

NORDEA BANK ABP
AND
NORDEA KREDIT REALKREDITAKTIESELSKAB

10 YEAR SUBORDINATED UNSECURED LOAN
IN THE AMOUNT OF DKK 1 550 000 000
DATED 25 MARCH 2020

THIS DATED SUBORDINATED UNSECURED LOAN AGREEMENT is made on 25 March 2020

BETWEEN

- (1) **NORDEA BANK ABP**, a public limited liability company organised and existing under the laws of Finland, of Satamaradankatu 5, FI-00020 NORDEA, Finland, and registered with Business Identity Code 2858394-9, (the "**Lender**"); and
- (2) **NORDEA KREDIT REALKREDITAKTIESELSKAB**, a company incorporated as a limited company in Denmark with business registration (CVR) number 15134275 (the "**Borrower**").

WHEREAS

The Borrower is a wholly owned subsidiary of the Lender and is a credit institution (Dk: *realkreditinstitut*) which is subject to regulations on capital adequacy. The Borrower plans to take up a new dated subordinated loan from the Lender that qualifies as Tier 2 capital in accordance with the Capital Requirements (as defined below) on the terms set out herein.

IT IS AGREED

1. INTERPRETATION

1.1 Definitions

In this Agreement:

"Applicable Banking Regulations" means at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities then in effect in the Relevant Jurisdiction including, without limitation to the generality of the foregoing, the CRD Package and those regulations, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities adopted by the Competent Authority or any other national or European authority from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Borrower);

"Bail-in and Loss Absorption Powers" means any loss absorption, write-down, conversion, transfer, modification, suspension or similar or resolution related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Relevant Jurisdiction, relating to (i) the transposition of the BRRD or the application of the SRM Regulation and (ii) the instruments, rules and standards created under the BRRD or the SRM Regulation, pursuant to which any obligation of the Borrower can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Borrower or any other person (or suspended for a temporary period);

"BRRD" means Directive 2014/59/EU of May 15, 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms, as amended by

Directive (EU) 2019/879 of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, the Directive (EU) 2017/2399 of 12 December 2017 and Directive 98/26/EC, and as may be further amended or replaced from time to time,;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets settle payments in the relevant currency in Helsinki and Copenhagen;

“**Capital Event**” means the determination by the Borrower, after consultation with the Competent Authority, that the Loan ceases or would be likely to cease to be included in whole or in part, or count in whole or in part, towards the Tier 2 Capital of the Borrower;

“**Capital Requirements**” means the regulatory capital requirements according to the Applicable Banking Regulations;

“**Competent Authority**” means any authority having primary responsibility for the prudential oversight and supervision of the Borrower at the relevant time;

“**Conditions to Repayment**” means the conditions to repayment set out in Clause 8.5;

“**CRD Package**” means the legislative package consisting of the CRD, the CRR and any CRD Implementing Measures;

“**CRD**” means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2019/878 of 20 May 2019 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, and as the same may be further amended or replaced from time to time;

“**CRD Implementing Measures**” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Borrower and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Borrower to the extent required by CRD or CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

“**CRR**” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended by Regulation (EU) 2019/876 of 20 May 2019 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and as may be further amended or replaced from time to time;

“**Loan**” has the meaning set out in Clause 2, or the principal amount outstanding for the time being of that loan;

“Maturity Date” means the date which is falling ten (10) years after the Utilisation Date;

“Modified Following Business Day Convention” has the meaning set out in Clause 7.4;

“Nordea Group” means Nordea Bank Abp and its subsidiaries;

“Regulatory Capital” means Tier 1 Capital and Tier 2 Capital;

“Relevant Amounts” means the outstanding principal amount of the Loan, together with any accrued but unpaid interest and additional amounts due on the Loan. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Resolution Authority;

“Relevant Jurisdiction” means the jurisdiction in which the Borrower is incorporated at the relevant time;

“Resolution Authority” means any resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Borrower or with primary responsibility for the oversight and supervision of the Borrower’s eligible liabilities and/or loss absorbing capacity from time to time;

“Senior Non-Preferred Liabilities” means liabilities as referred to in paragraph 2 of Article 108 of BRRD as incorporated into the law of the Relevant Jurisdiction;

“SRM Regulation” means Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, as the same may be amended or replaced from time to time;

“Tax Event” means the receipt by the Borrower of an opinion of counsel in the relevant Taxing Jurisdiction (experienced in such matters) to the effect that, as a result of:

- (a) any amendment to, or change in, the laws or treaties (or any regulations thereunder) of the Taxing Jurisdiction affecting taxation;
- (b) any governmental action in the Taxing Jurisdiction; or
- (c) any amendment to, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known,

which amendment or change is effective, or such governmental action, pronouncement, interpretation or decision is announced, on or after the Utilisation Date:

- (i) the Borrower is, or will be, subject to additional taxes, duties or other governmental charges with respect to the Loan or is not, or will not be, entitled to claim a deduction in respect of payments in respect of the Loan in computing

- its taxation liabilities (or the value of such deduction would be materially reduced); or
- (ii) the treatment of any of the Borrower's items of income or expense with respect to the Loan as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Borrower will not be respected by the taxing authority in the Taxing Jurisdiction, which subjects the Borrower to additional taxes, duties or other governmental charges;

“Taxing Jurisdiction” means the Relevant Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Borrower is treated as having a permanent establishment, under the income tax laws of such jurisdiction;

“Tier 1 Capital” means Tier 1 capital for the purposes of the Capital Requirements;

“Tier 2 Capital” means Tier 2 capital for the purposes of the Capital Requirements;

“Utilisation Date” means 31 March 2020;

“Withholding Tax Event” has the meaning given in Clause 8.1.

1.2 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
 - (a) any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
 - (b) a Clause is a reference to a clause of this Agreement;
- (b) Clause headings in this Agreement are for ease of reference only.

2. THE LOAN

Subject to the terms and conditions of this Agreement, the Lender makes available to the Borrower a dated subordinated unsecured loan in the amount of **DKK 1 550 000 000** (DKK one billion five hundred and fifty million) (the **“Loan”**).

3. PURPOSE

The purpose of the Loan is to qualify as Tier 2 capital in accordance with Applicable Banking Regulations towards the satisfaction of Capital Requirements. The Borrower shall apply amounts borrowed by it under this Agreement for general corporate purposes.

4. UTILISATION

The Loan shall be utilised in full on the Utilisation Date by payment from the Lender to an account nominated by the Borrower.

5. STATUS OF THE LOAN

The Loan constitutes and will constitute direct, unsecured and subordinated obligations of the Borrower and is not, and will not be, guaranteed by any other entity.

In the event of liquidation or bankruptcy of the Borrower, the rights and claims (if any) of the Lender to payments of the Loan and any other amounts in respect of the Loan (including any accrued and unpaid interest amount or damages awarded for breach of any obligations under this Agreement, if any are payable) shall:

- (a) be subordinated to the claims of all (i) depositors and/or other unsubordinated creditors of the Borrower; (ii) creditors of present and future Senior Non-Preferred Liabilities of the Borrower; (iii) subordinated creditors of the Borrower (whether in the event of liquidation or bankruptcy of the Borrower or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the Loan;
- (b) rank at least *pari passu* with the claims of all subordinated creditors of the Borrower which in each case by law rank, or by their terms are expressed to rank *pari passu* with the Loan; and
- (c) rank senior to any share capital and any obligations of the Borrower ranking, or expressed to rank, junior to the Loan.

5.1 The Lender shall not be entitled to exercise any right of set-off or counterclaim against moneys owed by the Borrower in respect of the Loan.

6. INTEREST

6.1 The rate of interest on the Loan for each Interest Period is the percentage rate per annum which is the aggregate of:

- (a) a margin of 2.36 per cent per annum; and
- (b) CIBOR, for a period equal in length to such Interest Period, quoted at or about 11.00 a.m. on Reuters page "CIBOR=" two Business Days prior to the first day of the relevant Interest Period (an "**Interest Determination Date**").

If no such rate so appears, the Lender will request appropriate quotations and will determine the rate based on the rate for deposits in DKK offered by the four largest Danish banks as of the relevant time (being approximately 11.00 a.m. CET) on the Interest Determination Date for a period of the duration of the Interest Period and in an amount equal to the Loan. If two or more rates are so quoted, the rate shall be determined to the arithmetic mean of the quotations. If fewer than two rates are so quoted, the rate shall be determined to the arithmetic mean of the rate for deposits in DKK offered by banks selected by the Lender at the relevant time (being approximately 11.00 a.m. CET) on the Interest Determination Date to major banks in Europe for a period of the duration of the Interest Period and in an amount that is equal to the Loan.

If the aggregate of CIBOR, and the margin, as set out above, is less than zero, the rate of interest shall be deemed to be zero for the relevant Interest Period.

