e) provide a copy to the Bond Trustee of any notice to its creditors to be made according to applicable laws and regulations,
- (f) send a copy to the Bond Trustee of notices to the Exchange which have relevance to the Issuer's liabilities under any Issue, and
- (g) inform the Bond Trustee of changes in the registration of any Issue in the VPS.

## **8. NOTICES**

8.1 Written notices, warnings, summons etc to holders of VPS Notes in any Issue made by the Bond Trustee shall be sent via VPS with a copy to the Issuer and the Exchange. Any such notice delivered through VPS pursuant to this Clause 8 shall be deemed to have been given on the date two days following delivery to VPS.

8.2 The Issuer's written notifications to the holders of VPS Notes in any Issue shall be sent via the Bond Trustee, or alternatively through VPS with a copy to the Bond Trustee and the Exchange. The Issuer shall ensure that, so long as the VPS Notes are listed on the Exchange, the notifications are published in a manner which complies with the rules of the Exchange.

## **9. EXPENSES**

- 9.1 The Issuer shall cover all its own expenses in connection with this Agreement, any Issue, listing of VPS Notes in any Issue on the Exchange, and the registration and administration of VPS Notes in any Issue in VPS.
- 9.2 The expenses and fees payable to the Bond Trustee shall be paid by the Issuer and are set forth in a separate agreement.
- 9.3 Any public fees payable in connection with this Agreement and any Issue and fulfilling of the obligations pursuant to this Agreement and any Issue shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of VPS Notes.

## **10. BONDHOLDERS' MEETING**

- 10.1 The Bondholders' Meeting represents the supreme authority of the Bondholders jointly in all matters regarding the VPS Notes. If a resolution by or an approval of the Bondholders is required, such resolution shall be passed at a Bondholders' Meeting. Resolutions passed at a Bondholders' Meeting shall be binding and prevail for all holders of VPS Notes whether or not they are present at the meeting.
- 10.2 A Bondholders' Meeting shall be held at the request of:
- (a) the Issuer,
  - (b) Bondholders representing at least 1/10 of the Voting VPS Notes,
  - (c) the Bond Trustee, or
  - (d) the Exchange.
- 10.3 The Bondholders' Meeting shall be convened by the Bond Trustee. A request for a Bondholders' Meeting shall be made in writing to the Bond Trustee, and shall clearly state the matters to be discussed.
- 10.4 If the Bond Trustee has not summoned a Bondholders' Meeting within 10 – ten – Business Days after having received such a request, then the requesting party may summon the Bondholders' Meeting itself.
- 10.5 Summons to a Bondholders Meeting shall be dispatched no later than 10 – ten – Business Days prior to the Bondholders' Meeting. The summons and a confirmation of each Bondholder's holdings of VPS Notes shall be sent to all Bondholders registered in the VPS at the time of distribution. The summons shall also be sent to the Exchange for publication.
- 10.6 The summons shall specify the agenda of the Bondholders' Meeting. The Bond Trustee may in the summons also set forth other matters on the agenda than those requested. If amendments to the VPS Conditions and/or this Agreement

have been proposed, the main content of the proposal shall be stated in the summons.

- 10.7 The Bond Trustee may restrict the Issuer from making any changes in the number of Voting VPS Notes in the period from distribution of the summons until the Bondholders' Meeting.
- 10.8 Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Bondholders' Meeting may only be adopted with the approval of all Voting VPS Notes.
- 10.9 The Bondholders' Meeting shall be held on premises designated by the Bond Trustee. The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder, and be chaired by a representative elected by the Bondholders' Meeting.
- 10.10 Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the number of VPS Notes represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the result of the voting. The minutes shall be signed by the chairman and at least one other person elected by the Bondholders' Meeting. The minutes shall be deposited with the Bond Trustee and shall be available to the Bondholders.
- 10.11 The Bondholders, the Bond Trustee and representatives of the Exchange have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. Bondholders may attend by a representative holding a proxy satisfactory (in the sole discretion of the Bond Trustee) to the Bond Trustee. Bondholders have the right to be assisted by an advisor. In case of dispute the chairman shall decide who may attend the Bondholders' Meeting and vote for the VPS Notes.
- 10.12 Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present during the voting.
- 10.13 At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business in Oslo on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the VPS. Whoever opens the Bondholders' Meeting shall adjudicate any question concerning which VPS Notes shall count as Issuer's VPS Notes. Issuer's VPS Notes have no voting rights.
- 10.14 In all matters to be dealt with at the Bondholders' Meeting, the Issuer, the Bond Trustee and any Bondholder have the right to demand a vote by ballot. In the



case of parity of votes, the chairman shall have the deciding vote, regardless of whether the chairman is a Bondholder or not.

