

## Articles of association

### Danske Bank A/S

#### Name, activities, registered office and corporate language

1.

1.1. The Bank's name is Danske Bank A/S.

1.2. The registered office of Danske Bank is situated in the City of Copenhagen.

2.

2.1. Danske Bank conducts banking business of every nature, as well as other kinds of business permitted under Danish law.

3.

3.1. The Danske Bank Group's corporate languages are Danish and English.

3.2. In addition to Danish, also English, Norwegian and Swedish may be spoken at the general meeting. Notice and agenda, including full versions of proposals, and other material may be drafted in English.

3.3 Annual reports will be prepared and submitted in English.

#### Share capital

4.

4.1. The share capital of Danske Bank totals DKK 8,959,536,210. The share capital is fully paid up.

4.2. Danske Bank shares are negotiable instruments.

4.3. No special rights attach to any share. No shareholder is under an obligation to have his shares redeemed, either in full or in part. There are no restrictions on the negotiability of the shares.

4.4. Shares are issued as registered shares.

5.

5.1. Upon any new issue of shares for cash, existing shareholders will, as provided by the Danish Companies Act, have pre-emption rights to subscribe for the new shares in proportion to their existing holdings, except in the case of issues of employee shares or issues offered by the Board of Directors without pre-emption rights for existing shareholders pursuant to article 6. below.

5.2. By the majority laid down in paragraph two of article 14., the shareholders in general meeting may decide to waive the above pre-emption rights.

6.

I

#### I. Authority with pre-emption rights

6.1. The Board of Directors is authorised, until 1 March 2024, to raise Danske Bank's share capital by up to DKK 1,720,000,000. The share capital increase may take place on one or more occasions against cash. According to article 5.1., Danske Bank's existing shareholders have pre-emption rights to subscribe for the new shares in proportion to their existing holdings.

6.2. The Board of Directors is also authorised, until 1 March 2024, on one or more occasions to raise loans against bonds or other instruments of debt with access to convert them into shares (convertible loans), and the Board of Directors is authorised to make the related capital increase. Convertible loans may not exceed an amount resulting in a maximum capital increase, which may be effected under the authority to increase Danske Bank's share capital, see article 6.1. above, according to the conversion price fixed at the raising of such loans as laid down by the terms and conditions of the bonds or other instruments of debt. The exercise of this authority reduces, by a corresponding amount, the authority in article 6.1. to increase Danske Bank's share capital. When the Board of Directors decides to raise convertible loans, the authority to increase the share capital, see article 6.1. above, is considered utilised by an amount corresponding to the maximum conversion rights. The conversion period may run for longer than five years after the raising of the convertible loan. Danske Bank's shareholders are entitled to subscribe for convertible loans in proportion to their shareholdings. The decision of the Board of Directors to raise convertible loans must be recorded in the Articles of Association and the Board of Directors is authorised to amend the articles accordingly.

6.3. The new shares are negotiable instruments and are registered by name. The new shares must be fully paid up. Taking into account the time at which subscription for shares or exercise of conversion rights takes place, the Board of Directors determines the extent to which the new shares carry dividend for the year of subscription or for the year when the conversion rights are exercised. Otherwise, the new shares carry dividend as from the first accounting year following the year of subscription for shares or exercise of conversion rights. The shares are subject to the same provisions regarding pre-emption rights as those applying to existing shares and rank *pari passu* with existing shares with respect to rights, redemption and negotiability.

6.4. The detailed terms and conditions governing the subscription for shares and the issue of convertible bonds or other instruments of debt are determined by the Board of Directors.

## II. Authority without pre-emption rights

6.5. The Board of Directors is authorised, until 1 March 2024, to increase Danske Bank's share capital by up to DKK 860,000,000. The share capital increase may take place on one or more occasions. Danske Bank's shareholders are not entitled to subscribe for shares in proportion to their shareholdings. Consequently, the new shares must be offered at market price. The share capital increase may be against payment in cash, conversion of debt or as consideration in connection with Danske Bank's acquisition of an existing business.

6.6. The Board of Directors is also authorised, until 1 March 2024, on one or more occasions to raise loans against bonds or other instruments of debt with access to convert them into shares (convertible loans), and the Board of Directors is authorised to make the related capital increase. Convertible loans may not exceed an amount resulting in a maximum capital increase, which may be effected under the authority to increase Danske Bank's share capital, see article 6.5. above, according to the conversion price fixed at the raising of such loans as laid down by the terms and conditions of the bonds or instruments of debt. The exercise of this authority reduces, by a corresponding amount, the authority in article 6.5. to increase Danske Bank's share capital. When the Board of Directors decides to raise convertible loans, the authority to increase the share capital, see article 6.5. above, is considered utilised by an amount corresponding to the maximum conversion rights. The conversion period may run for longer than five years after the raising of the convertible loan. Danske Bank's shareholders are not entitled to subscribe for convertible loans in proportion to their shareholdings. The decision of the Board of Directors to raise convertible loans must be recorded in the Articles of Association and the Board of Directors is authorised to amend the articles accordingly.

6.7. The new shares are negotiable instruments and are registered by name. The new shares must be fully paid up. Taking into account the time at which subscription for shares or exercise of conversion rights takes place, the Board of Directors determines the extent to which the new shares carry dividend for the year of subscription or for the year when the conversion rights are exercised. Otherwise, the new shares carry dividend as from the first accounting year following the year of subscription for shares or exercise of conversion rights. The shares are subject to the same provisions regarding pre-emption rights as those applying to existing shares and rank *pari passu* with existing shares with respect to rights, redemption and negotiability.

6.8. The detailed terms and conditions governing the subscription for shares and the issue of convertible bonds or other instruments of debt are determined by the Board of Directors.

6.9. On 19 March 2017, the Board of Directors decided to exercise the authorisation in Article 6.6, without pre-emptive rights for Danske Bank's shareholders, to raise loans against notes (in Danish "Kapitalbeviser") for a total amount of USD 750,000,000 (corresponding to DKK 5,193,000,000 calculated on the basis of the national bank of Denmark's (Nationalbanken) exchange rate on the day of the Board of Directors' resolution) with access to convert them into

shares. The notes are issued pursuant to section 12 of the Danish Executive Order no. 295 of 27 March 2014 on Calculation of Risk Exposures, Own Funds and Solvency Need. The terms and conditions set out in appendix 1 to these Articles of Association apply to the issued notes (Terms and Conditions for the Notes).

The maximum capital increase, which can be made on the basis of the issued notes in accordance with this Article 6.9 amounts to nominally DKK 312,891,120. If the issued notes are converted into shares, the price shall be calculated on the basis of the actual price of Danske Bank's shares at the time of the conversion, though the price may not be lower than a fixed minimum price. The specific terms and conditions, also with regards to any conversion, are set out in appendix 1.

Article 6.7 above will also apply to any new shares issued as a consequence of a conversion of notes issued in accordance with this Article 6.9.

6.10. On 16 May 2018, the Board of Directors decided to exercise the authorisation in Article 6.6, without pre-emptive rights for Danske Bank's shareholders, to raise loans against notes (in Danish "Kapitalbeviser") for a total amount of USD 750,000,000 (corresponding to DKK 4,740,750,000 calculated on the basis of the national bank of Denmark's (Nationalbanken) exchange rate on the day of the Board of Directors' resolution) with access to convert them into shares. The notes are issued pursuant to section 12 of the Danish Executive Order no. 295 of 27 March 2014 on Calculation of Risk Exposures, Own Funds and Solvency Need. The terms and conditions set out in appendix 2 to these Articles of Association apply to the issued notes (Terms and Conditions for the Notes).

The maximum capital increase, which can be made on the basis of the issued notes in accordance with this Article 6.10 amounts to nominally DKK 312,891,120. If the issued notes are converted into shares, the price shall be calculated on the basis of the actual price of Danske Bank's shares at the time of the conversion, though the price may not be lower than a fixed minimum price. The specific terms and conditions, also with regards to any conversion, are set out in appendix 2.

Article 6.7 above will also apply to any new shares issued as a consequence of a conversion of notes issued in accordance with this Article 6.10.

## 7.

7.1. The shares must be issued in a denomination of DKK 10 through the Danish VP Securities A/S in accordance with the provisions of law regarding the issue of listed securities, and dividends must be distributed in accordance with applicable rules. Notice of rights in respect of the shares must be given to the Danish VP Securities A/S.

7.2. Danske Bank A/S's share register is kept by VP Investor Services A/S (VP Services A/S), CVR number 30201183.

7.3. InvestorPortalen™ is an Internet-based solution, provided by VP Services A/S, that enables shareholders to electronically sign up for electronic publications from Danske Bank and to provide contact information to allow Danske Bank to send material electronically to

shareholders having provided such information. InvestorPortalen™ also enables shareholders to register electronically for general meetings.

7.4. All communication from Danske Bank to its shareholders may take place through electronic document exchange and electronic mail solutions (electronic communication) available to its shareholders at Danske Bank's website ([www.danskebank.com](http://www.danskebank.com)) and/or InvestorPortalen™ for the purpose of enabling shareholders to electronically receive notices of general meetings with relevant agendas; complete proposals; proxy forms; interim reports; annual reports; company announcements; financial calendars; prospectuses; and other general information from Danske Bank. Danske Bank always has the option of communicating by ordinary mail.

7.5. The shareholders are responsible for providing Danske Bank with correct electronic contact information.

7.6. Shareholders may send messages to Danske Bank by electronic mail through InvestorPortalen™ to the specified e-mail address, to [kapitalejer@danskebank.dk](mailto:kapitalejer@danskebank.dk) or to [shareholder@danskebank.com](mailto:shareholder@danskebank.com). Instruments to appoint proxies for a general meeting must be made in writing, duly dated and produced.

7.7. The shareholders can find information about system requirements and the procedure for communicating electronically at Danske Bank's website ([www.danskebank.com](http://www.danskebank.com)) or the VP Securities A/S's website ([www.vp.dk](http://www.vp.dk)).

#### General meeting

### 8.

8.1. An annual general meeting must be held every year not later than 30 April.

8.2. Extraordinary general meetings must be held at the request of the Board of Directors or one of the auditors appointed by the shareholders in general meeting. Shareholders holding a total of 5% of the share capital may submit a written request for an extraordinary general meeting. An extraordinary general meeting to be held for the purpose of transacting specified business must be convened within two weeks of the receipt of such request.

8.3. All general meetings must be held in the metropolitan area of Copenhagen.

### 9.

9.1. A general meeting is called by the Board of Directors at not more than five weeks' and not less than three weeks' notice, by announcement on Danske Bank's website ([danskebank.com](http://danskebank.com)) and in writing to all registered shareholders who have requested such notification. Notice is also given to Danske Bank's employees.

9.2. The notice convening the general meeting states the time and place and the agenda specifying the business to be transacted. If the general meeting is to transact amendments to the articles of association, the notice must contain the full wording of any proposals.

9.3. The agenda and the proposals in extenso (and in the case of the annual general meeting

also the audited annual report) must be made available for inspection by the shareholders no later than two weeks prior to the general meeting and must also be available for a period of three weeks beginning no later than three weeks before the general meeting, including the day of the general meeting, at Danske Bank's website, with information about the total number of shares and voting rights at the date of convening, the documents to be submitted to the general meeting and the forms to be used for voting by proxy and by letter.

9.4. Any shareholder is entitled to have specified business transacted at the annual general meeting, provided that the shareholder submits a request in writing to this effect to the Board of Directors and such request is received by the Board of Directors no later than six weeks before the annual general meeting or one week after the publication of the annual report.

## 10.

10.1. The general meeting is presided over by a chairman of the meeting appointed by the Board of Directors. The chairman ensures that the general meeting is conducted in an orderly manner. The chairman of the meeting has the authority needed, including the right to prepare debates, voting themes and voting methods, the right to end debates and speeches, and the right to expel general meeting participants.

10.2. Resolutions and proceedings at the general meeting are recorded in a minutes book to be signed by the chairman of the meeting.

## 11.

11.1. Any shareholder who has requested an admission card no later than two days before the general meeting or has sent an instrument appointing a proxy so that it is received by VP Investor Services A/S no later than two days before the general meeting will be entitled to attend the meeting. Shareholders unable to attend may vote by postal ballot. The postal ballot must be received by VP Investor Services A/S no later than 4.00pm on the day before the general meeting.

11.2. A shareholder is entitled to vote at the general meeting according to the number of shares held at the date of registration.

11.3. The date of registration is one week before the date of the general meeting. The number of shares held by a shareholder is calculated on the registration date on the basis of the information in the register of shareholders and information about ownership that Danske Bank and/or VP Investor Services A/S (VP Services A/S) has received but that has not yet been entered in the register of shareholders.

11.4. Each share of DKK 10 carries one vote at the general meeting.

## 12.

12.1. Any shareholder is entitled to be represented by proxy and to attend the general meeting together with an adviser. The instrument appointing the proxy, which must be produced, must be in writing and duly dated. The instrument may be revoked at any time.

13.

13.1. At the annual general meeting the audited annual report is submitted.

13.2. The agenda for the annual general meeting must comprise the following items:

- a. Submission of the annual report for adoption. A proposal by the Board of Directors and the Executive Board for allocation of profits or for the cover of losses according to the adopted annual report.
- b. Election of directors in accordance with the provisions of article 15.
- c. Appointment of external auditors in accordance with article 21.
- d. Any other proposals or business submitted by shareholders or the Board of Directors.

13.3. The Board of Directors is authorised to make extraordinary dividend payments.

14.

14.1. Decisions at the general meeting are taken by a simple majority of votes, unless otherwise provided by law or by these articles. In case of parity of votes on an election, the election is decided by drawing lots.

14.2. Resolutions regarding an amendment to these articles which pursuant to law cannot be made by the Board of Directors is passed only if adopted by not less than two-thirds of the votes cast and by not less than two-thirds of the share capital represented at the general meeting and entitled to vote, always provided that such amendments are not subject to more stringent statutory provisions. Amendments to paragraph three of this article must, however, be adopted in accordance with the provisions set out therein.

14.3. A resolution to wind up Danske Bank by merger or voluntary liquidation is passed only if adopted by not less than three-quarters of the votes cast and by not less than three-quarters of the share capital represented at the general meeting and entitled to vote.

Board of Directors

15.

15.1. The Board of Directors is elected by the shareholders in general meeting, with the exception of those directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors.

15.2. The directors elected by the shareholders in general meeting, who are elected for a term of one year, must number not less than six and not more than ten.

15.3. Directors are eligible for re-election.

16.

16.1. After the annual general meeting, the Board of Directors elects a chairman and one or two vice chairmen from among themselves. In case of parity of votes, the election is decided by lot.

17.

17.1. The Board of Directors meets on being convened by the chairman, or in his absence by a vice chairman. Meetings are held when the chairman, or in his absence a vice chairman, finds it appropriate, or when so requested by a director, a member of Danske Bank's Executive Board, an auditor appointed by the shareholders in general meeting, or the head of Danske Bank's internal audit department.

17.2. Decisions can be made by written ballot or by voting carried out in any other reliable manner. Meetings of the Board of Directors may be held in Danish and English.

17.3. The Board of Directors constitutes a quorum when more than half of its members participate in the passing of a resolution. In case of parity of votes, the chairman, or, in his absence, the vice chairman chairing the meeting, has the casting vote.

17.4. Minutes are kept of board meetings, and entries in the minutes book are signed by the directors.

17.5. The Board of Directors establishes its own rules of procedure.

17.6. The Board of Directors may delegate authority to make decisions to a committee set up by the Board. Such a committee may be authorised to consider standardised business if the full Board of Directors has laid down guidelines for such consideration in advance. The full Board of Directors regularly assesses the guidelines and the work performed by the committee. The Board of Directors is, however, ultimately responsible for the consideration of any such business and for decisions made.

18.

18.1. The Board of Directors appoints and dismisses the Executive Board, the group chief auditor and the board of directors secretary.

18.2. General guidelines have been prepared for incentive pay by Danske Bank to the Board of Directors and the Executive Board. These guidelines have been adopted by Danske Bank's general meeting and published on Danske Bank's website.

#### Executive Board

19.

19.1. The Executive Board manages the day-to-day business and affairs of Danske Bank and consists of not less than two and not more than twelve members. The Rules of Procedure of the Executive Board are established by the Board of Directors.



## Signing powers

20.

20.1. Danske Bank is bound by the signatures of the whole Board of Directors, by the joint signatures of the chairman and a vice chairman of the Board of Directors, by the signature of one of these jointly with that of a member of the Executive Board, or by the joint signatures of two members of the Executive Board.

20.2. The Executive Board may grant mandates or powers of attorney to any employee of Danske Bank.

## Auditing and accounting year

21.

21.1. Danske Bank's Annual Report is audited in accordance with prevailing legislation by one or more audit firms appointed for one year at a time.

22.

22.1. The accounting year of Danske Bank runs from 1 January to 31 December.

## Secondary names

23.