- 6.2 An Interest Period shall be a period of three (3) months, subject to Clause 6.3 below.
- 6.3 An Interest Period for the Loan shall not extend beyond the Maturity Date. If an Interest Period would overrun the Maturity Date, it shall be shortened so that it ends on the Maturity Date.
- 6.4 Each Interest Period for the Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.
- 6.5 Interest will be computed from (and including) the first day of each Interest Period to (but excluding) the last day of such Interest Period, on the actual number of days elapsed on a 360 day/year basis (actual/360) or, in any case where the practice in the relevant interbank market differs, in accordance with that market practice.
- 6.6 The Borrower shall pay accrued interest on the Loan on the last day of each Interest Period, subject to the Modified Following Business Day Convention, (each an "**Interest Payment Date**").
- 6.7 Notwithstanding the foregoing provisions, but without prejudice to the minimum interest rate, if the Lender either (i) determines that a Benchmark Event has occurred, or (ii) considers that there may be a Successor Rate, then the following provisions shall apply:
- (a) the Lender shall determine a Successor Rate or, alternatively, if there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period for purposes of determining the rate of interest applicable to the Loan for all future Interest Periods (subject to the subsequent operation of this Clause);
 - (b) if the Lender determines that there is no Successor Rate in circumstances where a Benchmark Event has not occurred, CIBOR will continue to be used to determine any rate of interest (or a component part thereof) (subject to the subsequent operation of this Clause);
 - (c) the Alternative Benchmark Rate shall be such rate as the Lender acting in good faith determines has replaced CIBOR in customary market usage for the purposes of determining floating rates of interest at which the four largest Danish banks are willing to lend amounts in DKK to other banks active on the Danish market for the relevant period, or, if the Lender determines that there is no such rate, such other rate as the Lender acting in good faith determines is most comparable to CIBOR, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
 - (d) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to

the Loan for all future Interest Periods (as applicable) (subject to the subsequent operation of this Clause);

- (e) if the Lender acting in good faith determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and interest amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (f) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Lender, may also specify changes to the provisions of Clauses 6.5 and/or 6.6 (including related definitions), and the method for determining the fallback rate in relation to the Loan, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Loan for all future Interest Periods (as applicable) (subject to the subsequent operation of this Clause); and
- (g) the Lender shall, promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any), give notice thereof and of any changes pursuant thereto to the Borrower.

For the purposes of this Clause:

"Adjustment Spread" means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Lender acting in good faith determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of CIBOR with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt in relation to CIBOR with the Successor Rate; or
- (b) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Lender acting in good faith determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Borrower as a result of the replacement of CIBOR with the Successor Rate or Alternative Benchmark Rate (as applicable);

"Benchmark Event" means:

- (a) CIBOR has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of CIBOR that it has ceased, or will cease, publishing CIBOR permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Interest Base Rate); or
- (c) a public statement by the supervisor of the administrator of the CIBOR that CIBOR has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the CIBOR that means that CIBOR will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Loan; or
- (e) it has or will become unlawful for the Lender to calculate any payments due to be made to the Lender using CIBOR (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable), and

“**Successor Rate**” means the reference rate (and related alternative screen page or source, if available) that the Lender determines is a successor to or replacement of CIBOR (for the avoidance of doubt, whether or not CIBOR has ceased to be available).

Notwithstanding any other provision of this Clause 6.7, no Successor Rate or Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Loan will be made pursuant to this Clause 6.7), if and to the extent that, in the determination of the Borrower, the same could reasonably be expected to prejudice the qualification of the Loan as Tier 2 Capital of the Borrower.

7. **REPAYMENT**

- 7.1 Subject to Clause 8 below, this Loan shall be repaid in full (together with accrued interest) on the Maturity Date.
- 7.2 The Loan shall be repaid in DKK.
- 7.3 All payments to be made by the Borrower under this Agreement shall be made in full without any set-off or counter-claim.
- 7.4 If any payment under this Agreement is due on a day, which is not a Business Day, the payment shall be due on the subsequent Business Day. If, as a result thereof, the payment is to be effected on a day in the succeeding calendar month, then the payment shall be made on the last Business Day of the preceding calendar month (“**Modified Following Business Day Convention**”).
- 7.5 The Borrower shall on demand by the Lender, pay to the Lender its break costs attributable to all or any part of the Loan being paid by the Borrower on a day other than the last day of an Interest Period.

8. EARLY REPAYMENT

8.1 Early Repayment as a result of a Withholding Tax Event

If, as a result of any change in the laws of any Taxing Jurisdiction or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Utilisation Date the Borrower would be required to pay additional amounts as provided in Clause 10 (a "**Withholding Tax Event**"), the Borrower may, at its option, subject to the Conditions to Repayment, having given not less than 5 calendar days' prior notice to the Lender in accordance with Clause 12 (which notice shall be irrevocable) repay the Loan in full (but not in part), together with accrued interest (if any).