- 10.15 In order to form a quorum, one or more persons holding at least half (1/2) of the Voting VPS Notes must be represented at the meeting.
- 10.16 Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, unless otherwise set forth in Clause 10.17 below.
- 10.17 Subject to clauses 11.3 and 11.4, a majority of at least 2/3 of the Voting VPS Notes represented at the Bondholders Meeting is required for any waiver or amendment of any terms of this Agreement or the VPS Conditions.
- 10.18 The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 10.19 The Bond Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented.
- 10.20 The Issuer, the Bondholders and the Exchange shall be notified of resolutions passed at the Bondholders' Meeting.
- 10.21 If the Bondholders' Meeting does not form a quorum pursuant to Clause 10.15 above, a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance at the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting.
- 10.22 When a matter is tabled for discussion at a repeated Bondholders' Meeting, a valid resolution may be passed even though less than half (1/2) of the Voting VPS Notes are represented.

## **11. ROLE AND AUTHORITY OF THE TRUSTEE**

- 11.1 The Bond Trustee shall monitor the Issuer's compliance with its obligations under the VPS Conditions, this Agreement, and any laws or regulations that are applicable which shall include:
  - (a) supervision of timely and correct payments of principal and interest on the VPS Notes;
  - (b) informing the Bondholders, the VPS paying agent, the calculation agent and the Exchange of relevant information which is obtained or received in its capacity as Bond Trustee which requirement shall not restrict the Bond Trustee discussing matters of confidentiality with the Issuer;
  - (c) arranging Bondholder meetings (as detailed in Clause 10 above); and,



- (d) determining and implementing the measures resolved (including any obligations of the Bond Trustee under the VPS Conditions) pursuant to this Agreement or the VPS Conditions.

The Bond Trustee is not obligated to assess the Issuer's financial situation beyond that which is set forth in the VPS Conditions and this Agreement.

- 11.2 The Bond Trustee may take any step necessary to protect the rights of the Bondholders in all matters relating to the VPS Conditions. The Bond Trustee may postpone taking action until such matter has been put forward to the Bondholders at a Bondholders' Meeting.
- 11.3 Notwithstanding the provisions of clause 10.17, the Bond Trustee may, without providing prior written notice to, or consultation with the Bondholders, make decisions binding on all Bondholders relating to the VPS Conditions and this Agreement including amendments which, in the opinion of the Bond Trustee, are not materially prejudicial to the interests of the Bondholders.
- 11.4 Notwithstanding the provisions of clause 10.17, the Bond Trustee may reach decisions binding for all Bondholders in circumstances other than those mentioned in subclause 11.3 provided that prior written notification is given to the Bondholders. Such notice shall contain:
  - (a) a proposal of the amendment;
  - (b) the Bond Trustee's evaluation of the proposed amendment; and
  - (c) a statement that the Bond Trustee may not reach a decision that is binding for all Bondholders in the event that any Bondholder submits a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five Business Days after the date of such notification.
- 11.5 The Bond Trustee may not adopt resolutions which may give certain Bondholders or any third party an unreasonable advantage at the expense of other Bondholders.
- 11.6 The Bond Trustee undertakes to notify the Issuer, the Bondholders and the Exchange of decisions made by the Bond Trustee pursuant to this clause 11.
- 11.7 The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuer's approval, as provided for in clause 13 below.
- 11.8 The Bond Trustee will have access to the records of the VPS for the purposes of fulfilling its role (as described herein).

## **12. INDEMNIFICATION OF THE TRUSTEE**

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

## **13. REPLACEMENT OF TRUSTEE**

- 13.1 The Bondholders Meeting may in accordance with the procedures for meeting of Bondholders, resolve to replace the Bond Trustee. The Bond Trustee shall continue to carry out its duties as Bond Trustee until such time as a new trustee is elected by the meeting of Bondholders.
- 13.2 The fees and expenses of the new trustee shall be paid by the Issuer in accordance with a separate agreement to be entered into between the new trustee and the Issuer at the time. Such fees and expenses may be recovered in whole or in part from the Bond Trustee if the replacement of the Bond Trustee is due to a breach of the Bond Trustee's duties under this Agreement or other circumstances for which the Bond Trustee is liable.
- 13.3 The Bond Trustee undertakes to cooperate with the new trustee and provide to the new trustee, without undue delay after the conclusion of the Bondholders' Meeting (as detailed in Clause 10 above), any documentation and information necessary to perform the role stated in this Agreement and the VPS Conditions.