23.1. Danske Bank also conducts business under the following secondary names:

Den Danske Landmandsbank, Aktieselskab (Danske Bank A/S),  
Den Danske Bank af 1871, Aktieselskab (Danske Bank A/S),  
Aktieselskabet Kjøbenhavns HandelsBank (Danske Bank A/S),  
Copenhagen HandelsBank A/S (Danske Bank A/S),  
Provinsbanken A/S (Danske Bank A/S),  
Den Danske Provinsbank A/S (Danske Bank A/S),  
Aktieselskabet Aarhus Privatbank (Danske Bank A/S),  
Fyens Disconto Kasse Bank-Aktieselskab (Danske Bank A/S),  
Aalborg Diskontobank A/S (Danske Bank A/S),  
Aalborg Bank A/S (Danske Bank A/S),  
Sjællandske Bank A/S (Danske Bank A/S),  
Danske Børs Bank A/S (Danske Bank A/S),  
Den Direkte Bank A/S (Danske Bank A/S),  
Pro Kredit Bank A/S (Danske Bank A/S),  
Nordania Leasing Bankaktieselskab (Danske Bank A/S),  
Danske Kapitalforvaltning Bankaktieselskab (Danske Bank A/S),  
Danica Bank A/S (Danske Bank A/S),  
Danica Pensionsbank A/S (Danske Bank A/S),  
Merchant Bank Privat A/S (Danske Bank A/S),  
BG Bank A/S (Danske Bank A/S),  
By- og Landbosparekassen A/S (Danske Bank A/S),  
Sindal Sparekasse A/S (Danske Bank A/S),

Læsø Sparekasse A/S (Danske Bank A/S),  
Nibe Sparekasse A/S (Danske Bank A/S),  
Løgstør Sparekasse A/S (Danske Bank A/S),  
Arden Sparekasse A/S (Danske Bank A/S),  
Ålestrup Sparekasse A/S (Danske Bank A/S),  
Kjellerup Sparekasse A/S (Danske Bank A/S),  
Sparekassen Grenå A/S (Danske Bank A/S),  
Silkeborg Sparekasse A/S (Danske Bank A/S),  
Samsø Sparekasse A/S (Danske Bank A/S),  
Sparekassen Ulstrup A/S (Danske Bank A/S),  
Esbjerg Sparekasse A/S (Danske Bank A/S),  
Sparekassen Kolding A/S (Danske Bank A/S),  
Ribe Sparekasse A/S (Danske Bank A/S),  
Skodborg Sparekasse A/S (Danske Bank A/S),  
Sparekassen Skærbæk A/S (Danske Bank A/S),  
Ulkebøl Sparekasse A/S (Danske Bank A/S),  
Præstbro Sparekasse A/S (Danske Bank A/S),  
Ølgod Sparekasse A/S (Danske Bank A/S),  
Serritslev Sogns Spare- og Laanekasse A/S (Danske Bank A/S),  
Sparekassen Højer A/S (Danske Bank A/S),  
Sparekassen Syddjylland A/S (Danske Bank A/S),  
Sparekassen Fredericia A/S (Danske Bank A/S),  
Sparekassen Haderslev A/S (Danske Bank A/S),  
Agerskov Sparekasse A/S (Danske Bank A/S),  
Toftlund Sparekasse A/S (Danske Bank A/S),  
Sparekassen for Christiansfeld og Omegn A/S (Danske Bank A/S),  
Vojens Sparekasse A/S (Danske Bank A/S),  
Landbosparekassen for Ribe og Omegn A/S (Danske Bank A/S),  
Sparekassen Bramminge A/S (Danske Bank A/S),  
Vejrup Sogns Spare- og Laanekasse A/S (Danske Bank A/S),  
Grimstrup-Nykirke Sognes Spare- og Laanekasse A/S (Danske Bank A/S),  
Gørding og Omegns Sparekasse A/S (Danske Bank A/S),  
Varde Sparekasse A/S (Danske Bank A/S),  
Oksbøl Sparekasse A/S (Danske Bank A/S),  
Vejen Sparekasse A/S (Danske Bank A/S),  
Holsted Sparekasse A/S (Danske Bank A/S),  
Andst og Omegns Sparekasse A/S (Danske Bank A/S),  
Veerst-Bække Sparekasse A/S (Danske Bank A/S),  
Gesten Sparekasse A/S (Danske Bank A/S),  
Sparekassen Vejle A/S (Danske Bank A/S),  
Øster Nykirke Sogns Spare- og Laanekasse A/S (Danske Bank A/S),  
Aagaard Sparekasse A/S (Danske Bank A/S),  
Alminde Sparekasse A/S (Danske Bank A/S),  
Vester Nebel Sparekasse A/S (Danske Bank A/S),  
Givskud Sogns Spare- og Laanekasse A/S (Danske Bank A/S),  
Tørring og Omegns Spare- og Laanekasse A/S (Danske Bank A/S),  
Børkop og Omegns Sparekasse A/S (Danske Bank A/S),  
Spare- og Laanekassen i Egtved A/S (Danske Bank A/S),  
Ringive Sparekasse A/S (Danske Bank A/S),  
Thyregod-Vester Sognes Spare- og Laanekasse A/S (Danske Bank A/S)

Uldum Sparekasse A/S (Danske Bank A/S),  
Hvejsel Sogns Spare- og Laanekasse A/S (Danske Bank A/S),  
Glejbjerg Sparekasse A/S (Danske Bank A/S),  
Fyens Stifts Sparekasse A/S (Danske Bank A/S),  
Landbo-Sparekassen for Fyn (Danske Bank A/S),  
Bogense Sparekasse A/S (Danske Bank A/S),  
Lyngby Sparekasse A/S (Danske Bank A/S),  
Korsør Sparekasse A/S (Danske Bank A/S),  
Næstved Sparekasse A/S (Danske Bank A/S),  
Haslev Sparekasse A/S (Danske Bank A/S),  
Faxe Sparekasse A/S (Danske Bank A/S),  
Stevns Sparekasse A/S (Danske Bank A/S),  
Sorø Sparekasse A/S (Danske Bank A/S),  
Sparekassen Møn A/S (Danske Bank A/S),  
Højby Sparekasse A/S (Danske Bank A/S),  
Asnæs Sparekasse A/S (Danske Bank A/S),  
Sparekassen for Grevskabet Holsteinborg og Omegn A/S (Danske Bank A/S),  
DK Sparekassen A/S (Danske Bank A/S),  
Frederiksberg Sparekasse A/S (Danske Bank A/S),  
Sparekassen Danmark A/S (Danske Bank A/S),  
Bornholmerbanken A/S (Danske Bank A/S),  
Hasle Bank A/S (Danske Bank A/S),  
Girobank A/S (Danske Bank A/S),  
Girobank Danmark A/S (Danske Bank A/S),  
Sparekassen Bikuben A/S (Danske Bank A/S),  
Netbank A/S (Danske Bank A/S),  
Bikuben Girobank A/S (Danske Bank A/S),  
Firstnordic Bank A/S (Danske Bank A/S),  
Danske Bank International A/S (Danske Bank A/S),  
Danske Bank Polska A/S (Danske Bank A/S),  
Fokus Bank A/S (Danske Bank A/S),  
National Irish Bank A/S (Danske Bank A/S),  
Northern Bank A/S (Danske Bank A/S),  
Sampo Pankki Oyj A/S (Danske Bank A/S),  
AB Sampo bankas A/S (Danske Bank A/S),  
AS Sampo Pank A/S (Danske Bank A/S),  
AS Sampo Banka A/S (Danske Bank A/S),  
Profibank ZAO A/S (Danske Bank A/S),  
Rahatukku Postipankki - Extrakapital Postbanken A/S (Danske Bank A/S),  
Postipankki A/S, (Danske Bank A/S),  
Leonia Pankki A/S (Danske Bank A/S),  
Interbank A/S (Danske Bank A/S),  
Finbank A/S (Danske Bank A/S),  
Sampo Rahoitus A/S (Danske Bank A/S),  
Sampo Finans A/S (Danske Bank A/S),  
Sampo Finance A/S (Danske Bank A/S),  
Avainrahoitus A/S (Danske Bank A/S),  
Danske Capital A/S (Danske Bank A/S),

Sampo Pankki A/S (Danske Bank A/S),

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The most recent amendments to the Articles of Association were approved by the annual general meeting on 18 March 2019.

## Appendix 1: Terms and Conditions of the Notes

*The following is the text of the Terms and Conditions of the Notes which will be endorsed on each Definitive Note. The Terms and Conditions applicable to any Global Note will differ from those Terms and Conditions which would apply to a Definitive Note to the extent described under “Overview of Provisions relating to the Notes while in Global Form” above.*

### **1. Introduction**

- 1.1 *Notes:* The USD 750,000,000 Perpetual Non-cumulative Resettable Additional Tier 1 Convertible Capital Notes (the “**Notes**”) are issued by Danske Bank A/S (the “**Issuer**”).
- 1.2 *Issue and Paying Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 28 March 2017 (as supplemented, amended and/or replaced from time to time, the “**Agency Agreement**”) between the Issuer, Citibank, N.A., London Branch as fiscal agent and paying agent (the “**Fiscal Agent**”, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such and together with any additional or successor paying agents appointed from time to time in accordance with the Agency Agreement, the “**Paying Agents**”).
- 1.3 *Deed of Covenant:* The Notes have the benefit of a deed of covenant dated 28 March 2017 (as supplemented, amended and/or replaced from time to time, the “**Deed of Covenant**”).
- 1.4 *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the “**Holders**”) and the holders of the interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Holders during normal business hours at the Specified Office of each of the Paying Agents.

### **2. Interpretation**

- 2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“**7-year Mid-Swap Rate**” means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period:

- (i) the rate for U.S. Dollar swaps with a term of 7 years which appears on the Screen Page as of 11:00 a.m. (New York City time) on such Reset Rate of Interest Determination Date; or
- (ii) if the 7-year Mid-Swap Rate does not appear on the Screen Page at such time on such Reset Rate of Interest Determination Date, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date;

“**7-year Mid-Swap Rate Quotations**” means the arithmetic mean of the bid and offered rates for the semi-annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating U.S. Dollar interest rate swap transaction which:

- (i) has a term of 7 years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on 3-month U.S. Dollar LIBOR (calculated on an Actual/360 day count basis);

“**Additional Tier 1 Capital**” means capital which is treated as Additional Tier 1 capital (or any equivalent or successor term) under CRD IV requirements by the Relevant Regulator for the purposes of the Issuer and the Group;

“**Alternative Consideration**” means, in respect of each Note and as determined by the Issuer:

- (i) if all of the Conversion Shares are sold in the Conversion Shares Offer, the *pro-rata* share of the cash proceeds from the sale of such Conversion Shares attributable to such Note (converted into USD at the Prevailing Exchange Rate as of the day which is three Settlement Shares Depository Business Days prior to the relevant Settlement Date) as determined by the Settlement Shares Depository, and less the *pro-rata* share of any foreign exchange transaction costs and an amount equal to the *pro-rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of the Conversion Shares to the Settlement Shares Depository pursuant to the Conversion Shares Offer;
- (ii) if some, but not all of the Conversion Shares are sold in the Conversion Shares Offer, (a) the *pro-rata* share of the cash proceeds from the sale of such Conversion Shares attributable to such Note (converted into USD at the Prevailing Exchange Rate as of the day which is three Settlement Shares Depository Business Days prior to the relevant Settlement Date) as determined by the Settlement Shares Depository, and less the *pro-rata* share of any foreign exchange transaction costs and an amount equal to the *pro-rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of the Conversion Shares to the Settlement Shares Depository pursuant to the Conversion Shares Offer and (b) the *pro-rata* share of such Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such Note rounded down to the nearest whole number of Conversion Shares; and
- (iii) if no Conversion Shares are sold in the Conversion Shares Offer, the relevant number of Conversion Shares which would have been received had the Issuer not elected that the Settlement Shares Depository should carry out a Conversion Shares Offer;

“**BRRD**” means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time;

“**Business Day**” means 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 Copenhagen, New York City and London;

“**Calculation Amount**” means USD 1,000 (the “**Original Calculation Amount**”), provided that if the Outstanding Principal Amount of each Note is reduced as required by then current legislation and/or regulations applicable to the Issuer, the Fiscal Agent shall (i) adjust the Calculation Amount on a *pro-rata* basis to account for such reduction and (ii) notify the Holders in accordance with Condition 17 (*Notices*) of the details of such adjustment;

“**Capital Event**” means, at any time, on or after the Issue Date, there is a change in the regulatory classification of the Notes that results or will result in:

- (i) their exclusion, in whole or in part, from the regulatory capital of the Issuer and/or the Group; or
- (ii) reclassification, in whole or in part, as a lower quality form of regulatory capital of the Issuer and/or the Group,

in each case provided that the Issuer satisfies the Relevant Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance;

“**Cash Dividend**” means any Dividend in cash (in whatever currency);

“**Code**” means the U.S. Internal Revenue Code of 1986;

“**Common Equity Tier 1 Capital**” means common equity tier 1 capital (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with CRD IV requirements and any applicable transitional arrangements under CRD IV;

“**Common Equity Tier 1 Capital Ratio**” means:

- (i) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer divided by the Risk Exposure Amounts of the Issuer; and
- (ii) in relation to the Group, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Group divided by the Risk Exposure Amounts of the Group,

in each case, all as calculated by the Issuer at any time in accordance with CRD IV requirements and any applicable transitional arrangements under CRD IV and reported to the Relevant Regulator;

“**Contractual Currency**” has the meaning given to such term in Condition 18 (*Currency Indemnity*);

“**Conversion Date**” has the meaning given to such term in Condition 7.2 (*Effect of Trigger Event*);

“**Conversion Notice**” means a notice in the form for the time being currently available from the Specified Office of any Paying Agent and which is required to be delivered to the Settlement Shares Depository (or its agent(s) designated for the purpose in the Trigger Event Notice) in connection with the conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*);

“**Conversion Price**” means, if the Ordinary Shares are:

- (i) then admitted to trading on a Relevant Stock Exchange, the greater of:
  - (a) the Current Market Price of an Ordinary Share on the Conversion Date converted into USD at the then Prevailing Exchange Rate; and
  - (b) the Floor Price on the Conversion Date; or
- (ii) not then admitted to trading on a Relevant Stock Exchange, the Floor Price on the Conversion Date;

“**Conversion Shares**” means the Ordinary Shares which are issued as a result of the conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*) (and each a “**Conversion Share**”);

“**Conversion Shares Offer**” has the meaning given to such term in Condition 7.6 (*Conversion Shares Offer*);

“**Conversion Shares Offer Price**” means the price per Conversion Share specified as such in the Conversion Shares Offer Election Notice. The Conversion Shares Offer Price shall be, if the Ordinary Shares are:

- (i) then admitted to trading on a Relevant Stock Exchange, the Current Market Price as at the Conversion Date; or
- (ii) not then admitted to trading on a Relevant Stock Exchange, the Fair Market Value of the Conversion Shares as at the Conversion Date;

“**Conversion Shares Offer Election Notice**” has the meaning given to such term in Condition 7.6 (*Conversion Shares Offer*);

“**Conversion Shares Offer Period**” has the meaning given to such term in Condition 7.6 (*Conversion Shares Offer*);

“**Coupon Sheet**” means, in relation to a Note, the coupon sheet relating to that Note;

“**CRD IV**” means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

“**CRD IV Directive**” means the Directive (2013/36/EU) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time;

“**CRD IV Implementing Measures**” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards released from time to time by the European Banking Authority (or any successor or replacement thereof);

“**CRR**” means the Regulation (2013/575) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

“**Current Market Price**” means, in respect of a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive Dealing Days ending on the Dealing Day immediately preceding such date; provided that, if at any time during the said five-Dealing Day period, the Volume Weighted Average Price shall have been based on a price ex-dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement), then:

- (i) if the Conversion Shares do not rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any



withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or

- (ii) if the Conversion Shares do rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-dividend (or ex- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that:

- (1) if on each of the said five Dealing Days, the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Conversion Shares do not rank for that dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; and
- (2) if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five Dealing Days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-Dealing Day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Adviser;

**“Danish Bankruptcy Act”** means the Danish Bankruptcy Act (Consolidated Act No. 11 of 6 January 2014, as amended);

**“DBA”** means the Danish Business Authority (in Danish: *“Erhvervsstyrelsen”*) and any successor or replacement thereto, or other authority having responsibility for registering any changes in the share capital of the Issuer;

**“Danish Financial Business Act”** means the Danish Financial Business Act (Consolidated Act No. 174 of 31 January 2017, as amended);

**“Danish Statutory Loss Absorption Powers”** means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Denmark, relating to (i) the transposition of the BRRD (or, as the case may be, any provision of Danish law transposing or implementing such Directive) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into Ordinary Shares, other Securities or other obligations of the Issuer or any other Person (or suspended for a temporary period);

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), **“30/360”** which means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

“**Dealing Day**” means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares, Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

“**Distributable Items**” means, as prescribed by CRD IV, the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments less any losses brought forward, profits which are non-distributable pursuant to provisions in legislation or the institution’s by-laws and sums placed to non-distributable reserves in accordance with applicable national law or the statutes of the institution, those losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts, or any successor provision thereto;

“**Dividend**” means any dividend or distribution in respect of the Ordinary Shares which is to be paid or made to Shareholders as a class, whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital;

“**DKK**” means Danish Kroner;

“**Effective Date**” means, in the case of an adjustment to the Floor Price pursuant to paragraph (iii) of Condition 7.8 (*Adjustments to Floor Price*), the first day on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange;

“**Enforcement Events**” has the meaning given to such term in Condition 11 (*Enforcement Events*);

“**Existing Hybrid Tier 1 Capital Notes**” means obligations or capital instruments issued by the Issuer prior to the Issue Date constituting hybrid core capital (in Danish: “*hybrid kernekapital*”), including EUR 600,000,000 4.878 per cent. Notes (ISIN XS0287195233) and SEK 650,000,000 5.1192 per cent. Notes (ISIN XS0286467559);

“**Extraordinary Resolution**” has the meaning given to such term in the Agency Agreement;

**“Fair Market Value”** means, with respect to any property on any date, the fair market value of that property as determined by an Independent Adviser in good faith, provided that:

- (i) the Fair Market Value of any cash amount shall be the amount of such cash;
- (ii) where Securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined in good faith by an Independent Adviser), the Fair Market Value of:
  - (a) such Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities; and
  - (b) such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights,

in either case, during the five-Dealing Day period (in respect of the relevant stock exchange or securities market) commencing on such date (or, if later, the first such Dealing Day such Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, options, warrants or other rights are publicly traded;

- (iii) where Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, options, warrants or other rights shall be determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.