8.2 Early Repayment as a result of a Tax Event

Upon the occurrence of a Tax Event, but subject to the Conditions to Repayment, the Borrower may, having given not less than 5 calendar days' prior notice to the Lender in accordance with Clause 12 (which notice shall be irrevocable) repay the Loan in full (but not in part) together with accrued interest (if any).

8.3 Early Repayment as a result of a Capital Event

Upon the occurrence of a Capital Event in respect of the Loan, but subject to the Conditions to Repayment, the Borrower may, at its option, having given not less than 5 calendar days' prior notice to the Lender in accordance with Clause 12 (which notice shall be irrevocable) repay the Loan in full (but not in part) at any time together with accrued interest (if any).

8.4 Optional Early Repayment

The Borrower may, subject to the Conditions to Repayment, at its option, having given not less than 5 calendar days' prior notice to the Lender in accordance with Clause 12 (which notice shall be irrevocable), on the Interest Payment Date falling 5 (five) years after the Utilisation Date and on each subsequent Interest Payment Date repay the Loan in full (but not in part) together with accrued interest.

8.5 Conditions to Repayment

Other than in the case of a repayment on the Maturity Date in accordance with Clause 7, the Borrower may repay the Loan (and give notice thereof to the Lender) only if such repayment is in accordance with the Applicable Banking Regulations and it has been granted the permission of the Competent Authority (if such permission is then required under the Applicable Banking Regulations) and in addition;

- (a) before or at the same time as such repayment of the Loan, the Borrower replaces the Loan with Regulatory Capital of an equal or higher quality on terms that are sustainable for its income capacity; or
- (b) the Borrower has demonstrated to the satisfaction of the Competent Authority that its Tier 2 Capital and eligible liabilities would, following such repayment,

exceed the requirements under the Applicable Banking Regulations by a margin that the Competent Authority may consider necessary; and

- (c) in the case of redemption before five years after the Utilisation Date if:
- (i) the conditions listed in paragraphs (a) or (b) above are met; and
 - (ii) in the case of repayment due to the occurrence of a Capital Event, (A) the Competent Authority considers such change to be sufficiently certain and (B) the Borrower demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of entry into of this Agreement; or
 - (iii) in the case of repayment due to the occurrence of a Withholding Tax Event or Tax Event, the Borrower demonstrates to the satisfaction of the Competent Authority that such Withholding Tax Event or Tax Event is material and was not reasonably foreseeable at the time of entry into of this Agreement; or
 - (iv) before or at the same time of such repayment, the Borrower replaces the Loan with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances,

(the "**Conditions to Repayment**").

9. **EVENTS OF DEFAULT**

- 9.1 If an order is made or an effective resolution is passed for the winding up or liquidation of the Borrower (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Borrower under the Loan) or the Borrower is otherwise declared bankrupt or put into liquidation, in each case, by a court or agency or supervisory authority in the Relevant Jurisdiction or elsewhere having jurisdiction in respect of the same, the Lender may, by notice to the Borrower, declare the Loan to be due and payable, and the Loan shall accordingly become due and payable at its principal amount together with accrued (and unpaid) interest to the date of payment, but the Lender may claim payment in respect of the Loan only in the winding up or liquidation or as the case may be, bankruptcy or liquidation of the Borrower.
- 9.2 No remedy against the Borrower, other than as provided in Clause 9.1 above shall be available to the Lender, whether for the recovery of amounts owing in respect of the Loan or in respect of any breach by the Borrower of any of its obligations or undertakings with respect to the Loan.

10. **TAXATION**

- 10.1 All amounts payable in respect of interest in respect of the Loan will be made free and clear of and 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 the Taxing

Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Borrower will pay such additional amounts as may be necessary in order that the net amounts receivable by the Lender after such withholding or deduction shall equal the respective amounts which would have been receivable by the Lender in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any payment in respect of the Loan to the Lender if it is liable to such taxes or duties in respect of the Loan by reason of having some connection with the Taxing Jurisdiction other than the mere participation in the Loan.

- 10.2 If the Borrower is required to make a withholding or deduction for or an account of taxes from any payment in respect of the Loan, the Borrower, as soon as reasonably practicable after the payment of such taxes being made, shall deliver to the Lender an official tax receipt or other customary evidence of the tax payment in form suitable to claim tax credits in respect of such taxes.
- 10.3 Any reference in this Agreement to interest in respect of the Loan shall be deemed also to refer to any additional amounts which may be payable under this Clause 10.