## **14. BONDHOLDERS**

- 14.1 The VPS Notes have the benefit of this Agreement and the provisions of this Agreement are binding on the Bondholders by their purchase, subscription or transfer of such VPS Notes.

- 14.2 The Bond Trustee has power and authority to act on behalf of the Bondholders and, as such, the Bondholders may not act directly towards the Issuer or institute legal proceedings against the Issuer.

## **15. THE BONDHOLDERS' COMMUNITY**

- 15.1 Each Bondholder will be deemed to have acceded to this Agreement and hereby accepts that:

- (a) the Bondholders are deemed to have accepted and will be bound by the terms of this Agreement,
- (b) the Bond Trustee has power and authority to act on behalf of the Bondholders,
- (c) the Bond Trustee has, in order to administrate the terms of this Agreement, access to the VPS to review ownership of VPS Notes registered in the VPS,
- (d) this Agreement establishes a community between Bondholders meaning that;
  - (i) the VPS Notes rank pari passu between each other,
  - (ii) the Bondholders may not, based on this Agreement, act directly towards the Issuer and may not themselves institute legal proceedings against the Issuer in accordance with the terms hereof and the VPS Conditions,
  - (iii) the Issuer may not, based on this Agreement, act directly towards the Bondholders,
  - (iv) the Bondholders may not cancel the Bondholders' community, and that
  - (v) the individual Bondholder may not resign from the Bondholders' community.

## **16 GOVERNING LAW, DISPUTE RESOLUTION AND LEGAL VENUE**

- 16.1 This Agreement shall be governed by Norwegian law.



- 16.2 Disputes arising out of or in connection with this Agreement which are not resolved amicably shall be resolved by Norwegian courts with the Oslo District Court as legal venue.

**17. AMENDMENTS**

- 17.1 Amendments to this Agreement may only be made with the approval of the parties.

**18. CONTACT INFORMATION**

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

[SIGNATURE PAGE TO FOLLOW]



This Agreement has been executed in two originals, of which the Issuer and the Bond Trustee retain one each.

**Avinor AS**

**Nordic Trustee AS**



By:

By:

Schedule 1: The VPS Conditions

**HILDE VEDUM**  
Finansdirektør  
Finance Director  
Avinor AS

This Agreement has been executed in two originals, of which the Issuer and the Bond Trustee retain one each.

**Avinor AS**

**Nordic Trustee AS**

\_\_\_\_\_  
By:



\_\_\_\_\_  
By: Morten S. Bredesen

Schedule 1: The VPS Conditions



## SCHEDULE 1 TO VPS TRUSTEE AGREEMENT

FILED VEDUM  
Financial Director  
Financial Director  
Aviator A2

## TERMS AND CONDITIONS OF THE VPS NOTES

*The following are the Terms and Conditions of the VPS Notes. VPS Notes will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS. The applicable Pricing Supplement in relation to any Tranche of VPS Notes which are Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such VPS Notes. Reference should be made to “Applicable Final Terms” or “Applicable Pricing Supplement”, as applicable, for a description of the content of the Final Terms or Pricing Supplement which will specify which of such terms are to apply in relation to the relevant VPS Notes.*

Each VPS Note is one of a Series (as defined below) of VPS Notes issued by Avinor AS (the **Issuer**) and each VPS Note will be issued in accordance with and subject to the trust agreement (such trust agreement as modified and/or supplemented and/or restated from time to time, the **VPS Trustee Agreement**) dated 13 December 2019 made between the Issuer and Nordic Trustee AS (the **VPS Trustee**, which expression shall include any successor as VPS Trustee). The Issuer and Nordic Trustee AS have also entered into an agreement for Nordic Trustee AS to act as calculation agent in respect of VPS Notes (the **Calculation Agent**, which expression shall include any successor or alternative Calculation Agent that may be appointed).

References herein to the **VPS Notes** shall be references to the VPS Notes of the relevant Series and shall mean notes cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen* (the **VPS**).

The VPS Notes have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **VPS Agency Agreement**) dated 15 November 2013 and made between the Issuer and DNB Bank ASA, Verdipapirservice as VPS agent (the **VPS Agent**, which expression shall include any successor VPS agent).

Each Tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with the VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes as detailed in the VPS Agency Agreement.

The final terms for any Tranche of VPS Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms prepared in connection with the relevant Tranche of VPS Notes, which complete these Terms and Conditions of the VPS Notes (the **VPS Conditions**) or, if the relevant VPS Notes are VPS Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the VPS Conditions, replace or modify the VPS Conditions for the purposes of the relevant VPS Notes. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) prepared in connection with the relevant Tranche of VPS Notes. Any reference in the VPS Conditions to **applicable Final Terms** shall be deemed to include a reference to **applicable Pricing Supplement** where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

The VPS Trustee acts for the benefit of the holders for the time being of the VPS Notes (the **VPS Noteholders** or the **holders of VPS Notes**), in accordance with the provisions of the VPS Trustee Agreement and these VPS Conditions.