Save for the Fair Market Value determination referred to in the definition of “Conversion Shares Offer Price”, such amounts shall, in the case of (i) above, be converted into the Relevant Currency (if declared, announced, made, paid or payable in a currency other than the Relevant Currency, and if the relevant dividend is payable at the option of the Issuer or a Shareholder in any currency additional to the Relevant Currency, the relevant dividend shall be treated as payable in the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and, in any other case, shall be converted into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Exchange Rate on that date. In addition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

**“First Call Date”** means 28 March 2024;

**“First Interest Payment Date”** means 28 September 2017;

**“Floor Price”** means USD 23.97, subject to adjustment thereafter in accordance with Condition 7.8 (*Adjustments to Floor Price*), provided that the Floor Price shall not be less than the par value of the Ordinary Shares immediately prior to the Conversion Date converted into USD at the then Prevailing Exchange Rate;

**“Group”** means the Issuer together with its Subsidiaries and other entities that are consolidated in the Issuer’s calculation of the Common Equity Tier 1 Capital Ratio on a consolidated level in accordance with CRD IV requirements;

**“Independent Adviser”** means an independent financial institution or independent financial adviser of international repute appointed by the Issuer at the Issuer’s expense;

**“Initial Period”** means the period from (and including) the Issue Date to (but excluding) the First Call Date;

**“Initial Rate of Interest”** means 6.125 per cent. per annum;

**“Interest Payment Date”** means 28 March and 28 September in each year from (and including) 28 September 2017;

**“Interest Period”** means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“Issue Date”** means 28 March 2017;

**“Latest Conversion Shares Offer Election Date”** means the 10th Business Day following the Conversion Date;

**“Long-Stop Date”** means the date specified as such in the Trigger Event Notice, which date shall be at least 15 Business Days following the Notice Cut-off Date;

**“Margin”** means 3.896 per cent.;

**“Maximum Distributable Amount”** means any maximum distributable amount relating to the Issuer and/or the Group (if any) which is determined pursuant to Article 141 of the CRD IV Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141 of the CRD IV Directive), or any successor provision thereto;

**“Notice Cut-off Date”** means the date specified as such in the Trigger Event Notice, which date shall be at least 20 Business Days following the Conversion Date;

**“Optional Redemption Date (Call)”** means the First Call Date or any Interest Payment Date thereafter;

**“Ordinary Shares”** means fully paid-up ordinary shares in the capital of the Issuer (and each an **“Ordinary Share”**);

**“Original Calculation Amount”** has the meaning given to such term in the definition of Calculation Amount;

**“Outstanding Principal Amount”** means, in respect of a Note, the outstanding principal amount of such Note, as adjusted from time to time for any reduction as required by then current legislation and/or regulations applicable to the Issuer and **“Outstanding Principal Amounts”** means the sum of the Outstanding Principal Amount of each Note;

**“Payment Business Day”** means 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) the relevant place of presentation and (ii) New York City;

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

**“Prevailing Exchange Rate”** means, in relation to any two currencies and any day:

- (i) for the purposes of the definition of Alternative Consideration, the executable bid quotation obtained by the Settlement Shares Depository which is most favourable to the relevant Holder, out

of quotations obtained by it from three recognised foreign exchange dealers selected by the Settlement Shares Depositary, for value on such day; and

- (ii) for all other purposes, the prevailing market currency exchange rate at the time at which such rate is determined in the relevant market for foreign exchange transactions in such currencies for value on such day, as determined by the Issuer in its sole discretion and acting in a commercially reasonable manner;

**“Qualifying Capital Notes”** means, at any time, any securities (other than the Notes) issued or guaranteed by the Issuer that:

- (i) (a) contain terms which at such time comply with CRD IV requirements in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or both of the Special Event redemption events which are included in the Notes) and (b) provide at least the same amount of regulatory capital recognition as the Notes prior to the relevant substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (ii) carry the same rate of interest, including for the avoidance of doubt any reset provisions, from time to time applying to the Notes prior to the relevant substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (iii) have the same Outstanding Principal Amounts as the Notes prior to substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (iv) rank *pari passu* with the Notes prior to the substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (v) shall not at such time be subject to a Special Event; and
- (vi) have terms not otherwise materially less favourable to the Holders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect signed by two of its directors to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent’s Specified Office during its normal business hours) not less than 5 Business Days prior to (a) in the case of a substitution of the Notes pursuant to Condition 8.6 (*Substitution and variation*), the issue date of the relevant securities or (b) in the case of a variation of the Notes pursuant to Condition 8.6 (*Substitution and variation*), the date such variation becomes effective; and
- (vii) if the Notes were listed or admitted to trading on a recognised stock exchange immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange, as selected by the Issuer;

**“Rate of Interest”** means:

- (i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or
- (ii) in the case of each Interest Period thereafter, the sum of (a) the Reset Rate of Interest in respect of the Reset Interest Period in which such Interest Period falls and (b) the Margin,

all as determined by the Fiscal Agent in accordance with Condition 5 (*Interest*);

**“Relevant Amounts”** means the Outstanding Principal Amounts of the Notes, together with any accrued but unpaid interest and additional amounts (as described in Condition 10 (*Taxation*)) due on the Notes. 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 Danish Statutory Loss Absorption Powers by the Relevant Resolution

Authority;

**“Relevant Currency”** means the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time;

**“Relevant Date”** means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders in accordance with Condition 17 (*Notices*);

**“Relevant Regulator”** means the Danish Financial Supervisory Authority and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer;

**“Relevant Resolution Authority”** means the resolution authority with the ability to exercise any Danish Statutory Loss Absorption Powers in relation to the Issuer;

**“Relevant Stock Exchange”** means Nasdaq Copenhagen A/S or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on Nasdaq Copenhagen A/S, the principal stock exchange or securities market (if any) on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing;

**“Reset Date”** means the First Call Date and each day which falls on the seventh anniversary of the immediately preceding Reset Date;

**“Reset Interest Amount”** has the meaning given to such term in Condition 5.4 (*Determination of Reset Rate of Interest in relation to a Reset Interest Period*);

**“Reset Interest Period”** means each period from (and including) the First Call Date or any Reset Date and ending on (but excluding) the next Reset Date;

**“Reset Rate of Interest”** means, in relation to a Reset Interest Period, the 7-year Mid-Swap Rate determined for such Reset Interest Period by the Fiscal Agent in accordance with Condition 5 (*Interest*);

**“Reset Rate of Interest Determination Date”** means, in relation to a Reset Interest Period, the day falling two U.S. Government Securities Business Days prior to the Reset Date on which such Reset Interest Period commences;

**“Reset Reference Bank Rate”** means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the percentage rate determined on the basis of the 7-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Fiscal Agent at approximately 11:00 a.m. (New York City time) on such Reset Rate of Interest Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period will be (i) in the case of each Reset Interest Period other than the Reset Interest Period commencing on the First Call Date, the 7-year Mid-Swap Rate in respect of the immediately preceding Reset Interest Period or (ii) in the case of the Reset Interest Period commencing on the First Call Date, 2.229 per cent. per annum;

**“Reset Reference Banks”** means five leading swap dealers in the New York City interbank market selected by the Fiscal Agent in its discretion after consultation with the Issuer;

**“Risk Exposure Amounts”** means the aggregate amount of the risk exposure amounts (or any equivalent

or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with CRD IV requirements and any applicable transitional arrangements under CRD IV;

“**Screen Page**” means Reuters Screen “ICESWAP1” or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the 7-year Mid-Swap Rate;

“**Securities**” means any securities including, without limitation, shares in the capital of the Issuer (and each a “**Security**”);

“**Settlement Date**” means:

- (i) with respect to any Note in relation to which a Conversion Notice is received by the Settlement Shares Depository (or its designated agent) on or before the Notice Cut-off Date in accordance with Condition 7.5 (*Conversion Settlement*):
  - (a) where (A) the Issuer has not delivered a Conversion Shares Offer Election Notice in accordance with Condition 7.6 (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer Election Date or (B) the Issuer announces prior to the Latest Conversion Shares Offer Election Date (such announcement, the “**No Conversion Shares Offer Announcement**” and the date of the No Conversion Shares Offer Announcement, the “**No Conversion Shares Offer Announcement Date**”) that it will not deliver a Conversion Shares Offer Election Notice, the date that is two Business Days after the latest of:
    - (x) the earliest of the Latest Conversion Shares Offer Election Date and the No Conversion Shares Announcement Date; and
    - (y) the date on which the relevant Conversion Notice has been so received; or
  - (b) where the Issuer has delivered a Conversion Shares Offer Election Notice in accordance with Condition 7.6 (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer Election Date, the date that is two Business Days after the latest of (A) the date on which the Conversion Shares Offer Period either expires or is terminated in accordance with Condition 7.6 (*Conversion Shares Offer*) and (B) the date on which the relevant Conversion Notice has been so received; and
- (ii) with respect to any Note in relation to which a Conversion Notice is not so received by the Settlement Shares Depository (or its designated agent) on or before the Notice Cut-off Date, the date on which the Settlement Shares Depository delivers the relevant Conversion Shares or the relevant Alternative Consideration, as applicable, to the relevant Holder;

“**Settlement Shares Depository**” means a reputable financial institution, trust company or similar entity (which in each such case is wholly independent of the Issuer) to be appointed by the Issuer on or prior to any date when a function ascribed to the Settlement Shares Depository in these Conditions is required to be performed to perform such function and which will hold the Conversion Shares (and any Alternative Consideration, if applicable) on trust (or other similar arrangement) for Holders in one or more segregated accounts, unless otherwise required to be transferred out of such accounts for the purposes of a Conversion Shares Offer, and otherwise on terms consistent with these Conditions;

“**Settlement Shares Depository Business Day**” means a day on which the Settlement Shares Depository is open for general business;

“**Shareholders**” means the holders of Ordinary Shares (and each a “**Shareholder**”);

“**Share Register**” means the register maintained by (or on behalf of) the Issuer in relation to the Ordinary Shares;

“**Special Event**” means either a Tax Event or a Capital Event;

“**Specified Office**” has the meaning given to such term in the Agency Agreement;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Talon**” means a talon for further Coupons;

“**Tax Event**” means, as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Issuer receives an opinion of external counsel in Denmark that:

- (i) it would be required to pay additional amounts as provided in Condition 10 (*Taxation*); or
- (ii) it will no longer be able to obtain a full tax deduction for the purposes of Danish tax for any payment of interest under the Notes,

in each case provided that the Issuer satisfies the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable at the time of their issuance;

“**Trigger Event**” means that the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below the Trigger Event Threshold, as determined at any time by the Issuer, the Relevant Regulator or any agent appointed for such purpose by the Relevant Regulator, as the case may be, and such determination shall be binding on the Holders;

“**Trigger Event Notice**” has the meaning given to such term in Condition 7.1 (*Notice Following a Trigger Event*);

“**Trigger Event Redemption Restriction**” has the meaning given to such term in Condition 7.2 (*Effect of Trigger Event*);

“**Trigger Event Threshold**” means 7.000 per cent.;

“**U.S. Dollars**” and “**USD**” mean United States dollars;

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share or Security on any Dealing Day, the order book volume-weighted average price of such Ordinary Share or Security published by or derived (in the case of the Ordinary Shares) from the relevant Bloomberg page or (in the case of Securities



(other than the Ordinary Shares)) from the principal stock exchange or securities market on which such Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day, provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share or Security, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined or determined as an Independent Adviser might otherwise determine in good faith to be appropriate.

2.2 *Interpretation:* In these Conditions:

- (i) Notes and Holders shall respectively be deemed to include references to Coupons and Couponholders, if relevant;
- (ii) references to Coupons shall be deemed to include references to Talons;
- (iii) any reference to principal shall be deemed to include the Outstanding Principal Amount(s), any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (v) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vi) any reference to a numbered “Condition” shall be to the relevant Condition in these Conditions; and
- (vii) any reference to any legislation, any provision thereof or to any instrument, order or regulation made thereunder shall be construed as a reference to such legislation, provision, instrument, order or regulation as the same may have been, or may from time to time be, amended, replaced or re-enacted.

**3. Form, Denomination and Title**

- 3.1 *Form of Notes and denominations:* The Notes are in bearer form, serially numbered, in the denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof up to (and including) USD 399,000, each with Coupons and, if necessary, Talons attached on issue. Notes of one denomination will not be exchangeable for Notes of another denomination.

The Outstanding Principal Amounts may be reduced as required by then current legislation and/or regulations applicable to the Issuer. Any such reduction to the Outstanding Principal Amounts will not have any effect on the denominations of the Notes.

- 3.2 *Title:* Title to Notes and Coupons will pass by delivery. The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

**4. Status of the Notes**

- 4.1 *Status:* The Notes (in Danish: “*kapitalbeviser*”) on issue constitute Additional Tier 1 Capital of the Issuer under CRD IV requirements.

Subject to Condition 7 (*Loss Absorption Following a Trigger Event*), the Notes constitute direct, unsecured and subordinated debt obligations of the Issuer, and will at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) the Existing Hybrid Tier 1 Capital Notes, (b) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (c) any other obligations or capital instruments that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to holders of the Ordinary Shares and any other obligations or capital instruments that rank or are expressed to rank junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) depositors of the Issuer and other unsubordinated creditors of the Issuer and (b) other subordinated creditors of the Issuer (other than present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Notes).

In the event of a liquidation or bankruptcy of the Issuer that occurs after the date on which a Trigger Event occurs but before the Conversion Date, the rights and claims (if any) of the Holders in respect of their Notes shall be limited to such amount, if any, as would have been payable to Holders on a return of assets in such liquidation or bankruptcy of the Issuer if the Conversion Date had occurred immediately before the occurrence of such liquidation or bankruptcy of the Issuer.

- 4.2 *No right of set-off or counterclaim:* In accordance with Danish law, no Holder, who shall in the event of the liquidation or bankruptcy of the Issuer be indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Holder.

*In respect of this Condition 4, reference is also made to statutory loss absorption as more fully described in the risk factor in this Offering Memorandum entitled "The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. In certain limited circumstances, it is possible that the implementation of the directive or the taking of any action under it could affect the value of any Notes".*

## **5. Interest**

- 5.1 *Interest rate:* The Notes bear interest on their Outstanding Principal Amounts at the relevant Rate of Interest from (and including) the Issue Date. Interest shall be payable semi-annually in arrear on each Interest Payment Date, subject in any case as provided in Condition 6 (*Interest Cancellation*) and Condition 9 (*Payments*). The first payment of interest will be made on 28 September 2017.
- 5.2 *Accrual of interest:* Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Outstanding Principal Amount in respect thereof is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:

- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder; and
- (ii) the day which is seven days after the Fiscal Agent has notified the Holders in accordance with Condition 17 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent non-payment).

5.3 *Interest to (but excluding) the First Call Date:* Unless the Calculation Amount has been adjusted as described in the definition thereof, the amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will be USD 30.625.

If the Calculation Amount has been adjusted as described in the definition thereof, Condition 5.6 (*Calculation of amount of interest per Calculation Amount*) will apply.

5.4 *Determination of Reset Rate of Interest in relation to a Reset Interest Period:* The Fiscal Agent will, as soon as practicable after 11:00 a.m. (New York City time) on each Reset Rate of Interest Determination Date in relation to a Reset Interest Period, determine:

- (i) the Reset Rate of Interest for such Reset Interest Period and the Rate of Interest in relation to each Interest Period falling in such Reset Interest Period; and
- (ii) calculate the amount of interest payable per Calculation Amount on the Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period (each a “**Reset Interest Amount**”).

5.5 *Publication of Reset Rate of Interest, Rate of Interest and Reset Interest Amount:* With respect to each Reset Interest Period, the Fiscal Agent will cause the relevant Reset Rate of Interest, the relevant Rate of Interest and the relevant Reset Interest Amount determined by it, together with the relevant Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period, to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Holders in accordance with Condition 17 (*Notices*).