11. AMENDMENTS

- 11.1 Subject to Clause 11.2, the terms and conditions of this Agreement may only be amended by agreement between the Lender and the Borrower and in accordance with the Applicable Banking Regulations.
- 11.2 If at any time a Withholding Tax Event, a Tax Event or a Capital Event occurs, or to ensure the effectiveness or enforceability of Clause 14, the Borrower may, subject to the Applicable Banking Regulations (without any requirement for the consent or approval of the Lender) and having given not less than 5 calendar days' notice to the Lender (which notice shall be irrevocable), at any time, vary the terms of the Loan so that it remains or, as appropriate, becomes, Tier 2 Capital, provided that, in each case, (i) such variation does not itself give rise to any right of the Borrower to prepay the varied Loan and (ii) such variation is not materially less favourable to the Lender (unless any such prejudice is solely attributable to the effectiveness and enforceability of Clause 14).

For the purpose of this Clause 11, a variation shall be "**materially less favourable to the Lender**" if such varied loan does not:

- (a) include a ranking at least equal to that of the Loan pursuant to Clause 5;
- (b) have the same interest rate and the same interest payment dates as those from time to time applying to the Loan;
- (c) have equivalent prepayment rights as the Loan;
- (d) have the same currency of payment, maturity, and original loan amount as the Loan prior to such variation; or
- (e) preserve any existing rights under the Loan to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation.

12. NOTICES

- 12.1 Any notice, request, consent, or other communication to be made by a party hereto shall be made in writing to the following addresses, or to such other address as may be established by a party and announced to the other party:

If to the Lender:

Nordea Bank Abp
Satamaradankatu 5
FI-00020 Nordea
Helsinki, Finland

Attention: Head of Long Term Funding

If to the Borrower:

Nordea Kredit Realkreditaktieselskab
Helgeshøj Allé 33
PO Box 850
0900 København C
Denmark

Attention: CEO

13. LAW AND DISPUTE SETTLEMENT

- 13.1 This Agreement shall be governed by and construed in accordance with Swedish law, except for Clause 5 which shall be governed by and construed in accordance with the laws of the Relevant Jurisdiction.
- 13.2 Any dispute arising out of or in connection with this Agreement shall, so long as both parties hereto belong to the Nordea Group, be finally settled by the Chief Executive Officer (CEO) of Nordea Bank Abp as sole arbitrator, or such person as he or she may appoint. In the event any of the parties hereto no longer belongs to the Nordea Group, such disputes shall be finally settled by arbitration. The arbitration proceedings shall take place in Sweden.

14. ACKNOWLEDGEMENT OF BAIL-IN AND LOSS ABSORPTION POWERS

- 14.1 Notwithstanding and to the exclusion of any other term of this Agreement or any other agreements, arrangements or understanding between the Borrower and the Lender, the Lender acknowledges and accepts that any liability arising under this Agreement may be subject to the exercise of Bail-in and Loss Absorption Powers by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effect of the exercise of any Bail-in and Loss Absorption Powers by the Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Loan on a permanent basis;

- (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Loan into shares, other securities or other obligations of the Borrower or another person, and the issue to or conferral on the Lender of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of this Agreement;
 - (iii) the cancellation of the Loan or the Relevant Amounts in respect of the Loan; and
 - (iv) the amendment or alteration of the maturity of the Loan or amendment of the amount of interest payable on the Loan, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of this Agreement, as deemed necessary by the Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Resolution Authority.

For the avoidance of doubt any exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority will not constitute an event of default or a breach of the Borrower's obligations or duties in respect of the Loan, or a failure to perform any of the Borrower's obligations or duties in respect of the Loan in any manner whatsoever, and shall not, of itself, entitle Lender to petition for the winding up or liquidation of the Borrower.

IN WITNESS WHEREOF this Agreement has been signed by the Parties on the date first written above.

NORDEA BANK ABP

**NORDEA KREDIT
REALKREDITAKTIESELSKAB**

By: *Lars Hansson* _____
Name: Lars Hansson
Title: Head of ALM Strategy
& Regulations

By: *Mads Skovlund* _____
Name: Mads Skovlund
Title: Best Formand

By: *Maria Kronström* _____
Name: Maria Kronström
Title: Head of Group Business
Support Legal

By: *Kamilla Skytte* _____
Name: Kamilla Skytte
Title: Direktør