As used herein, **Tranche** means VPS Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of VPS Notes together with any further Tranche or Tranches of VPS Notes which are (a) expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office for the time being of the VPS Trustee at the date hereof at Haakon VII Gate 1, 0161, Oslo, Norway. If the VPS Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If the VPS Notes are to be admitted to trading on the regulated market of the Oslo Stock Exchange the applicable Final Terms will be published on the website of the Oslo Stock Exchange ([www.oslobors.no](http://www.oslobors.no)). If the VPS Notes are Exempt Notes, the applicable Pricing Supplement will only be obtainable by a VPS Noteholder holding one or more VPS Notes and such VPS Noteholder must produce evidence satisfactory to the Issuer and the VPS Agent as to its holding of such VPS Notes and identity.

The VPS Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Agency Agreement, the VPS Trustee Agreement and the applicable Final Terms which are applicable to them. The statements in the VPS Conditions include summaries of, and are subject to, the detailed provisions of the VPS Agency Agreement and the VPS Trustee Agreement.

Words and expressions defined in the VPS Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the VPS Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the VPS Trustee Agreement and the VPS Agency Agreement, the VPS Trustee Agreement will prevail, and in the event of inconsistency between the VPS Trustee Agreement or the VPS Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the VPS Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## **1. FORM, DENOMINATION AND TITLE**

The VPS Notes are in uncertificated book-entry form in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms.

VPS Notes of one Specified Denomination may not be exchanged for VPS Notes of another Specified Denomination. VPS Notes will be registered with a separate securities identification code in the VPS.

This VPS Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The Issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a VPS Noteholder.

Title to the VPS Notes will pass by registration in the VPS between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note. Each person (other than Euroclear Bank SA/NV (**Euroclear**) or Clearstream



Banking S.A. (**Clearstream, Luxembourg**)) who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of VPS Notes shall be treated by the Issuer, the VPS Trustee and the VPS Agent as the holder of such nominal amount of such VPS Notes for all purposes.

VPS Notes will be transferable only in accordance with the rules and procedures for the time being of the VPS.

## **2. STATUS OF THE VPS NOTES**

The VPS Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

## **3. NEGATIVE PLEDGE**

### **3.1 Negative Pledge**

So long as any of the VPS Notes remains outstanding (as defined below), the Issuer will not, and the Issuer will procure that none of its Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Subsidiaries to secure any Relevant Indebtedness (as defined below) unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the VPS Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided as the VPS Noteholders may approve (in accordance with the meeting provisions in the VPS Trustee Agreement).

### **3.2 Interpretation**

In these VPS Conditions:

- (a) **outstanding** means, in relation to the VPS Notes of any Series, all such VPS Notes issued other than:
  - (i) those VPS Notes which have been redeemed and cancelled pursuant to the VPS Conditions;
  - (ii) those VPS Notes in respect of which the date for redemption in accordance with the VPS Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the VPS Conditions after that date) have been duly paid to or to the order of the VPS Agent (and where appropriate notice to that effect has been given to the VPS Noteholders in accordance with the VPS Conditions) and remain available for payment to the holders of the relevant VPS Notes in accordance with their terms and conditions;

- (iii) those VPS Notes which have been purchased and cancelled in accordance with the VPS Conditions; and
  - (iv) those VPS Notes in respect of which claims have become prescribed under the VPS Conditions.
- (b) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity of any such indebtedness; and
- (c) **Subsidiary** means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights, (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the VPS Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In the VPS Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (i) in the case of VPS Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number

of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (ii) in the case of VPS Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
  - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 4.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the VPS Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the VPS Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should



occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the VPS Conditions, **Business Day** means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the TARGET2 System) is open; and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**(b) Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

- (i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will (subject to Condition 4.2(e) below) be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this

subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the VPS Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

If no Minimum Rate of Interest is specified in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below and in Condition 4.2(e), be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR, NIBOR or STIBOR as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 4.2(b)(ii):

**Reference Banks** means (w) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, (x) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, (y) in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market or (z) in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms; and

**Specified Time** means 11.00 a.m. (London time) if the Reference Rate is LIBOR, 11.00 a.m. (Brussels time) if the Reference Rate is EURIBOR, 11.00 a.m. (Stockholm time) if the Reference Rate is STIBOR or 12.00 noon (Oslo time) if the Reference Rate is NIBOR.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) over is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with

the provisions of paragraph (b) over is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and calculation of Interest Amounts**

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;



“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest 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;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest 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 Interest 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.