5.6 *Calculation of amount of interest per Calculation Amount:* Save as specified in Condition 5.3 (*Interest to (but excluding) the First Call Date*), the amount of interest payable in respect of the Calculation Amount (including, for the avoidance of doubt, the Reset Interest Amount) for any period shall be calculated by:

- (i) applying the applicable Rate of Interest to the Calculation Amount;
- (ii) multiplying the product thereof by the Day Count Fraction; and
- (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If as required by then current legislation and/or regulations applicable to the Issuer, the Outstanding Principal Amounts are reduced during an Interest Period, the Calculation Amount will be adjusted by the Fiscal Agent to reflect such Outstanding Principal Amounts from time to time so that the relevant amount of interest is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Fiscal Agent.

5.7 *Calculation of amount of interest per Note:* The amount of interest payable in respect of a Note shall be the product of:

- (i) the amount of interest per Calculation Amount; and
- (ii) the number by which the Original Calculation Amount is required to be multiplied to equal the

denomination of such Note.

5.8 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Fiscal Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Holders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 6. Interest Cancellation

6.1 *Interest Cancellation:* Any payment of interest (including, for the avoidance of doubt, any additional interest amounts payable pursuant to Condition 10 (*Taxation*)) in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

- (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion; or
- (ii) will be mandatorily cancelled, in whole or in part, to the extent:
  - (a) that, if the relevant payment were so made, the amount of such payment, when aggregated together with other distributions of the kind referred to in Article 141 (2) of the CRD IV Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141 (2) of the CRD IV Directive), or any successor thereto, would cause any Maximum Distributable Amount to be exceeded; or
  - (b) otherwise so required by CRD IV, including the applicable criteria for Additional Tier 1 Capital instruments.

6.2 *Notice of Interest Cancellation:* The Issuer shall give notice to the Holders in accordance with Condition 17 (*Notices*) of any such cancellation of a payment of interest, which notice might be given after the date on which the relevant payment of interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay interest as described above.

6.3 *Effect of Interest Cancellation:* Following any cancellation of interest as described above, the right of Holders to receive accrued interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose nor will the non-payment of such interest constitute an Enforcement Event.

## 7. Loss Absorption Following a Trigger Event

7.1 *Notice Following a Trigger Event:* If at any time a Trigger Event occurs, the Issuer shall immediately notify the Relevant Regulator and, in accordance with Condition 17 (*Notices*), the Holders (such notice, a "**Trigger Event Notice**") and the Notes will be converted into Conversion Shares as provided in this Condition 7. Notwithstanding the foregoing, failure to give such notice shall not prejudice the conversion of the Notes into Conversion Shares as described below.

The Trigger Event Notice shall specify the Conversion Price then prevailing (which Conversion Price shall, if applicable, remain subject to any subsequent (i) change pursuant to the operation of the definition thereof and/or (ii) adjustment pursuant to Condition 7.8 (*Adjustments to Floor Price*) up to the Conversion Date), the Conversion Date, the Notice Cut-off Date and the Long-Stop Date and, to the extent available, details of the Settlement Shares Depository or alternative settlement arrangements. As soon as the Conversion Price prevailing as at the Conversion Date has been determined, the Issuer shall immediately notify the

Relevant Regulator and, in accordance with Condition 17 (*Notices*), the Holders.

7.2 *Effect of Trigger Event:* If at any time a Trigger Event occurs:

- (i) each Note shall, subject to and as provided in this Condition 7, be irrevocably discharged and satisfied by its conversion into Conversion Shares, credited as fully paid-up, in the manner and in the circumstances described below, and the issuance and delivery of such Conversion Shares to the Settlement Shares Depository, to be held on trust (or other similar arrangement) (which trust (or other similar arrangement) must be on terms permitting a Conversion Shares Offer in accordance with Condition 7.6 (*Conversion Shares Offer*)) for the Holders, as provided below;
- (ii) such conversion shall take place without delay and in any event not later than one month following the occurrence of such Trigger Event (such date on which conversion is to occur shall be specified in the Trigger Event Notice and is referred to in these Conditions as the “**Conversion Date**”);
- (iii) the Notes will be converted in whole and not in part on the Conversion Date as provided below, at which point all of the Issuer’s obligations under the Notes shall be irrevocably discharged and satisfied by the Issuer’s issuance and delivery of the Conversion Shares to the Settlement Shares Depository no later than the Conversion Date; and
- (iv) with effect from the occurrence of such Trigger Event:
  - (a) no Holder will have any rights against the Issuer with respect to the repayment of the Outstanding Principal Amounts of the Notes or the payment of interest or other amount on or in respect of the Notes (other than, in the case of a liquidation or bankruptcy of the Issuer that occurs after the date on which such Trigger Event occurs but before the Conversion Date, any amounts payable to Holders in such circumstances as described in the last paragraph of Condition 4.1 (*Status*)) and the Outstanding Principal Amounts of the Notes shall equal zero at all times thereafter;
  - (b) any interest otherwise falling due on any date which falls on or after the date on which such Trigger Event occurs shall be deemed to have been cancelled upon the occurrence of such Trigger Event and shall not become due and payable; and
  - (c) each Holder’s only right under the Notes against the Issuer will be a claim to have the Conversion Shares issued and delivered as described in, and subject to the provisions of, this Condition 7.

Except where the Issuer has been unable to appoint a Settlement Shares Depository as contemplated in Condition 7.4 (*Failure to appoint a Settlement Shares Depository*), the Conversion Shares shall be delivered to the Settlement Shares Depository in the manner described in Condition 7.5 (*Conversion Settlement*) and the Settlement Shares Depository shall (subject to the provisions of Condition 7.6 (*Conversion Shares Offer*)) hold such Conversion Shares on trust (or other similar arrangement) for the Holders. By virtue of its holding of any Note, each Holder shall be deemed to have irrevocably directed the Issuer to issue and deliver the Conversion Shares to the Settlement Shares Depository.

Provided that the Issuer so issues and delivers the Conversion Shares to the Settlement Shares Depository, with effect on and from the Conversion Date, Holders shall have recourse only to the Settlement Shares Depository for the delivery to them of such Conversion Shares or, subject to, and as provided in, Condition 7.6 (*Conversion Shares Offer*), the Alternative Consideration. Subject as provided in Condition 4.1 (*Status*), if the Issuer fails to issue and deliver the Conversion Shares to the Settlement Shares Depository on the Conversion Date, a Holder’s only right under the Notes against the Issuer for any such failure will be a claim to have such Conversion Shares so issued and delivered. By virtue of its holding of any Note, each Holder shall be deemed to have irrevocably agreed that, where (i) there is a delay or failure by the Issuer

to deliver Conversion Shares pursuant to these Conditions and (ii) such Holder suffers a loss or losses, directly or indirectly, as a result of such delay or failure, it will not have any right or claim against the Issuer (or any other Person) for compensation (or any other form of damages) for such loss or losses.

Subject to, and as provided in, Condition 7.6 (*Conversion Shares Offer*), for so long as the Conversion Shares are held by the Settlement Shares Depository, each Holder shall be entitled to direct the Settlement Shares Depository to exercise on its behalf all rights of an ordinary shareholder (including voting rights and rights to receive dividends) which it would otherwise have if it (rather than the Settlement Shares Depository) held the relevant Conversion Shares, except that such Holder shall not be able to sell or otherwise transfer the relevant Conversion Shares unless and until such time as they have been delivered to the relevant Holder in accordance with Condition 7.5 (*Conversion Settlement*).

Following the issuance and delivery of the Conversion Shares to the Settlement Shares Depository on the Conversion Date, the Note(s) of a Holder shall remain in existence until the applicable Settlement Date (or, if earlier or to the extent not cancelled on the applicable Settlement Date, the Long-Stop Date) for the purpose only of evidencing such Holder's rights as aforesaid to receive the relevant Conversion Shares or the relevant Alternative Consideration, as the case may be, to be delivered by the Settlement Shares Depository in accordance with Condition 7.5 (*Conversion Settlement*).

Notes, once converted into Conversion Shares, may not be reconverted back into Notes.

If a Trigger Event occurs after a notice of redemption has been given pursuant to Condition 8.2 (*Redemption upon the occurrence of a Special Event*) or Condition 8.3 (*Redemption at the option of the Issuer*) but before the relevant redemption date, such notice of redemption shall automatically be revoked and the relevant redemption shall not be made. The redemption restriction described in this paragraph is referred to as the “**Trigger Event Redemption Restriction**”.

Such conversion of the Notes into Conversion Shares shall not constitute an Enforcement Event.

7.3 *No option to convert:* The Notes are not convertible into Ordinary Shares at the option of the Holders at any time.

7.4 *Failure to appoint a Settlement Shares Depository:* If the Issuer has been unable to appoint a Settlement Shares Depository, it shall make such other arrangements for the Conversion Shares to be issued and delivered (or for Alternative Consideration to be delivered) to the Holders as it considers reasonable in the circumstances, which may include issuing and delivering the Conversion Shares to another independent nominee to be held on trust (or other similar arrangement) (which trust (or other similar arrangement) must be on terms permitting a Conversion Shares Offer in accordance with Condition 7.6 (*Conversion Shares Offer*)) for the Holders or to the Holders directly, which issuance and delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Notes as if the relevant Conversion Shares had been issued and delivered to the Settlement Shares Depository and, in which case, where the context so admits, references in these Conditions to the issue and delivery of Conversion Shares to the Settlement Shares Depository shall be construed accordingly and apply *mutatis mutandis*.

7.5 *Conversion Settlement:*

- (i) On the relevant Settlement Date, each Holder shall receive delivery (free of payment) of:
  - (a) except where sub-paragraph (b) below applies, such number of Conversion Shares as is calculated in respect of the Outstanding Principal Amount of the Note(s) held by such Holder in accordance with Condition 7.7 (*Conversion Price*); or
  - (b) if the Issuer has delivered a Conversion Shares Offer Election Notice in accordance with Condition 7.6 (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer

Election Date, Alternative Consideration, calculated in accordance with the definition of “Alternative Consideration”.

- (ii) In order to obtain delivery from the Settlement Shares Depository of Conversion Shares or, as applicable, the relevant Alternative Consideration following a conversion, each Holder must deliver a duly completed Conversion Notice and surrender the relevant Note(s) to the Settlement Shares Depository (or an agent designated for the purpose in the Trigger Event Notice) on or before the Notice Cut-off Date. If such delivery is made after the end of normal business hours at the Specified Office of the Settlement Shares Depository (or, as appropriate, its designated agent as aforesaid) or on a day which is not a Settlement Shares Depository Business Day, such delivery shall be deemed for all purposes of these Conditions to have been made or given on the next following Settlement Shares Depository Business Day.
- (iii) If a Holder fails to deliver such Conversion Notice and surrender the Note(s) held by it on or before the Notice Cut-off Date (a “**Notice Cut-off Failure**”), or if the Settlement Shares Depository has determined (and, if practicable, notified such Holder) that the relevant Conversion Notice which was delivered is incomplete or invalid (an “**Invalid Delivery**”), then the Settlement Shares Depository shall continue to hold the relevant Conversion Shares or the relevant Alternative Consideration, as the case may be, until:
  - (a) in the case of a Notice Cut-off Failure, such Holder provides evidence of its entitlement to the relevant Conversion Shares or the relevant Alternative Consideration, as applicable, satisfactory to the Settlement Shares Depository in its sole and absolute discretion; or
  - (b) in the case an Invalid Delivery, a duly completed and valid Conversion Notice is so delivered and the relevant Note(s) is/are so surrendered prior to the Notice Cut-off Date.

The Issuer shall have no liability to any Holder for any loss resulting from such Holder not receiving any Conversion Shares or the relevant Alternative Consideration, as applicable, or from any delay in the receipt thereof, in each case as a result of such Holder failing to submit a valid Conversion Notice and surrender the relevant Note(s), on a timely basis or at all.

- (iv) Any determination as to whether any Conversion Notice has been properly completed and delivered and whether the relevant Note(s) has/have been surrendered as provided in these Conditions shall be made by the Settlement Shares Depository in its sole discretion and shall be conclusive and binding on the relevant Holders.
- (v) If, at the time of the conversion of the Notes pursuant to this Condition 7, the Conversion Shares are capable of being delivered in uncertificated book-entry form through a clearing or settlement organisation, subject as provided in this Condition 7:
  - (a) the issuance and delivery of the Conversion Shares to the Settlement Shares Depository as described in Condition 7.2 (*Effect of Trigger Event*) will be effected by way of the delivery of the Conversion Shares to a securities account maintained by the Settlement Shares Depository with such clearing or settlement organisation; and
  - (b) in the case of each Holder, the Settlement Shares Depository shall deliver the relevant Conversion Shares (or the Conversion Share component of any Alternative Consideration) to the securities account with such clearing or settlement organisation specified by such Holder in the relevant Conversion Notice.
- (vi) If, at the time of the conversion of the Notes pursuant to this Condition 7, proof of title to the Ordinary Shares is only evidenced by registration in the Share Register, subject as provided in this Condition 7:

- (a) the issuance and delivery of the Conversion Shares to the Settlement Shares Depositary as described in Condition 7.2 (*Effect of Trigger Event*) will be effected by way of the registration in the Share Register of the Conversion Shares in the name of the Settlement Shares Depositary; and
- (b) in the case of each Holder, the Settlement Share Depositary shall deliver the relevant Conversion Shares (or the Conversion Share component of any Alternative Consideration) to such Holder by way of a subsequent registration in the Share Register of the relevant Conversion Shares in the name of such Holder specified in the relevant Conversion Notice.
- (vii) Any cash component of any Alternative Consideration payable to a Holder shall be paid by transfer to an account which accepts funds in USD with a bank in such city as may be specified in, and in accordance with the instructions contained in, the relevant Conversion Notice.
- (viii) If, with respect to the Note(s) of a Holder, such Note(s) have not been cancelled on the applicable Settlement Date, such Note(s) shall be deemed to be cancelled on the Long-Stop Date.

#### 7.6 *Conversion Shares Offer:*

- (i) Not later than the Latest Conversion Shares Offer Election Date, the Issuer may, in its sole and absolute discretion, make an election by giving notice to the Holders in accordance with Condition 17 (*Notices*) (a “**Conversion Shares Offer Election Notice**”) that the Settlement Shares Depositary (or an agent on its behalf) will make an offer of, in the Issuer’s sole and absolute discretion, all or some of the Conversion Shares to, in the Issuer’s sole and absolute discretion, all or some of the Shareholders at such time, such offer to be at the Conversion Shares Offer Price, all in accordance with the following provisions (a “**Conversion Shares Offer**”).

A Conversion Shares Offer Election Notice shall specify the period of time for which the Conversion Shares Offer will be open (the “**Conversion Shares Offer Period**”). The Conversion Shares Offer Period shall end no later than 40 Business Days after the giving of the Conversion Shares Offer Election Notice by the Issuer.

- (ii) Upon expiry of the Conversion Shares Offer Period, the Settlement Shares Depositary will provide notice to the Holders in accordance with Condition 17 (*Notices*) of the composition of the Alternative Consideration (and of the deductions to the cash component, if any, of the Alternative Consideration (as set out in the definition of “Alternative Consideration”)) per Note. The Alternative Consideration shall be held on trust (or other similar arrangement) by the Settlement Shares Depositary for the Holders and delivered to each Holder in the manner described in, and subject to, Condition 7.5 (*Conversion Settlement*).
- (iii) The Issuer reserves the right, in its sole and absolute discretion, to elect that the Settlement Shares Depositary terminate the Conversion Shares Offer at any time during the Conversion Shares Offer Period. If the Issuer makes such election, it will provide at least three Business Days’ notice to the Holders in accordance with Condition 17 (*Notices*) and the Settlement Shares Depositary. The Settlement Shares Depositary may then, in its sole and absolute discretion, take steps to deliver to Holders the Conversion Shares at a time that is earlier than the time at which they would have otherwise received the Alternative Consideration had the Conversion Shares Offer been completed.
- (iv) Each Holder acknowledges and agrees that if the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Settlement Shares Depositary, such Holder shall be deemed to have: (a) irrevocably consented to any Conversion Shares Offer and, notwithstanding that such Conversion Shares are held by the Settlement Shares Depositary on trust



(or other similar arrangement) for the Holders, to the Settlement Shares Depository using the Conversion Shares delivered to it to settle any Conversion Shares Offer; (b) irrevocably consented to the transfer of the interest such Holder has in the Conversion Shares delivered to the Settlement Shares Depository to one or more purchasers identified by the Settlement Shares Depository in connection with the Conversion Shares Offer; (c) irrevocably agreed that the Issuer and the Settlement Shares Depository may take any and all actions necessary to conduct the Conversion Shares Offer in accordance with the terms of the Notes; and (d) irrevocably agreed that neither the Issuer nor the Settlement Shares Depository shall, to the extent permitted by applicable law, incur any liability to the Holders in respect of the Conversion Shares Offer (except for the obligations of the Settlement Shares Depository in respect of the Holders' entitlement to, and the subsequent delivery of, any Alternative Consideration).