**(e) Linear Interpolation**

Where Linear Interpolation 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:

- (i) the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Final Terms as being the manner in which the Rate of Interest is to be determined); or
- (ii) the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms as being the manner in which the Rate of Interest is to be determined),

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

For the purposes of this Condition 4.2(e) **Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

**(f) Notification of Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 11 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the VPS Noteholders in accordance with Condition 11. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

**(g) Determination or Calculation by the VPS Trustee**

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest, the VPS Trustee shall determine the Rate of Interest at such rate as (having regard as to the foregoing provisions of this Condition with any consequential amendment it deems, in its reasonable opinion, to be necessary, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms) it shall deem fair and reasonable

in all the circumstances or and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

**(h) Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the VPS Agent and all VPS Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the VPS Noteholders shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**(i) Benchmark Discontinuation**

*(i) Independent Adviser and Issuer*

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when these VPS Conditions provide for any remaining Rate of Interest (or any component part thereof) to be determined by reference to such Original 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 4.2(i)(ii)) and, in either case, an Adjustment Spread (in accordance with Condition 4.2(i)(iii)), and any Benchmark Amendments (in accordance with Condition 4.2(i)(iv)).

An Independent Adviser appointed pursuant to this Condition 4.2(i)(i) shall act in good faith and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the VPS Agent, the VPS Trustee, the Calculation Agent or the VPS Noteholders for any determination made by it pursuant to Condition 4.2(i).

*(ii) Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.2(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the VPS Notes (subject to the further operation of this Condition 4.2(i)); 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 4.2(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the VPS Notes (subject to the further operation of this Condition 4.2(i)).

*(iii) Adjustment Spread*

If any Successor Rate or Alternative Rate is determined in accordance with Condition 4.2(i)(ii), the Independent Adviser shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may

be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.2(i) and the Independent Adviser determines (A) that amendments to these VPS Conditions are necessary to follow market practice or to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(i)(v), without any requirement for the consent or approval of VPS Noteholders, vary these VPS Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

(v) *Notices*

The Issuer will promptly notify the VPS Agent, the VPS Trustee, the Calculation Agent and, in accordance with Condition 11, the VPS Noteholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.2(i). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and the Benchmark Amendments (if any) will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the applicable Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the VPS Agent, the VPS Trustee, the Calculation Agent and the VPS Noteholders as of their effective date.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under the provisions of this Condition 4.2(i), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b) will continue to apply unless and until a Benchmark Event has occurred in respect of the Original Reference Rate.

(vii) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest (or any component part thereof) on the relevant Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the VPS Agent, the VPS Trustee and the Calculation Agent, in each case in accordance with this Condition 4.2(i), prior to such Interest Determination Date, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest (or any component part thereof) on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 4.2(b) will (if applicable) continue to apply to such determination.

For the avoidance of doubt, this Condition 4.2(i)(vii) shall apply to the determination of the Rate of Interest (or any component part thereof) on the relevant Interest Determination Date

only, and the Rate of Interest (or any component part thereof) applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.2(i).

(viii) *Definitions*

In these Conditions:

**Adjustment Spread** means either (x) a spread (which may be positive, negative or zero), or (y) a formula or methodology for calculating a spread, which in either case is to be applied to the Successor Rate or the Alternative Rate (as the case may be) in accordance with Condition 4.2(i)(iii), 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 Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Rate or (where (A) over does not apply) in the case of a Successor Rate, the Independent Adviser determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original 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 neither (A) nor (B) over applies) the Independent Adviser determines to be appropriate, having regard to the objective, to the extent reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the VPS Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

**Alternative Rate** means an alternative to the Original Reference Rate which the Independent Adviser determines in accordance with Condition 4.2(i)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the VPS Notes, or if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the Original Reference Rate;

**Benchmark Amendments** has the meaning given to it in Condition 4.2(i)(iv);

**Benchmark Event** means, with respect to an Original Reference Rate:

- (A) the Original Reference Rate ceasing to exist or be published or administered; or
- (B) the later of (1) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (2) the date falling six months prior to the specified date referred to in (B)(1); or



- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (D) the later of (1) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (2) the date falling six months prior to the specified date referred to in (D)(1); or
- (E) the later of (1) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (2) the date falling six months prior to the specified date referred to in (E)(1); or
- (F) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the VPS Agent or the Calculation Agent to calculate any payments due to be made to any VPS Noteholder using the Original Reference Rate; or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**Independent Adviser** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 4.2(i)(i);

**Original Reference Rate** means the benchmark or screen rate (as applicable) originally specified for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Event(s), such originally-specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term **Original Reference Rate** shall include any such Successor Rate or Alternative Rate);

**Relevant Nominating Body** means, in respect of an Original Reference Rate:

- (A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the Original Reference Rate relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

### **4.3 Accrual of interest**

Each VPS Note (or in the case of the redemption of part only of a VPS Note, that part only of such VPS Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such VPS Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such VPS Note has been received by the VPS Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 11.

### **4.4 Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of the VPS Notes and for so long as any VPS Note is outstanding. Where more than one Calculation Agent is appointed in respect of the VPS Notes, references in these VPS Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the VPS Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with prior notification to the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **5. PAYMENTS**

### **5.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) 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.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 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 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

## 5.2 Payments in respect of VPS Notes

Payments of principal and interest in respect of VPS Notes and notification thereof to VPS Noteholders will be made to the VPS Noteholders shown in the records of the VPS and will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VPS.

The VPS Agent and any Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Noteholder. The Issuer reserves the right at any time, with prior notification to the VPS Trustee, to vary or terminate the appointment of the VPS Agent or the Calculation Agent and to appoint additional or other agents, provided that the Issuer shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with the VPS, (ii) one or more Calculation Agent(s) where the VPS Conditions so require, and (iii) such other agents as may be required by any stock exchange on which the VPS Notes may be listed.

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Noteholders in accordance with Condition 11.

## 5.3 Payment Day

If the date for payment of any amount in respect of any VPS Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) London;
  - (ii) each Additional Financial Centre (other than the TARGET2 System) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## 5.4 Interpretation of principal and interest

Any reference in the VPS Conditions to **principal** in respect of the VPS Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the VPS Notes;

- (c) the Early Redemption Amount of the VPS Notes;
- (d) the Optional Redemption Amount(s) (if any) of the VPS Notes;
- (e) the Residual Call Early Redemption Amount (if any) of the Notes; and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Notes.

Any reference in the VPS Conditions to **interest** in respect of the VPS Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## **6. REDEMPTION AND PURCHASE**

### **6.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each VPS Note will be redeemed by the Issuer at its Final Redemption Amount (which, in the case of VPS Notes other than Zero Coupon Notes or Exempt Notes, shall be an amount equal to at least 100 per cent. of its nominal amount) specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### **6.2 Redemption for tax reasons**

Subject to Condition 6.7, the VPS Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the VPS Notes are not Floating Rate Notes) or on any Interest Payment Date (if the VPS Notes are Floating Rate Notes), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the VPS Agent, and, in accordance with Condition 11, the VPS Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the VPS Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 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 VPS Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the VPS Trustee to make available at its specified office to the VPS Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

VPS Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### 6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the VPS Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the VPS Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, 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 applicable Final Terms.

In the case of a partial redemption of VPS Notes, the VPS Notes to be redeemed will be selected in accordance with the rules and procedures of the VPS, not more than 30 days prior to the date fixed for redemption.

In this Condition 6.3, **Optional Redemption Amount(s)** means:

- (a) if Reference Bond Basis is specified in the applicable Final Terms, (A) the outstanding principal amount of the relevant Note or (B) if higher, the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and 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 Optional Redemption Date on an annual basis (assuming a 360 day year consisting of twelve 30 day months) at the Reference Rate plus the Optional Redemption Margin specified in the applicable Final Terms, where:

**CA Selected Bond** means a government security or securities (which, if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

**Calculation Agent** means a leading investment, merchant or commercial bank appointed by the Issuer for the purposes of calculating the Optional Redemption Amount, and notified to the Noteholders in accordance with Condition 11;

**Reference Bond** means (A) if CA Selected Bond is specified in the applicable Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Final Terms, the security specified in the applicable Final Terms;

**Reference Bond Price** means (i) the average of five Reference Market Maker Quotations for the relevant Optional Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;



**Reference Market Maker Quotations** means, with respect to each Reference Market Maker and any Optional Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at the Quotation Time specified in the applicable Final Terms on the Reference Rate Determination Day specified in the applicable Final Terms;

**Reference Market Makers** means five brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the Issuer; and

**Reference Rate** means, with respect to any Optional Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Optional Redemption Date. The Reference Rate will be calculated on the Reference Rate Determination Day specified in the applicable Final Terms; or

- (b) if Reference Bond Basis is not specified in the applicable Final Terms, such amount(s) as are specified in, or determined in the manner specified in, these VPS Conditions as completed by the applicable Final Terms.

#### **6.4 Issuer Residual Call**

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the VPS Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, the VPS Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this VPS Note is not a Floating Rate Note) or on any Interest Payment Date (if this VPS Note is a Floating Rate Note), on giving not less than 30 and not more than 60 days' notice to the VPS Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption) at the Residual Call Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption.