- (v) Any Conversion Shares Offer shall only be made subject to applicable laws and regulations in effect at the relevant time and shall be conducted, if at all, only to the extent that the Issuer, in its sole and absolute discretion, determines that such Conversion Shares Offer is appropriate and practicable and without providing any unfair advantage to any of the Shareholders at such time. The purchasers of the Conversion Shares pursuant to a Conversion Shares Offer shall bear the costs and expenses of any Conversion Shares Offer (other than the taxes referred to in the definition of "Alternative Consideration"), including the fees of the Settlement Shares Depository in this connection, if any.

7.7 *Conversion Price*: The Issuer shall issue and deliver to the Settlement Shares Depository on the Conversion Date a number of Conversion Shares in respect of the Notes determined by dividing the Outstanding Principal Amount of the Notes (in effect immediately prior to the relevant Trigger Event) by the Conversion Price (as adjusted, if applicable, in accordance with Condition 7.8 (*Adjustments to Floor Price*) up to and including the Conversion Date), subject to Condition 7.10 (*Rounding Down and Notice of Adjustments to the Floor Price*) and Condition 7.11 (*Fractions*).

7.8 *Adjustments to Floor Price*: Upon the happening of any of the events described below, the Floor Price shall be adjusted as follows, provided always, that the Floor Price shall not be less than the par value of the Ordinary Shares immediately prior to Conversion Date converted into USD at the then Prevailing Exchange Rate:

- (i) If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares which alters the number of Ordinary Shares in issue, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

"A" is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

"B" is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (ii) If and whenever the Issuer shall issue any Ordinary Shares to Shareholders as a class credited as

fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) (other than (a) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Cash Dividend which the Shareholders would or could otherwise have elected to receive, (b) where the Shareholders may elect to receive a Cash Dividend in lieu of such Ordinary Shares or (c) where any such Ordinary Shares are or are expressed to be issued in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise)), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

“A” is the aggregate number of Ordinary Shares in issue immediately before such issue; and

“B” is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

- (iii) If and whenever the Issuer shall issue Ordinary Shares to all or substantially all Shareholders as a class by way of rights, or the Issuer or any of its Subsidiaries or (at the direction or request or pursuant to arrangements with the Issuer or any of its Subsidiaries) any other Person shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant Effective Date, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the relevant Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

“A” is the number of Ordinary Shares in issue on the relevant Effective Date;

“B” is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the relevant Effective Date; and

“C” is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate,

provided that if, on the relevant Effective Date, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence

of any event at some subsequent time, then for the purposes of this paragraph (iii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the relevant Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the relevant Effective Date.

Such adjustment shall become effective on the relevant Effective Date.

- (iv) If and whenever any event in relation to the Issuer and/or the Ordinary Shares (other than the events described in paragraphs (i) to (iii) of this Condition 7.8 and unless otherwise explicitly excluded from paragraphs (i) to (iii) of this Condition 7.8 or as described in Condition 7.13 (*Share Option Schemes, Dividend Reinvestment Plans*)) (including, without limitation, (a) the payment of any extraordinary dividend or other distribution (howsoever described) to the Shareholders, (b) any reduction of the Issuer’s capital, (c) any dissolution of the Issuer, (d) any merger of the Issuer or (e) any demerger of the Issuer) shall occur, the Floor Price may be adjusted in accordance with the following principles:
- (A) other than in the case of a dissolution, merger or demerger of the Issuer, if the Issuer determines that the Floor Price is to be reduced following the occurrence of the relevant event, the amount of such reduction to the Floor Price may be determined in the Issuer’s sole and absolute discretion; and
  - (B) in all other cases, subject to the provisions of Condition 7.12 (*Decision of an Independent Adviser*), an Independent Adviser shall determine in good faith whether an adjustment to the Floor Price (if any) is appropriate and, if so, the appropriate adjustment to the Floor Price.

Any such adjustment shall become effective on the date specified in the notice to the Holders relating to such adjustment.

- (v) Notwithstanding the foregoing provisions:
- (a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 7.8 have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Floor Price or where more than one event which gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in such Independent Adviser’s opinion appropriate to give the intended result;
  - (b) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in such Independent Adviser’s opinion appropriate (i) to ensure that an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once, and (ii) to reflect a redenomination of the issued Ordinary Shares for the time being into a new currency; and
  - (c) for the avoidance of doubt, the issue of Conversion Shares following the occurrence of a Trigger Event shall not result in an adjustment to the Floor Price.

7.9 *Determination of Consideration Receivable:* For the purpose of any calculation of the consideration receivable or price pursuant to paragraph (iii) of Condition 7.8 (*Adjustments to Floor Price*), the following provisions shall apply:

- (i) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (ii) (a) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (b) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date, plus in the case of each of (a) and (b) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (c) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (a) or (b) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (iii) if the consideration or price determined pursuant to (i) or (ii) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Exchange Rate on the relevant Effective Date (in the case of (i) above) or the relevant date of first public announcement (in the case of (ii) above);
- (iv) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (v) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

7.10 *Rounding Down and Notice of Adjustments to the Floor Price:* On any adjustment, if the resultant Floor Price has more decimal places than the initial Floor Price, it shall be rounded to the same number of decimal places as the initial Floor Price. No adjustment shall be made to the Floor Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Floor Price then in effect. Any adjustment not required to be made, and/or any amount by which the Floor Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Floor Price shall be given by the Issuer to Holders promptly after the determination thereof in accordance with Condition 17 (*Notices*).

The Floor Price shall not in any event be reduced to below the par value of an Ordinary Share for the time being. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Floor Price to below the par value of the Ordinary Shares immediately prior to the Conversion Date converted into USD at the then Prevailing Exchange Rate.

- 7.11 *Fractions*: Fractions of Conversion Shares will not be delivered to the Settlement Shares Depository or to Holders upon a conversion and no cash payment will be made in lieu thereof. However, if one or more Conversion Notices and Notes are delivered to the Settlement Shares Depository such that any Conversion Shares (or any Conversion Share component of any Alternative Consideration, as applicable) to be issued and delivered to a Holder are to be registered in the same name, the number of Conversion Shares to be issued and delivered in respect thereof shall be calculated on the basis of the aggregate Outstanding Principal Amounts of such Notes (in effect immediately prior to the relevant Trigger Event) to be converted.
- 7.12 *Decision of an Independent Adviser*: In:
- (i) the circumstances described in sub-paragraph (iv)(B) of Condition 7.8 (*Adjustments to Floor Price*), the Issuer will; and
  - (ii) all other cases where the Floor Price can be adjusted as described in Condition 7.8 (*Adjustments to Floor Price*), if any doubt shall arise as to whether an adjustment shall be made to the Floor Price or as to the appropriate adjustment to the Floor Price, the Issuer may at its discretion,
- appoint an Independent Adviser and, following consultation between the Issuer and such Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer and the Holders, save in the case of manifest error.
- 7.13 *Share Option Schemes, Dividend Reinvestment Plans*: No adjustment will be made to the Floor Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme.
- 7.14 *Taxes and Duties*: Neither the Issuer nor any member of the Group shall be liable for any taxes or duties (including, without limitation any capital, stamp, issue and registration or transfer taxes or duties) arising on conversion or that may arise or be paid as a consequence of the issue and delivery of Conversion Shares. Each Holder must pay any taxes or duties (including, without limitation, any capital, stamp, issue and registration and /or transfer taxes or duties) arising on conversion in connection with the issue and delivery of Conversion Shares to the Settlement Shares Depository on behalf of such Holder and such Holder must pay all, if any, such taxes or duties arising by reference to any disposal or deemed disposal of such Holder's Notes or interest therein. Any taxes or duties arising on delivery or transfer of Conversion Shares to a purchaser in any Conversion Shares Offer shall be payable by the relevant purchaser of those Conversion Shares.
- 7.15 *Ordinary Shares*: The Conversion Shares will be fully paid-up and non-assessable and will in all respects rank *pari passu* with the fully paid-up Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that any Conversion Shares so issued and delivered will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, distributions or payments, the record date (or other due date for the establishment of entitlement) for which falls prior to the Conversion Date.
- 7.16 *Purchase or Redemption of Ordinary Shares*: The Issuer or any company in the Group may exercise such rights as it may from time to time enjoy to purchase, redeem or buy back any Securities (including Ordinary Shares) or any depository or other receipts or certificates representing the same without the consent of Holders.

## 8. Redemption and Purchase

8.1 *Scheduled redemption*: The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described herein. The Notes are not redeemable at the option of the Holders at any time.

8.2 *Early redemption upon the occurrence of a Special Event*: Subject to Condition 8.7 (*Conditions to redemption etc.*), upon the occurrence of a Special Event, the Issuer may, at its option, at any time and having given no less than thirty nor more than sixty days' notice to the Holders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable, subject to the Trigger Event Redemption Restriction), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled; provided however that where the Special Event is a Tax Event, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts as referred to in the definition of Tax Event.

The Issuer, having satisfied itself that a Special Event has occurred, shall notify the Holders in accordance with Condition 17 (*Notices*) of the occurrence of such Special Event.

8.3 *Redemption at the option of the Issuer*: The Issuer may, at its option (but subject to Condition 8.7 (*Conditions to redemption etc.*)) and having given no less than thirty nor more than sixty days' notice to the Holders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable, subject to the Trigger Event Redemption Restriction), redeem all (but not some only) of the outstanding Notes on the relevant Optional Redemption Date (Call) at their Outstanding Principal Amounts, together with accrued interest (if any) thereon insofar as it has not been cancelled.

8.4 *Purchase*: The Issuer or any of its Subsidiaries may at any time (but subject to Condition 8.7 (*Conditions to redemption etc.*)) purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or surrendered to any Paying Agent for cancellation.

8.5 *Cancellation*: All Notes which are redeemed will forthwith (but subject to Condition 8.7 (*Conditions to redemption etc.*)) be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.4 (*Purchase*) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

8.6 *Substitution and variation*: Subject to Condition 8.7 (*Conditions to redemption etc.*) and having given no less than thirty nor more than sixty days' notice to the Holders (in accordance with Condition 17 (*Notices*)) and the Fiscal Agent, if a Special Event has occurred and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they become or remain Qualifying Capital Notes.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Qualifying Capital Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

8.7 *Conditions to redemption etc.*: The Notes may only be redeemed, purchased, cancelled, substituted, varied or modified (as applicable) pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Special Event*), Condition 8.3 (*Redemption at the option of the Issuer*), Condition 8.4 (*Purchase*), Condition 8.5 (*Cancellation*), Condition 8.6 (*Substitution and variation*), Condition 16.1 (*Meetings of Holders*) or paragraph (ii) of Condition 16.2 (*Modification of the Notes*), as the case may be, if:

- (i) in the case of any such substitution, variation or modification, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not objected to, such substitution, variation or modification (as applicable);
- (ii) in the case of any such redemption, purchase or cancellation, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has given permission to, such redemption, purchase or cancellation (as applicable);
- (iii) in the case of any such redemption of the Notes, the Trigger Event Redemption Restriction does not apply to such redemption or to the redemption notice relating to such redemption (as applicable); and
- (iv) in the case of a redemption of the Notes as a result of a Special Event, the Issuer has delivered a certificate signed by two of its Directors to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's Specified Office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such Special Event has occurred or will occur no more than ninety days following the date fixed for redemption, as the case may be.

## **9. Payments**

- 9.1 *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of the Note at the Specified Office of any Paying Agent outside the United States. Subject as provided in these Conditions, payments will be in U.S. Dollars made by credit or transfer to a U.S. Dollar account (or any other account to which U.S. Dollars may be credited or transferred) specified by the payee, or, at the option of the payee, by a U.S. Dollar cheque.
- 9.2 *Interest*: Payments of interest shall, subject to Condition 9.6 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 9.1 (*Principal*) above.
- 9.3 *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of 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 Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.
- 9.4 *Unmatured Coupons void*: On the due date for redemption of any Note pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Special Event*), Condition 8.3 (*Redemption at the option of the Issuer*) or Condition 11 (*Enforcement Events*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- 9.5 *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.
- 9.6 *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.

- 9.7 *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- 9.8 *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, any Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 10. Taxation

- 10.1 *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in the case of a payment of interest only, the Issuer shall pay such additional amounts as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been receivable by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:
- (i) to, or to a third party on behalf of, a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with Denmark other than:
    - (a) the mere holding of the Note or Coupon; or
    - (b) the receipt of principal, interest or other amount in respect of such Note or Coupon; or
  - (ii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days.
- 10.2 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

## 11. Enforcement Events

- 11.1 *No events of default:* There are no events of default in respect of the Notes. Holders shall not be entitled at any time to file for bankruptcy or liquidation of the Issuer.
- 11.2 *Enforcement Events:* If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an “**Enforcement Event**”), any Holder may prove or claim in such proceedings in respect of such Note, such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such bankruptcy or liquidation of the Issuer together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable on such Note (including any damages payable in respect thereof). Such claim shall rank as provided in Condition 4 (*Status of the Notes*).



11.3 *Enforcement of obligations:* Subject to Condition 11.1 (*No events of default*) and without prejudice to Condition 11.2 (*Enforcement Events*), any Holder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

## 12. Undertakings

So long as any Note remains outstanding, the Issuer will, save with the approval of an Extraordinary Resolution:

- (i) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, upon conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*), Conversion Shares could not, under any applicable law then in effect, be legally issued as fully paid-up;
- (ii) deliver Conversion Shares upon conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*), subject to, and as provided in, Condition 7 (*Loss Absorption Following a Trigger Event*);
- (iii) use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares and the Conversion Shares, as the case may be, will be admitted to listing and trading on the Relevant Stock Exchange;
- (iv) at all times ensure there is sufficient registered authorised share capital to enable conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*), and all rights of subscription and exchange for Conversion Shares, to be satisfied in full;
- (v) as soon as reasonably practicable and in any event not later than 14 calendar days following the Conversion Date, request and procure the registration of the Conversion Shares (a) with the DBA and (b) in the Share Register of the Issuer; and
- (vi) where the provisions of Condition 7 (*Loss Absorption Following a Trigger Event*) require or provide for a determination by an Independent Adviser or a role to be performed by a Settlement Shares Depository, the Issuer shall use all reasonable endeavours promptly to appoint such Person for such purpose.

## 13. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

## 14. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and

otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **15. Agents**

- 15.1 *Obligations of Agents:* In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders or Couponholders, and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect of its appointment or incidental thereto.
- 15.2 *Termination of Appointments:* The initial Paying Agents and their initial Specified Offices are listed in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) and to appoint an additional or successor fiscal agent or Paying Agent; provided, however, that:
- (i) the Issuer shall at all times maintain a Fiscal Agent; and
  - (ii) if and for so long as the Notes are admitted to listing and/or to trading and/or quotation on any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent (which may be the Fiscal Agent) each with a Specified Office in the place required by such listing authority, stock exchange and/or quotation system.
- 15.3 *Change of Specified Offices:* The Paying Agents reserve the right at any time to change their respective Specified Offices to some other Specified Office in the same city. Notice of any change in the identities or Specified Offices of any Paying Agent shall promptly be given to the Holders in accordance with Condition 17 (*Notices*).

## **16. Meetings of Holders; Modification**

- 16.1 *Meetings of Holders:* The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of Holders to consider matters relating to the Notes, including (without limitation) the modification by Extraordinary Resolution of any provision of these Conditions and the Deed of Covenant insofar as the same may apply to the Notes. Any Extraordinary Resolution duly passed at any such meeting of Holders will be binding on all Holders, whether present or not at the meeting and on all Couponholders.

In addition, a resolution in writing signed by or on behalf of all Holders who for the time being are entitled to receive notice of a meeting of Holders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

Any modification to these Conditions and/or the Deed of Covenant pursuant to the operation of the provisions described in this Condition 16.1 is subject to Condition 8.7 (*Conditions to redemption etc.*).

- 16.2 *Modification of Notes:* The Issuer may make, without the consent of the Holders or Couponholders:
- (i) any modification to the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant to correct a manifest error; or
  - (ii) subject to Condition 8.7 (*Conditions to redemption etc.*), any modification to the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant which is not prejudicial to the interests of the Holders and the Couponholders.

Any such modification to the Agency Agreement shall be subject to the consent of the Fiscal Agent. Subject

as provided in these Conditions, no other modification may be made to the Notes, these Conditions, the Agency Agreement or the Deed of Covenant except with the sanction of an Extraordinary Resolution and, in the case of a modification to the Agency Agreement, the consent of the Fiscal Agent.

Any such modification shall be binding on the Holders and the Couponholders and any such modification shall be notified to the Holders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

## **17. Notices**

Notices to Holders will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe or, if the Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market of the Irish Stock Exchange (so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of that exchange so permit), if published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition.

While the Notes are represented by one or more global Note(s) and such global Note(s) is/are held in its/their entirety on behalf of one or more relevant clearing system(s), the terms of such global Note(s) will specify how notices to Holders are to be given, as described in “Overview of Form of the Notes” of the Offering Memorandum relating to the Notes dated 24 March 2017.

## **18. Currency Indemnity**

The currency in which the Notes are denominated is USD (the “**Contractual Currency**”), which is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount of the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount of the Contractual Currency expressed to be due to any Holder in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss as aforesaid shall be deemed to constitute a loss suffered by the relevant Holder and no proof or evidence of any actual loss will be required by the Issuer.