#### **6.5 Redemption at the option of the VPS Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any VPS Note giving to the Issuer in accordance with Condition 11 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such VPS Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the relevant VPS Note under this Condition 6.5 the holder of the relevant VPS Note must, within the notice period, give notice (a **Put Notice**) to the VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a holder of any VPS Note pursuant to this Condition 6.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.5 and instead to declare such VPS Note forthwith due and payable pursuant to Condition 9.

## 6.6 Redemption at the option of the VPS Noteholders (Change of Control Put Event)

If Change of Control Put is specified as being applicable in the applicable Final Terms and at any time while any VPS Note remains outstanding a Change of Control occurs, the holder of each VPS Note will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the VPS Notes under Condition 6.2) to require the Issuer to redeem or, at the Issuer's option, to purchase (or procure the purchase of) that VPS Note on the date (the **Optional Redemption Date (Change of Control)**) which is the seventh day after the last day of the Put Period (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Change of Control).

A **Change of Control** shall be deemed to occur if the Kingdom of Norway ceases to (a) own, directly or indirectly, 100 per cent. of the issued share capital of the Issuer, or (b) control the Issuer, and for the purposes of this definition **control** means the power to direct the management and policies of the Issuer or to control the composition of its board of directors or other equivalent body, whether through the ownership of share capital, by contract or otherwise.

If a Change of Control occurs the Issuer shall, within 14 days of the occurrence of the Change of Control, give notice (a **Change of Control Put Event Notice**) to the VPS Noteholders in accordance with Condition 11 specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6.6.

To exercise the right to require redemption or, as the case may be, purchase of the relevant VPS Note under this Condition 6.6 the holder of the relevant VPS Note must, within the period (the **Put Period**) of 45 days after that on which a Change of Control Put Event Notice is given, give notice (a **Put Exercise Notice**) to the VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Exercise Notice given by a holder of any VPS Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption or purchase, as applicable, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Exercise Notice given pursuant to this Condition 6.6 and instead to declare such VPS Note forthwith due and payable pursuant to Condition 9.

## 6.7 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the VPS Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such VPS Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the VPS Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such VPS Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the VPS Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such VPS Note becomes due and repayable and the denominator will be 365)

## **6.8 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase VPS Notes at any price in the open market or otherwise.

## **6.9 Cancellation**

All VPS Notes purchased by the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer, cancelled by the VPS Agent causing such VPS Notes to be deleted from the records of the VPS.

## **6.10 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3, 6.4, 6.5 or 6.6 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7(b) over as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the VPS and notice to that effect has been given to the VPS Noteholders in accordance with Condition 11.

## **7. TAXATION**

All payments of principal and interest in respect of the VPS Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the VPS Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any VPS Note the holder of which is liable for such taxes or duties in respect of such VPS Note by

reason of his having some connection with a Tax Jurisdiction other than the mere holding of such VPS Note.

As used herein, **Tax Jurisdiction** means the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax.

## 8. PRESCRIPTION

The VPS Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

As used in the VPS Conditions, **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the VPS Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 11.

## 9. EVENTS OF DEFAULT

### 9.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the VPS Notes or any of them and the default continues for a period of seven days (in the case of principal) or 14 days (in the case of interest); or
- (b) if the Issuer fails to perform or observe any of its other obligations under the VPS Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a VPS Noteholder on the Issuer of notice, addressed by the relevant VPS Noteholder to the Issuer and delivered to the Issuer or the VPS Agent, requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Material Subsidiaries is declared or otherwise becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (after the expiry of any originally applicable grace period); (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this Condition 9.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €20,000,000 (or its equivalent in any other currency); or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries, save (i) for the purposes of reorganisation on terms previously approved by the VPS Noteholders (in accordance with

the meeting provisions in the VPS Trustee Agreement) or (ii) in the case of a Material Subsidiary of the Issuer, in connection with a Permitted Reorganisation; or

- (e) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, or if any of the Issuer's Material Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, save in each case (A) for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution or (B) in connection with a Permitted Reorganisation or a Permitted Disposal, or (ii) the Issuer or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrance takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 45 days; or
- (g) if the Issuer or any of its Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then any holder of a VPS Note may, by written notice addressed by the holder of the relevant VPS Note to the Issuer and delivered to the Issuer or the specified office of the VPS Trustee, effective upon the date of receipt thereof by the Issuer or the VPS Trustee, as applicable, declare any VPS Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

## 9.2 Definitions

For the purposes of the VPS Conditions:

- (a) **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit;
- (b) **Material Subsidiary** means at any time a Subsidiary of the Issuer:
  - (i) whose total operating income (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary



which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than five (5) per cent. of the consolidated total operating income of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer:

- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (i) over or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate operating income equal to) not less than five (5) per cent. of the consolidated total operating income of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than five (5) per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) over, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate operating income equal to) not less than five (5) per cent. of the consolidated total operating income of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than five (5) per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) over, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph

(i) over or, prior to or after such date, by virtue of any other applicable provision of this definition;

- (c) **Permitted Disposal** means a disposal of **any** or all of the Issuer's air navigation services division on arm's length terms; and
- (d) **Permitted Reorganisation** means any disposal by any of the Issuer's Subsidiaries or (for the purposes of Condition 9.1(e)(i) only) the Issuer (such entity the disposing entity), to the Issuer or any of other Subsidiary of the Issuer, of the whole or substantially the whole of the disposing entity's business.

## **10. TRANSFER AND EXCHANGE OF VPS NOTES**

### **10.1 Transfers of Interests in VPS Notes**

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo Business Days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS Notes which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS.

For the purposes of this Condition 10.1, **Oslo Business Day** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in Oslo.

### **10.2 Registration of transfer upon partial redemption**

In the event of a partial redemption of VPS Notes under Condition 6, the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

### **10.3 Costs of registration and administration of the VPS Register**

VPS Noteholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the register maintained by the VPS, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **11. NOTICES**

Notices to the VPS Noteholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange (which shall include, if and for so long as the VPS Notes are (a) admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange so require, publication in a daily newspaper of general circulation in Luxembourg (expected to be the *Luxemburger Wort* or the *Tageblatt*). and/or on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)), and/or (b) admitted to trading on, and listed on, the regulated market of the Oslo Stock Exchange and the rules of that exchange so require, publication in a daily newspaper of general circulation in Oslo and/or on the Oslo Stock Exchange's website ([www.oslobors.no](http://www.oslobors.no)). Any such notice shall be deemed to have been given on the date one day after delivery to the VPS.

## **12. MEETINGS OF VPS NOTEHOLDERS AND MODIFICATION**

### **12.1 Provisions with respect to holders of VPS Notes**

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning resolutions by a majority of votes (or, in the case of any waiver or amendment of any terms of the VPS Conditions or the VPS Trustee Agreement, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, Oslo Stock Exchange or by VPS Noteholders holding not less than 10 per cent. of the Voting VPS Notes.

For the purpose of this Condition 12.1, **Voting VPS Notes** means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise deregistered in the VPS, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

### **12.2 Modification**

The VPS Trustee Agreement provides that:

- (a) the VPS Trustee may in certain circumstances, without the consent of the VPS Noteholders, make decisions binding on all VPS Noteholders relating to the VPS Conditions or the VPS Trustee Agreement including amendments that are not, in the VPS Trustee's opinion, materially prejudicial to the interests of the VPS Noteholders; and
- (b) that the VPS Trustee may reach decisions binding on all VPS Noteholders.

In addition, the Issuer may, without the consent of the VPS Noteholders, amend these Conditions to give effect to any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4.2(i)(iv) over.

## **13. VPS TRUSTEE**

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction. VPS Noteholders are deemed to have accepted and will be bound by the VPS Conditions and the terms of the VPS Trustee Agreement.

## **14. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the VPS Noteholders to create and issue further notes having terms and conditions the same as the VPS Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue so that the same shall be consolidated and form a single Series with the outstanding VPS Notes.

## **15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this VPS Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **16. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **16.1 Governing law**

The VPS Notes (and any non-contractual obligations arising out of or in connection with the VPS Notes) are governed by, and shall be construed in accordance with, English law, save that VPS Conditions 2, 12, 13 and 14 (and any non-contractual obligations arising out of or in connection with VPS Conditions 2, 12, 13 and 14) are governed by, and shall be construed in accordance with, Norwegian law.

The VPS Trustee Agreement and the VPS Agency Agreement (and any non-contractual obligations arising out of or in connection with the VPS Trustee Agreement and VPS Agency Agreement) are governed by, and shall be construed in accordance with, Norwegian law.

VPS Notes must comply with the Norwegian Securities Register Act of 5 July 2002 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 Submission to jurisdiction**

- (a) Subject to Condition 16.2(c) under, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the VPS Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the VPS Notes (a **Dispute**) and accordingly each of the Issuer and any VPS Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 16.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the VPS Noteholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **16.3 Appointment of Process Agent**

The Issuer irrevocably appoints Saville & Co. Notaries at One Carey Lane, London EC2V 8AE as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Saville & Co. Notaries being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

#### **16.4 Waiver of immunity**

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.