## **19. Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder, any right in these Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights

provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## **20. Governing Law, Jurisdiction and Acknowledgement of Danish Statutory Loss Absorption Powers**

- 20.1 *Governing Law:* The Notes, the Agency Agreement and the Deed of Covenant, and any non-contractual obligations arising therefrom or in connection therewith, shall be governed by, and construed in accordance with, English law, except for Condition 4 (*Status of the Notes*), Condition 6 (*Interest Cancellation*), Condition 7 (*Loss Absorption Following a Trigger Event*), Condition 8.2 (*Early redemption upon the occurrence of a Special Event*) and Condition 11 (*Enforcement Events*) which shall be governed by, and construed in accordance with, Danish law.
- 20.2 *English courts:* The courts of England have jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Notes (including any Dispute relating to any non-contractual obligations arising from or connected with the Notes).
- 20.3 *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- 20.4 *Rights of the Holders to take proceedings outside England:* Condition 20.2 (*English courts*) is for the benefit of the Holders only. As a result, nothing in this Condition 20 prevents any Holder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, any Holder may take concurrent Proceedings in any number of jurisdictions.
- 20.5 *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Issuer at 75 King William Street, London EC4N 7DT or at any address of the Issuer in Great Britain at which service of process may be served on it in accordance with the Companies Act 2006. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.
- 20.6 *Acknowledgement of Danish Statutory Loss Absorption Powers:* Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 20.6, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Holder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Danish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:
- (i) the effect of the exercise of any Danish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
    - (a) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
    - (b) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into Ordinary Shares, other Securities or other obligations of the Issuer or another Person, and the issue to or conferral on the Holder of such Ordinary Shares, Securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
    - (c) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
    - (d) the amendment or alteration of the perpetual nature of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

- (ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Danish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

**21. Rights of Third Parties**

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

## Appendix 2: Terms and Conditions of the Notes

*The following is the text of the Terms and Conditions of the Notes which will be endorsed on each Definitive Note. The Terms and Conditions applicable to any Global Note will differ from those Terms and Conditions which would apply to a Definitive Note to the extent described under “Overview of Provisions relating to the Notes while in Global Form” above.*

### 1. **Introduction**

- 1.1 *Notes:* The USD 750,000,000 Perpetual Non-cumulative Resettable Additional Tier 1 Convertible Capital Notes (the “**Notes**”) are issued by Danske Bank A/S (the “**Issuer**”).
- 1.2 *Issue and Paying Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 26 June 2018 (as supplemented, amended and/or replaced from time to time, the “**Agency Agreement**”) between the Issuer, Citibank, N.A., London Branch as fiscal agent and paying agent (the “**Fiscal Agent**”, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such and together with any additional or successor paying agents appointed from time to time in accordance with the Agency Agreement, the “**Paying Agents**”).
- 1.3 *Deed of Covenant:* The Notes have the benefit of a deed of covenant dated 26 June 2018 (as supplemented, amended and/or replaced from time to time, the “**Deed of Covenant**”).
- 1.4 *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the “**Holders**”) and the holders of the interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Holders during normal business hours at the Specified Office of each of the Paying Agents.

### 2. **Interpretation**

- 2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“**2014 RTS**” means Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, supplementing the CRR with regard to regulatory technical standards for own funds requirements for institutions, as amended or replaced from time to time;

“**7-year Treasury Rate**” means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period:

- (i) the percentage rate per annum equal to the arithmetic mean of the bid and offered yields of the relevant Reference Bond as determined by the Fiscal Agent by reference to the Screen Page at approximately 11:00 a.m. (New York City time) on such Reset Rate of Interest Determination Date; or
- (ii) if such rate does not appear on the Screen Page at such time on such Reset Rate of Interest

Determination Date, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date;

“**Additional Tier 1 Capital**” means capital which is treated as Additional Tier 1 capital (or any equivalent or successor term) under CRD IV requirements by the Relevant Regulator for the purposes of the Issuer and the Group;

“**Alternative Consideration**” means, in respect of each Note and as determined by the Issuer:

- (i) if all of the Conversion Shares are sold in the Conversion Shares Offer, the *pro-rata* share of the cash proceeds from the sale of such Conversion Shares attributable to such Note (converted into USD at the Prevailing Exchange Rate as of the day which is three Settlement Shares Depository Business Days prior to the relevant Settlement Date) as determined by the Settlement Shares Depository, and less the *pro-rata* share of any foreign exchange transaction costs and an amount equal to the *pro-rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of the Conversion Shares to the Settlement Shares Depository pursuant to the Conversion Shares Offer;
- (ii) if some, but not all of the Conversion Shares are sold in the Conversion Shares Offer, (a) the *pro-rata* share of the cash proceeds from the sale of such Conversion Shares attributable to such Note (converted into USD at the Prevailing Exchange Rate as of the day which is three Settlement Shares Depository Business Days prior to the relevant Settlement Date) as determined by the Settlement Shares Depository, and less the *pro-rata* share of any foreign exchange transaction costs and an amount equal to the *pro-rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of the Conversion Shares to the Settlement Shares Depository pursuant to the Conversion Shares Offer and (b) the *pro-rata* share of such Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such Note rounded down to the nearest whole number of Conversion Shares; and
- (iii) if no Conversion Shares are sold in the Conversion Shares Offer, the relevant number of Conversion Shares which would have been received had the Issuer not elected that the Settlement Shares Depository should carry out a Conversion Shares Offer;

“**BRRD**” means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time;

“**Business Day**” means 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 Copenhagen, New York City and London;

“**Calculation Amount**” means USD 1,000 (the “**Original Calculation Amount**”), provided that if the Outstanding Principal Amount of each Note is reduced as required by then current legislation and/or regulations applicable to the Issuer, the Fiscal Agent shall (i) adjust the Calculation Amount on a *pro-rata* basis to account for such reduction and (ii) notify the Holders in accordance with Condition 17 (*Notices*) of the details of such adjustment;

“**Capital Event**” means, at any time, on or after the Issue Date, there is a change in the regulatory classification of the Notes that results or will result in:

- (i) their exclusion, in whole or in part, from the regulatory capital of the Issuer and/or the Group; or

- (ii) reclassification, in whole or in part, as a lower quality form of regulatory capital of the Issuer and/or the Group,

in each case provided that the Issuer satisfies the Relevant Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance and the Relevant Regulator considers the change to be sufficiently certain;

“**Cash Dividend**” means any Dividend in cash (in whatever currency);

“**Code**” means the U.S. Internal Revenue Code of 1986;

“**Common Equity Tier 1 Capital**” means common equity tier 1 capital (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with CRD IV requirements and any applicable transitional arrangements under CRD IV;

“**Common Equity Tier 1 Capital Ratio**” means:

- (i) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer divided by the Risk Exposure Amounts of the Issuer; and
- (ii) in relation to the Group, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Group divided by the Risk Exposure Amounts of the Group,

in each case, all as calculated by the Issuer at any time in accordance with CRD IV requirements and any applicable transitional arrangements under CRD IV and reported to the Relevant Regulator;

“**Contractual Currency**” has the meaning given to such term in Condition 18 (*Currency Indemnity*);

“**Conversion Date**” has the meaning given to such term in Condition 7.2 (*Effect of Trigger Event*);

“**Conversion Notice**” means a notice in the form for the time being currently available from the Specified Office of any Paying Agent and which is required to be delivered to the Settlement Shares Depository (or its agent(s) designated for the purpose in the Trigger Event Notice) in connection with the conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*);

“**Conversion Price**” means, if the Ordinary Shares are:

- (i) then admitted to trading on a Relevant Stock Exchange, the greater of:
  - (a) the Current Market Price of an Ordinary Share on the Conversion Date converted into USD at the then Prevailing Exchange Rate; and
  - (b) the Floor Price on the Conversion Date; or
- (ii) not then admitted to trading on a Relevant Stock Exchange, the Floor Price on the Conversion Date;

“**Conversion Shares**” means the Ordinary Shares which are issued as a result of the conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*) (and each a “**Conversion Share**”);

“**Conversion Shares Offer**” has the meaning given to such term in Condition 7.6 (*Conversion Shares Offer*);



“**Conversion Shares Offer Price**” means the price per Conversion Share specified as such in the Conversion Shares Offer Election Notice. The Conversion Shares Offer Price shall be, if the Ordinary Shares are:

- (i) then admitted to trading on a Relevant Stock Exchange, the Current Market Price as at the Conversion Date; or
- (ii) not then admitted to trading on a Relevant Stock Exchange, the Fair Market Value of the Conversion Shares as at the Conversion Date;

“**Conversion Shares Offer Election Notice**” has the meaning given to such term in Condition 7.6 (*Conversion Shares Offer*);

“**Conversion Shares Offer Period**” has the meaning given to such term in Condition 7.6 (*Conversion Shares Offer*);

“**Coupon Sheet**” means, in relation to a Note, the coupon sheet relating to that Note;

“**CRD IV**” means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

“**CRD IV Directive**” means the Directive (2013/36/EU) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Danish law transposing or implementing such Directive), as amended or replaced from time to time;

“**CRD IV Implementing Measures**” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards released from time to time by the European Banking Authority (or any successor or replacement thereof);

“**CRR**” means the Regulation (2013/575) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

“**Current Market Price**” means, in respect of a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive Dealing Days ending on the Dealing Day immediately preceding such date; provided that, if at any time during the said five-Dealing Day period, the Volume Weighted Average Price shall have been based on a price ex-dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement), then:

- (i) if the Conversion Shares do not rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or

- (ii) if the Conversion Shares do rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-dividend (or ex- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that:

- (1) if on each of the said five Dealing Days, the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Conversion Shares do not rank for that dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; and
- (2) if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five Dealing Days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-Dealing Day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Adviser;

“**Danish Bankruptcy Act**” means the Danish Bankruptcy Act (Consolidated Act No. 11 of 6 January 2014, as amended);

“**DBA**” means the Danish Business Authority (in Danish: “*Erhvervsstyrelsen*”) and any successor or replacement thereto, or other authority having responsibility for registering any changes in the share capital of the Issuer;

“**Danish Financial Business Act**” means the Danish Financial Business Act (Consolidated Act No. 1140 of 26 September 2017, as amended);

“**Danish Statutory Loss Absorption Powers**” means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Denmark, relating to (i) the transposition of the BRRD (or, as the case may be, any provision of Danish law transposing or implementing such Directive) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into Ordinary Shares, other Securities or other obligations of the Issuer or any other Person (or suspended for a temporary period);

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), “30/360” which means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

“**Dealing Day**” means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares, Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

“**Distributable Items**” means, as prescribed by CRD IV, the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments less any losses brought forward, profits which are non-distributable pursuant to provisions in legislation or the institution’s by-laws and sums placed to non-distributable reserves in accordance with applicable national law or the statutes of the institution, those losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts, or any successor provision thereto;

“**Dividend**” means any dividend or distribution in respect of the Ordinary Shares which is to be paid or made to Shareholders as a class, whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital;

“**DKK**” means Danish Kroner;

“**Effective Date**” means, in the case of an adjustment to the Floor Price pursuant to paragraph (iii) of Condition 7.8 (*Adjustments to Floor Price*), the first day on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange;

“**Enforcement Events**” has the meaning given to such term in Condition 11 (*Enforcement Events*);

“**Extraordinary Resolution**” has the meaning given to such term in the Agency Agreement;

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined by an Independent Adviser in good faith, provided that:

- (i) the Fair Market Value of any cash amount shall be the amount of such cash;
- (ii) where Securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined in good faith by an Independent Adviser), the Fair Market Value of:

- (a) such Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities; and
- (b) such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights,

in either case, during the five-Dealing Day period (in respect of the relevant stock exchange or securities market) commencing on such date (or, if later, the first such Dealing Day such Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, options, warrants or other rights are publicly traded;

- (iii) where Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, options, warrants or other rights shall be determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.

Save for the Fair Market Value determination referred to in the definition of “Conversion Shares Offer Price”, such amounts shall, in the case of (i) above, be converted into the Relevant Currency (if declared, announced, made, paid or payable in a currency other than the Relevant Currency, and if the relevant dividend is payable at the option of the Issuer or a Shareholder in any currency additional to the Relevant Currency, the relevant dividend shall be treated as payable in the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and, in any other case, shall be converted into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Exchange Rate on that date. In addition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

“**First Call Date**” means 26 June 2025;

“**First Interest Payment Date**” means 26 December 2018;

“**Floor Price**” means USD 23.97, subject to adjustment thereafter in accordance with Condition 7.8 (*Adjustments to Floor Price*), provided that the Floor Price shall not be less than the par value of the Ordinary Shares immediately prior to the Conversion Date converted into USD at the then Prevailing Exchange Rate;

“**Group**” means the Issuer together with its Subsidiaries and other entities that are consolidated in the Issuer’s calculation of the Common Equity Tier 1 Capital Ratio on a consolidated level in accordance with CRD IV requirements;

“**Initial Period**” means the period from (and including) the Issue Date to (but excluding) the First Call Date;

“**Initial Rate of Interest**” means 7.000 per cent. per annum;

“**Interest Payment Date**” means 26 June and 26 December in each year from (and including) 26 December 2018;

“**Interest Period**” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“**Issue Date**” means 26 June 2018;

“**Latest Conversion Shares Offer Election Date**” means the 10th Business Day following the Conversion Date;

“**Long-Stop Date**” means the date specified as such in the Trigger Event Notice, which date shall be at least 15 Business Days following the Notice Cut-off Date;

“**Margin**” means 4.130 per cent.;

“**Maximum Distributable Amount**” means any maximum distributable amount relating to the Issuer and/or the Group (if any) which is determined pursuant to Article 141 of the CRD IV Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141 of the CRD IV Directive), or any successor provision thereto;

“**Notice Cut-off Date**” means the date specified as such in the Trigger Event Notice, which date shall be at least 20 Business Days following the Conversion Date;

“**Optional Redemption Date (Call)**” means the First Call Date or any Interest Payment Date thereafter;

“**Ordinary Shares**” means fully paid-up ordinary shares in the capital of the Issuer (and each an “**Ordinary Share**”);

“**Original Calculation Amount**” has the meaning given to such term in the definition of Calculation Amount;

“**Outstanding Principal Amount**” means, in respect of a Note, the outstanding principal amount of such Note, as adjusted from time to time for any reduction as required by then current legislation and/or regulations applicable to the Issuer and “**Outstanding Principal Amounts**” means the sum of the Outstanding Principal Amount of each Note;

“**Payment Business Day**” means 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) the relevant place of presentation and (ii) New York City;

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

“**Prevailing Exchange Rate**” means, in relation to any two currencies and any day:

- (i) for the purposes of the definition of Alternative Consideration, the executable bid quotation obtained by the Settlement Shares Depositary which is most favourable to the relevant Holder, out of quotations obtained by it from three recognised foreign exchange dealers selected by the Settlement Shares Depositary, for value on such day; and
- (ii) for all other purposes, the prevailing market currency exchange rate at the time at which such rate is determined in the relevant market for foreign exchange transactions in such currencies for value on such day, as determined by the Issuer in its sole discretion and acting in a commercially reasonable manner;

“**Qualifying Capital Notes**” means, at any time, any securities (other than the Notes) issued or guaranteed by the Issuer that:

- (i) (a) contain terms which at such time comply with CRD IV requirements in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or

restricting for a period of time the application of, one or both of the Special Event redemption events which are included in the Notes) and (b) provide at least the same amount of regulatory capital recognition as the Notes prior to the relevant substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and

- (ii) carry the same rate of interest, including for the avoidance of doubt any reset provisions, from time to time applying to the Notes prior to the relevant substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (iii) have the same Outstanding Principal Amounts as the Notes prior to substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (iv) rank *pari passu* with the Notes prior to the substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (v) shall not at such time be subject to a Special Event; and
- (vi) have terms not otherwise materially less favourable to the Holders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect signed by two of its directors to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's Specified Office during its normal business hours) not less than 5 Business Days prior to (a) in the case of a substitution of the Notes pursuant to Condition 8.6 (*Substitution and variation*), the issue date of the relevant securities or (b) in the case of a variation of the Notes pursuant to Condition 8.6 (*Substitution and variation*), the date such variation becomes effective; and
- (vii) if the Notes were listed or admitted to trading on a recognised stock exchange immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange, as selected by the Issuer;

**“Rate of Interest”** means:

- (i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or
- (ii) in the case of each Interest Period thereafter, the sum of (a) the Reset Rate of Interest in respect of the Reset Interest Period in which such Interest Period falls and (b) the Margin,

all as determined by the Fiscal Agent in accordance with Condition 5 (*Interest*);

**“Reference Bond”** means, in relation to any Reset Interest Period, the U.S. Treasury security, as selected by the Issuer on the advice of an investment bank of international repute, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in USD and with a maturity date falling on or around the last day of such Reset Interest Period;

**“Reference Bond Quotation”** means, in relation to a Reset Reference Bank and a Reset Rate of Interest Determination Date, the arithmetic mean, as determined by the Fiscal Agent, of the bid and offered yields for the relevant Reference Bond provided to the Fiscal Agent by such Reset Reference Bank at approximately 11:00 a.m. (New York City time) on such Reset Rate of Interest Determination Date;

**“Relevant Amounts”** means the Outstanding Principal Amounts of the Notes, together with any accrued but unpaid interest and additional amounts (as described in Condition 10 (*Taxation*)) due on the Notes. 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 Danish Statutory Loss Absorption Powers by the Relevant Resolution Authority;

**“Relevant Currency”** means the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time;

**“Relevant Date”** means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders in accordance with Condition 17 (*Notices*);

**“Relevant Regulator”** means the Danish Financial Supervisory Authority and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer;

**“Relevant Resolution Authority”** means the resolution authority with the ability to exercise any Danish Statutory Loss Absorption Powers in relation to the Issuer;

**“Relevant Stock Exchange”** means Nasdaq Copenhagen A/S or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on Nasdaq Copenhagen A/S, the principal stock exchange or securities market (if any) on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing;

**“Reset Date”** means the First Call Date and each day which falls on the seventh anniversary of the immediately preceding Reset Date;

**“Reset Interest Amount”** has the meaning given to such term in Condition 5.4 (*Determination of Reset Rate of Interest in relation to a Reset Interest Period*);

**“Reset Interest Period”** means each period from (and including) the First Call Date or any Reset Date and ending on (but excluding) the next Reset Date;

**“Reset Rate of Interest”** means, in relation to a Reset Interest Period, the 7-year Treasury Rate determined for such Reset Interest Period by the Fiscal Agent in accordance with Condition 5 (*Interest*);

**“Reset Rate of Interest Determination Date”** means, in relation to a Reset Interest Period, the day falling two Business Days prior to the Reset Date on which such Reset Interest Period commences;

**“Reset Reference Bank Rate”** means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the percentage rate determined on the basis of the Reference Bond Quotations provided by the Reset Reference Banks to the Fiscal Agent at approximately 11:00 a.m. (New York City time) on such Reset Rate of Interest Determination Date. If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the Reference Bond Quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period will be (i) in the case of each Reset Interest Period other than the Reset Interest Period commencing on the First Call Date, the 7-year Treasury Rate in respect of the immediately preceding Reset Interest Period or (ii) in the case of the Reset Interest Period commencing on the First Call Date, 2.870 per cent. per annum;

**“Reset Reference Banks”** means five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in USD (excluding the Fiscal Agent or any of its affiliates), as selected by the Issuer in its discretion after consultation with the Fiscal Agent;

**“Risk Exposure Amounts”** means the aggregate amount of the risk exposure amounts (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with CRD IV requirements and any applicable transitional arrangements under CRD IV;

“**Screen Page**” means Bloomberg page PX1 or such other page as may replace it on Bloomberg or, as the case may be, on such other information service that may replace Bloomberg, in each case, as may be nominated by the Issuer on the advice of an investment bank of international standing for the purpose of displaying yields for the relevant Reference Bond;

“**Securities**” means any securities including, without limitation, shares in the capital of the Issuer (and each a “**Security**”);

“**Settlement Date**” means:

- (i) with respect to any Note in relation to which a Conversion Notice is received by the Settlement Shares Depository (or its designated agent) on or before the Notice Cut-off Date in accordance with Condition 7.5 (*Conversion Settlement*):
  - (a) where (A) the Issuer has not delivered a Conversion Shares Offer Election Notice in accordance with Condition 7.6 (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer Election Date or (B) the Issuer announces prior to the Latest Conversion Shares Offer Election Date (such announcement, the “**No Conversion Shares Offer Announcement**” and the date of the No Conversion Shares Offer Announcement, the “**No Conversion Shares Offer Announcement Date**”) that it will not deliver a Conversion Shares Offer Election Notice, the date that is two Business Days after the latest of:
    - (x) the earliest of the Latest Conversion Shares Offer Election Date and the No Conversion Shares Announcement Date; and
    - (y) the date on which the relevant Conversion Notice has been so received; or
  - (b) where the Issuer has delivered a Conversion Shares Offer Election Notice in accordance with Condition 7.6 (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer Election Date, the date that is two Business Days after the latest of (A) the date on which the Conversion Shares Offer Period either expires or is terminated in accordance with Condition 7.6 (*Conversion Shares Offer*) and (B) the date on which the relevant Conversion Notice has been so received; and
- (ii) with respect to any Note in relation to which a Conversion Notice is not so received by the Settlement Shares Depository (or its designated agent) on or before the Notice Cut-off Date, the date on which the Settlement Shares Depository delivers the relevant Conversion Shares or the relevant Alternative Consideration, as applicable, to the relevant Holder;

“**Settlement Shares Depository**” means a reputable financial institution, trust company or similar entity (which in each such case is wholly independent of the Issuer) to be appointed by the Issuer on or prior to any date when a function ascribed to the Settlement Shares Depository in these Conditions is required to be performed to perform such function and which will hold the Conversion Shares (and any Alternative Consideration, if applicable) on trust (or other similar arrangement) for Holders in one or more segregated accounts, unless otherwise required to be transferred out of such accounts for the purposes of a Conversion Shares Offer, and otherwise on terms consistent with these Conditions;

“**Settlement Shares Depository Business Day**” means a day on which the Settlement Shares Depository is open for general business;

“**Shareholders**” means the holders of Ordinary Shares (and each a “**Shareholder**”);

“**Share Register**” means the register maintained by (or on behalf of) the Issuer in relation to the Ordinary



Shares;

“**Special Event**” means either a Tax Event or a Capital Event;

“**Specified Office**” has the meaning given to such term in the Agency Agreement;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Talon**” means a talon for further Coupons;

“**Tax Event**” means, as a result of any official change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Issuer receives an opinion of external counsel in Denmark that:

- (i) it would be required to pay additional amounts as provided in Condition 10 (*Taxation*); or
- (ii) it will no longer be able to obtain a full tax deduction for the purposes of Danish tax for any payment of interest under the Notes,

in each case provided that the Issuer satisfies the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable at the time of their issuance;

“**Trigger Event**” means that the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below the Trigger Event Threshold, as determined at any time by the Issuer, the Relevant Regulator or any agent appointed for such purpose by the Relevant Regulator, as the case may be, and such determination shall be binding on the Holders;

“**Trigger Event Notice**” has the meaning given to such term in Condition 7.1 (*Notice Following a Trigger Event*);

“**Trigger Event Redemption Restriction**” has the meaning given to such term in Condition 7.2 (*Effect of Trigger Event*);

“**Trigger Event Threshold**” means 7.000 per cent.;

“**U.S. Dollars**” and “**USD**” mean United States dollars; and

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share or Security on any Dealing Day, the order book volume-weighted average price of such Ordinary Share or Security published by or derived (in the case of the Ordinary Shares) from the relevant Bloomberg page or (in the case of Securities (other than the Ordinary Shares)) from the principal stock exchange or securities market on which such Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day, provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share or Security, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined or determined as an

Independent Adviser might otherwise determine in good faith to be appropriate.

2.2 *Interpretation:* In these Conditions:

- (i) Notes and Holders shall respectively be deemed to include references to Coupons and Couponholders, if relevant;
- (ii) references to Coupons shall be deemed to include references to Talons;
- (iii) any reference to principal shall be deemed to include the Outstanding Principal Amount(s), any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (v) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vi) any reference to a numbered “Condition” shall be to the relevant Condition in these Conditions; and
- (vii) any reference to any legislation, any provision thereof or to any instrument, order or regulation made thereunder shall be construed as a reference to such legislation, provision, instrument, order or regulation as the same may have been, or may from time to time be, amended, replaced or re-enacted.

**3. Form, Denomination and Title**

3.1 *Form of Notes and denominations:* The Notes are in bearer form, serially numbered, in the denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof up to (and including) USD 399,000, each with Coupons and, if necessary, Talons attached on issue. Notes of one denomination will not be exchangeable for Notes of another denomination.

The Outstanding Principal Amounts may be reduced as required by then current legislation and/or regulations applicable to the Issuer. Any such reduction to the Outstanding Principal Amounts will not have any effect on the denominations of the Notes.

3.2 *Title:* Title to Notes and Coupons will pass by delivery. The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

**4. Status of the Notes**

4.1 *Status:* The Notes (in Danish: “*kapitalbeviser*”) on issue constitute Additional Tier 1 Capital of the Issuer under CRD IV requirements.

Subject to Condition 7 (*Loss Absorption Following a Trigger Event*), the Notes constitute direct, unsecured and subordinated debt obligations of the Issuer, and will at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other obligations or capital instruments that rank or are expressed to

rank equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

- (iii) senior to holders of the Ordinary Shares and any other obligations or capital instruments that rank or are expressed to rank junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) depositors of the Issuer and other unsubordinated creditors of the Issuer and (b) other subordinated creditors of the Issuer (other than present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Notes).

In the event of a liquidation or bankruptcy of the Issuer that occurs after the date on which a Trigger Event occurs but before the Conversion Date, the rights and claims (if any) of the Holders in respect of their Notes shall be limited to such amount, if any, as would have been payable to Holders on a return of assets in such liquidation or bankruptcy of the Issuer if the Conversion Date had occurred immediately before the occurrence of such liquidation or bankruptcy of the Issuer.

- 4.2 *No right of set-off or counterclaim:* In accordance with Danish law, no Holder, who shall in the event of the liquidation or bankruptcy of the Issuer be indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Holder.

*In respect of this Condition 4, reference is also made to statutory loss absorption as more fully described in the risk factor in this Offering Memorandum entitled “The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. In certain limited circumstances, it is possible that the implementation of the directive or the taking of any action under it could affect the value of any Notes”.*

## **5. Interest**

- 5.1 *Interest rate:* The Notes bear interest on their Outstanding Principal Amounts at the relevant Rate of Interest from (and including) the Issue Date. Interest shall be payable semi-annually in arrear on each Interest Payment Date, subject in any case as provided in Condition 6 (*Interest Cancellation*) and Condition 9 (*Payments*). The first payment of interest will be made on 26 December 2018.
- 5.2 *Accrual of interest:* Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Outstanding Principal Amount in respect thereof is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:
- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder; and
  - (ii) the day which is seven days after the Fiscal Agent has notified the Holders in accordance with Condition 17 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent non-payment).
- 5.3 *Interest to (but excluding) the First Call Date:* Unless the Calculation Amount has been adjusted as described in the definition thereof, the amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will be USD 35.00.

If the Calculation Amount has been adjusted as described in the definition thereof, Condition 5.6 (*Calculation of amount of interest per Calculation Amount*) will apply.

5.4 *Determination of Reset Rate of Interest in relation to a Reset Interest Period:* The Fiscal Agent will, as soon as practicable after 11:00 a.m. (New York City time) on each Reset Rate of Interest Determination Date in relation to a Reset Interest Period, determine:

- (i) the Reset Rate of Interest for such Reset Interest Period and the Rate of Interest in relation to each Interest Period falling in such Reset Interest Period; and
- (ii) calculate the amount of interest payable per Calculation Amount on the Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period (each a “**Reset Interest Amount**”).

5.5 *Publication of Reset Rate of Interest, Rate of Interest and Reset Interest Amount:* With respect to each Reset Interest Period, the Fiscal Agent will cause the relevant Reset Rate of Interest, the relevant Rate of Interest and the relevant Reset Interest Amount determined by it, together with the relevant Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period, to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Holders in accordance with Condition 17 (*Notices*).

5.6 *Calculation of amount of interest per Calculation Amount:* Save as specified in Condition 5.3 (*Interest to (but excluding) the First Call Date*), the amount of interest payable in respect of the Calculation Amount (including, for the avoidance of doubt, the Reset Interest Amount) for any period shall be calculated by:

- (i) applying the applicable Rate of Interest to the Calculation Amount;
- (ii) multiplying the product thereof by the Day Count Fraction; and
- (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If as required by then current legislation and/or regulations applicable to the Issuer, the Outstanding Principal Amounts are reduced during an Interest Period, the Calculation Amount will be adjusted by the Fiscal Agent to reflect such Outstanding Principal Amounts from time to time so that the relevant amount of interest is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Fiscal Agent.

5.7 *Calculation of amount of interest per Note:* The amount of interest payable in respect of a Note shall be the product of:

- (i) the amount of interest per Calculation Amount; and
- (ii) the number by which the Original Calculation Amount is required to be multiplied to equal the denomination of such Note.

5.8 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Fiscal Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Holders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 6. Interest Cancellation

6.1 *Interest Cancellation:* Any payment of interest (including, for the avoidance of doubt, any additional interest amounts payable pursuant to Condition 10 (*Taxation*)) in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

- (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion; or
- (ii) will be mandatorily cancelled, in whole or in part, to the extent:
  - (a) that, if the relevant payment were so made, the amount of such payment, when aggregated together with other distributions of the kind referred to in Article 141 (2) of the CRD IV Directive (or, as the case may be, any provision of Danish law transposing or implementing Article 141 (2) of the CRD IV Directive), or any successor thereto, would cause any Maximum Distributable Amount to be exceeded; or
  - (b) otherwise so required by CRD IV, including the applicable criteria for Additional Tier 1 Capital instruments.

6.2 *Notice of Interest Cancellation:* The Issuer shall give notice to the Holders in accordance with Condition 17 (*Notices*) of any such cancellation of a payment of interest, which notice might be given after the date on which the relevant payment of interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay interest as described above.

6.3 *Effect of Interest Cancellation:* Following any cancellation of interest as described above, the right of Holders to receive accrued interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose nor will the non-payment of such interest constitute an Enforcement Event.

## 7. Loss Absorption Following a Trigger Event

7.1 *Notice Following a Trigger Event:* If at any time a Trigger Event occurs, the Issuer shall immediately notify the Relevant Regulator and, in accordance with Condition 17 (*Notices*), the Holders (such notice, a "**Trigger Event Notice**") and the Notes will be converted into Conversion Shares as provided in this Condition 7. Notwithstanding the foregoing, failure to give such notice shall not prejudice the conversion of the Notes into Conversion Shares as described below.

The Trigger Event Notice shall specify the Conversion Price then prevailing (which Conversion Price shall, if applicable, remain subject to any subsequent (i) change pursuant to the operation of the definition thereof and/or (ii) adjustment pursuant to Condition 7.8 (*Adjustments to Floor Price*) up to the Conversion Date), the Conversion Date, the Notice Cut-off Date and the Long-Stop Date and, to the extent available, details of the Settlement Shares Depository or alternative settlement arrangements. As soon as the Conversion Price prevailing as at the Conversion Date has been determined, the Issuer shall immediately notify the Relevant Regulator and, in accordance with Condition 17 (*Notices*), the Holders.

7.2 *Effect of Trigger Event:* If at any time a Trigger Event occurs:

- (i) each Note shall, subject to and as provided in this Condition 7, be irrevocably discharged and satisfied by its conversion into Conversion Shares, credited as fully paid-up, in the manner and in the circumstances described below, and the issuance and delivery of such Conversion Shares to the Settlement Shares Depository, to be held on trust (or other similar arrangement) (which trust

(or other similar arrangement) must be on terms permitting a Conversion Shares Offer in accordance with Condition 7.6 (*Conversion Shares Offer*) for the Holders, as provided below;

- (ii) such conversion shall take place without delay and in any event not later than one month following the occurrence of such Trigger Event (such date on which conversion is to occur shall be specified in the Trigger Event Notice and is referred to in these Conditions as the “**Conversion Date**”);
- (iii) the Notes will be converted in whole and not in part on the Conversion Date as provided below, at which point all of the Issuer’s obligations under the Notes shall be irrevocably discharged and satisfied by the Issuer’s issuance and delivery of the Conversion Shares to the Settlement Shares Depository no later than the Conversion Date; and
- (iv) with effect from the occurrence of such Trigger Event:
  - (a) no Holder will have any rights against the Issuer with respect to the repayment of the Outstanding Principal Amounts of the Notes or the payment of interest or other amount on or in respect of the Notes (other than, in the case of a liquidation or bankruptcy of the Issuer that occurs after the date on which such Trigger Event occurs but before the Conversion Date, any amounts payable to Holders in such circumstances as described in the last paragraph of Condition 4.1 (*Status*)) and the Outstanding Principal Amounts of the Notes shall equal zero at all times thereafter;
  - (b) any interest otherwise falling due on any date which falls on or after the date on which such Trigger Event occurs shall be deemed to have been cancelled upon the occurrence of such Trigger Event and shall not become due and payable; and
  - (c) each Holder’s only right under the Notes against the Issuer will be a claim to have the Conversion Shares issued and delivered as described in, and subject to the provisions of, this Condition 7.

Except where the Issuer has been unable to appoint a Settlement Shares Depository as contemplated in Condition 7.4 (*Failure to appoint a Settlement Shares Depository*), the Conversion Shares shall be delivered to the Settlement Shares Depository in the manner described in Condition 7.5 (*Conversion Settlement*) and the Settlement Shares Depository shall (subject to the provisions of Condition 7.6 (*Conversion Shares Offer*)) hold such Conversion Shares on trust (or other similar arrangement) for the Holders. By virtue of its holding of any Note, each Holder shall be deemed to have irrevocably directed the Issuer to issue and deliver the Conversion Shares to the Settlement Shares Depository.

Provided that the Issuer so issues and delivers the Conversion Shares to the Settlement Shares Depository, with effect on and from the Conversion Date, Holders shall have recourse only to the Settlement Shares Depository for the delivery to them of such Conversion Shares or, subject to, and as provided in, Condition 7.6 (*Conversion Shares Offer*), the Alternative Consideration. Subject as provided in Condition 4.1 (*Status*), if the Issuer fails to issue and deliver the Conversion Shares to the Settlement Shares Depository on the Conversion Date, a Holder’s only right under the Notes against the Issuer for any such failure will be a claim to have such Conversion Shares so issued and delivered. By virtue of its holding of any Note, each Holder shall be deemed to have irrevocably agreed that, where (i) there is a delay or failure by the Issuer to deliver Conversion Shares pursuant to these Conditions and (ii) such Holder suffers a loss or losses, directly or indirectly, as a result of such delay or failure, it will not have any right or claim against the Issuer (or any other Person) for compensation (or any other form of damages) for such loss or losses.

Subject to, and as provided in, Condition 7.6 (*Conversion Shares Offer*), for so long as the Conversion Shares are held by the Settlement Shares Depository, each Holder shall be entitled to direct the Settlement Shares Depository to exercise on its behalf all rights of an ordinary shareholder (including voting rights and rights to receive dividends) which it would otherwise have if it (rather than the Settlement Shares

Depository) held the relevant Conversion Shares, except that such Holder shall not be able to sell or otherwise transfer the relevant Conversion Shares unless and until such time as they have been delivered to the relevant Holder in accordance with Condition 7.5 (*Conversion Settlement*).

Following the issuance and delivery of the Conversion Shares to the Settlement Shares Depository on the Conversion Date, the Note(s) of a Holder shall remain in existence until the applicable Settlement Date (or, if earlier or to the extent not cancelled on the applicable Settlement Date, the Long-Stop Date) for the purpose only of evidencing such Holder's rights as aforesaid to receive the relevant Conversion Shares or the relevant Alternative Consideration, as the case may be, to be delivered by the Settlement Shares Depository in accordance with Condition 7.5 (*Conversion Settlement*).

Notes, once converted into Conversion Shares, may not be reconverted back into Notes.

If a Trigger Event occurs after a notice of redemption has been given pursuant to Condition 8.2 (*Redemption upon the occurrence of a Special Event*) or Condition 8.3 (*Redemption at the option of the Issuer*) but before the relevant redemption date, such notice of redemption shall automatically be revoked and the relevant redemption shall not be made. The redemption restriction described in this paragraph is referred to as the "**Trigger Event Redemption Restriction**".

Such conversion of the Notes into Conversion Shares shall not constitute an Enforcement Event.

7.3 *No option to convert:* The Notes are not convertible into Ordinary Shares at the option of the Holders at any time.

7.4 *Failure to appoint a Settlement Shares Depository:* If the Issuer has been unable to appoint a Settlement Shares Depository, it shall make such other arrangements for the Conversion Shares to be issued and delivered (or for Alternative Consideration to be delivered) to the Holders as it considers reasonable in the circumstances, which may include issuing and delivering the Conversion Shares to another independent nominee to be held on trust (or other similar arrangement) (which trust (or other similar arrangement) must be on terms permitting a Conversion Shares Offer in accordance with Condition 7.6 (*Conversion Shares Offer*)) for the Holders or to the Holders directly, which issuance and delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Notes as if the relevant Conversion Shares had been issued and delivered to the Settlement Shares Depository and, in which case, where the context so admits, references in these Conditions to the issue and delivery of Conversion Shares to the Settlement Shares Depository shall be construed accordingly and apply *mutatis mutandis*.

7.5 *Conversion Settlement:*

- (i) On the relevant Settlement Date, each Holder shall receive delivery (free of payment) of:
  - (a) except where sub-paragraph (b) below applies, such number of Conversion Shares as is calculated in respect of the Outstanding Principal Amount of the Note(s) held by such Holder in accordance with Condition 7.7 (*Conversion Price*); or
  - (b) if the Issuer has delivered a Conversion Shares Offer Election Notice in accordance with Condition 7.6 (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer Election Date, Alternative Consideration, calculated in accordance with the definition of "Alternative Consideration".
- (ii) In order to obtain delivery from the Settlement Shares Depository of Conversion Shares or, as applicable, the relevant Alternative Consideration following a conversion, each Holder must deliver a duly completed Conversion Notice and surrender the relevant Note(s) to the Settlement Shares Depository (or an agent designated for the purpose in the Trigger Event Notice) on or before the Notice Cut-off Date. If such delivery is made after the end of normal business hours at the

Specified Office of the Settlement Shares Depository (or, as appropriate, its designated agent as aforesaid) or on a day which is not a Settlement Shares Depository Business Day, such delivery shall be deemed for all purposes of these Conditions to have been made or given on the next following Settlement Shares Depository Business Day.

- (iii) If a Holder fails to deliver such Conversion Notice and surrender the Note(s) held by it on or before the Notice Cut-off Date (a “**Notice Cut-off Failure**”), or if the Settlement Shares Depository has determined (and, if practicable, notified such Holder) that the relevant Conversion Notice which was delivered is incomplete or invalid (an “**Invalid Delivery**”), then the Settlement Shares Depository shall continue to hold the relevant Conversion Shares or the relevant Alternative Consideration, as the case may be, until:
  - (a) in the case of a Notice Cut-off Failure, such Holder provides evidence of its entitlement to the relevant Conversion Shares or the relevant Alternative Consideration, as applicable, satisfactory to the Settlement Shares Depository in its sole and absolute discretion; or
  - (b) in the case an Invalid Delivery, a duly completed and valid Conversion Notice is so delivered and the relevant Note(s) is/are so surrendered prior to the Notice Cut-off Date.

The Issuer shall have no liability to any Holder for any loss resulting from such Holder not receiving any Conversion Shares or the relevant Alternative Consideration, as applicable, or from any delay in the receipt thereof, in each case as a result of such Holder failing to submit a valid Conversion Notice and surrender the relevant Note(s), on a timely basis or at all.

- (iv) Any determination as to whether any Conversion Notice has been properly completed and delivered and whether the relevant Note(s) has/have been surrendered as provided in these Conditions shall be made by the Settlement Shares Depository in its sole discretion and shall be conclusive and binding on the relevant Holders.
- (v) If, at the time of the conversion of the Notes pursuant to this Condition 7, the Conversion Shares are capable of being delivered in uncertificated book-entry form through a clearing or settlement organisation, subject as provided in this Condition 7:
  - (a) the issuance and delivery of the Conversion Shares to the Settlement Shares Depository as described in Condition 7.2 (*Effect of Trigger Event*) will be effected by way of the delivery of the Conversion Shares to a securities account maintained by the Settlement Shares Depository with such clearing or settlement organisation; and
  - (b) in the case of each Holder, the Settlement Shares Depository shall deliver the relevant Conversion Shares (or the Conversion Share component of any Alternative Consideration) to the securities account with such clearing or settlement organisation specified by such Holder in the relevant Conversion Notice.
- (vi) If, at the time of the conversion of the Notes pursuant to this Condition 7, proof of title to the Ordinary Shares is only evidenced by registration in the Share Register, subject as provided in this Condition 7:
  - (a) the issuance and delivery of the Conversion Shares to the Settlement Shares Depository as described in Condition 7.2 (*Effect of Trigger Event*) will be effected by way of the registration in the Share Register of the Conversion Shares in the name of the Settlement Shares Depository; and
  - (b) in the case of each Holder, the Settlement Share Depository shall deliver the relevant Conversion Shares (or the Conversion Share component of any Alternative Consideration)



to such Holder by way of a subsequent registration in the Share Register of the relevant Conversion Shares in the name of such Holder specified in the relevant Conversion Notice.

- (vii) Any cash component of any Alternative Consideration payable to a Holder shall be paid by transfer to an account which accepts funds in USD with a bank in such city as may be specified in, and in accordance with the instructions contained in, the relevant Conversion Notice.
- (viii) If, with respect to the Note(s) of a Holder, such Note(s) have not been cancelled on the applicable Settlement Date, such Note(s) shall be deemed to be cancelled on the Long-Stop Date.

#### 7.6 *Conversion Shares Offer:*

- (i) Not later than the Latest Conversion Shares Offer Election Date, the Issuer may, in its sole and absolute discretion, make an election by giving notice to the Holders in accordance with Condition 17 (*Notices*) (a “**Conversion Shares Offer Election Notice**”) that the Settlement Shares Depository (or an agent on its behalf) will make an offer of, in the Issuer’s sole and absolute discretion, all or some of the Conversion Shares to, in the Issuer’s sole and absolute discretion, all or some of the Shareholders at such time, such offer to be at the Conversion Shares Offer Price, all in accordance with the following provisions (a “**Conversion Shares Offer**”).

A Conversion Shares Offer Election Notice shall specify the period of time for which the Conversion Shares Offer will be open (the “**Conversion Shares Offer Period**”). The Conversion Shares Offer Period shall end no later than 40 Business Days after the giving of the Conversion Shares Offer Election Notice by the Issuer.

- (ii) Upon expiry of the Conversion Shares Offer Period, the Settlement Shares Depository will provide notice to the Holders in accordance with Condition 17 (*Notices*) of the composition of the Alternative Consideration (and of the deductions to the cash component, if any, of the Alternative Consideration (as set out in the definition of “Alternative Consideration”)) per Note. The Alternative Consideration shall be held on trust (or other similar arrangement) by the Settlement Shares Depository for the Holders and delivered to each Holder in the manner described in, and subject to, Condition 7.5 (*Conversion Settlement*).
- (iii) The Issuer reserves the right, in its sole and absolute discretion, to elect that the Settlement Shares Depository terminate the Conversion Shares Offer at any time during the Conversion Shares Offer Period. If the Issuer makes such election, it will provide at least three Business Days’ notice to the Holders in accordance with Condition 17 (*Notices*) and the Settlement Shares Depository. The Settlement Shares Depository may then, in its sole and absolute discretion, take steps to deliver to Holders the Conversion Shares at a time that is earlier than the time at which they would have otherwise received the Alternative Consideration had the Conversion Shares Offer been completed.
- (iv) Each Holder acknowledges and agrees that if the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Settlement Shares Depository, such Holder shall be deemed to have: (a) irrevocably consented to any Conversion Shares Offer and, notwithstanding that such Conversion Shares are held by the Settlement Shares Depository on trust (or other similar arrangement) for the Holders, to the Settlement Shares Depository using the Conversion Shares delivered to it to settle any Conversion Shares Offer; (b) irrevocably consented to the transfer of the interest such Holder has in the Conversion Shares delivered to the Settlement Shares Depository to one or more purchasers identified by the Settlement Shares Depository in connection with the Conversion Shares Offer; (c) irrevocably agreed that the Issuer and the Settlement Shares Depository may take any and all actions necessary to conduct the Conversion Shares Offer in accordance with the terms of the Notes; and (d) irrevocably agreed that neither the

Issuer nor the Settlement Shares Depositary shall, to the extent permitted by applicable law, incur any liability to the Holders in respect of the Conversion Shares Offer (except for the obligations of the Settlement Shares Depositary in respect of the Holders' entitlement to, and the subsequent delivery of, any Alternative Consideration).

- (v) Any Conversion Shares Offer shall only be made subject to applicable laws and regulations in effect at the relevant time and shall be conducted, if at all, only to the extent that the Issuer, in its sole and absolute discretion, determines that such Conversion Shares Offer is appropriate and practicable and without providing any unfair advantage to any of the Shareholders at such time. The purchasers of the Conversion Shares pursuant to a Conversion Shares Offer shall bear the costs and expenses of any Conversion Shares Offer (other than the taxes referred to in the definition of "Alternative Consideration"), including the fees of the Settlement Shares Depositary in this connection, if any.

7.7 *Conversion Price*: The Issuer shall issue and deliver to the Settlement Shares Depositary on the Conversion Date a number of Conversion Shares in respect of the Notes determined by dividing the Outstanding Principal Amount of the Notes (in effect immediately prior to the relevant Trigger Event) by the Conversion Price (as adjusted, if applicable, in accordance with Condition 7.8 (*Adjustments to Floor Price*) up to and including the Conversion Date), subject to Condition 7.10 (*Rounding Down and Notice of Adjustments to the Floor Price*) and Condition 7.11 (*Fractions*).

7.8 *Adjustments to Floor Price*: Upon the happening of any of the events described below, the Floor Price shall be adjusted as follows, provided always, that the Floor Price shall not be less than the par value of the Ordinary Shares immediately prior to Conversion Date converted into USD at the then Prevailing Exchange Rate:

- (i) If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares which alters the number of Ordinary Shares in issue, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

"A" is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

"B" is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (ii) If and whenever the Issuer shall issue any Ordinary Shares to Shareholders as a class credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) (other than (a) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Cash Dividend which the Shareholders would or could otherwise have elected to receive, (b) where the Shareholders may elect to receive a Cash Dividend in lieu of such Ordinary Shares or (c) where any such Ordinary Shares are or are expressed to be issued in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise)), the Floor Price shall

be adjusted by multiplying the Floor Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

“A” is the aggregate number of Ordinary Shares in issue immediately before such issue; and

“B” is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

- (iii) If and whenever the Issuer shall issue Ordinary Shares to all or substantially all Shareholders as a class by way of rights, or the Issuer or any of its Subsidiaries or (at the direction or request or pursuant to arrangements with the Issuer or any of its Subsidiaries) any other Person shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant Effective Date, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the relevant Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

“A” is the number of Ordinary Shares in issue on the relevant Effective Date;

“B” is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the relevant Effective Date; and

“C” is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate,

provided that if, on the relevant Effective Date, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (iii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the relevant Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the relevant Effective Date.

Such adjustment shall become effective on the relevant Effective Date.

(iv) If and whenever any event in relation to the Issuer and/or the Ordinary Shares (other than the events described in paragraphs (i) to (iii) of this Condition 7.8 and unless otherwise explicitly excluded from paragraphs (i) to (iii) of this Condition 7.8 or as described in Condition 7.13 (*Share Option Schemes, Dividend Reinvestment Plans*)) (including, without limitation, (a) the payment of any extraordinary dividend or other distribution (howsoever described) to the Shareholders, (b) any reduction of the Issuer's capital, (c) any dissolution of the Issuer, (d) any merger of the Issuer or (e) any demerger of the Issuer) shall occur, the Floor Price may be adjusted in accordance with the following principles:

(A) other than in the case of a dissolution, merger or demerger of the Issuer, if the Issuer determines that the Floor Price is to be reduced following the occurrence of the relevant event, the amount of such reduction to the Floor Price may be determined in the Issuer's sole and absolute discretion; and

(B) in all other cases, subject to the provisions of Condition 7.12 (*Decision of an Independent Adviser*), an Independent Adviser shall determine in good faith whether an adjustment to the Floor Price (if any) is appropriate and, if so, the appropriate adjustment to the Floor Price.

Any such adjustment shall become effective on the date specified in the notice to the Holders relating to such adjustment.

(v) Notwithstanding the foregoing provisions:

(a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 7.8 have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Floor Price or where more than one event which gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in such Independent Adviser's opinion appropriate to give the intended result;

(b) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in such Independent Adviser's opinion appropriate (i) to ensure that an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once, and (ii) to reflect a redenomination of the issued Ordinary Shares for the time being into a new currency; and

(c) for the avoidance of doubt, the issue of Conversion Shares following the occurrence of a Trigger Event shall not result in an adjustment to the Floor Price.

7.9 *Determination of Consideration Receivable:* For the purpose of any calculation of the consideration receivable or price pursuant to paragraph (iii) of Condition 7.8 (*Adjustments to Floor Price*), the following provisions shall apply:

(i) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;

(ii) (a) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (b) the aggregate

consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date, plus in the case of each of (a) and (b) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (c) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (a) or (b) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (iii) if the consideration or price determined pursuant to (i) or (ii) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Exchange Rate on the relevant Effective Date (in the case of (i) above) or the relevant date of first public announcement (in the case of (ii) above);
- (iv) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (v) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

7.10 *Rounding Down and Notice of Adjustments to the Floor Price:* On any adjustment, if the resultant Floor Price has more decimal places than the initial Floor Price, it shall be rounded to the same number of decimal places as the initial Floor Price. No adjustment shall be made to the Floor Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Floor Price then in effect. Any adjustment not required to be made, and/or any amount by which the Floor Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Floor Price shall be given by the Issuer to Holders promptly after the determination thereof in accordance with Condition 17 (*Notices*).

The Floor Price shall not in any event be reduced to below the par value of an Ordinary Share for the time being. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Floor Price to below the par value of the Ordinary Shares immediately prior to the Conversion Date converted into USD at the then Prevailing Exchange Rate.

7.11 *Fractions:* Fractions of Conversion Shares will not be delivered to the Settlement Shares Depository or to Holders upon a conversion and no cash payment will be made in lieu thereof. However, if one or more Conversion Notices and Notes are delivered to the Settlement Shares Depository such that any Conversion Shares (or any Conversion Share component of any Alternative Consideration, as applicable) to be issued and delivered to a Holder are to be registered in the same name, the number of Conversion Shares to be issued and delivered in respect thereof shall be calculated on the basis of the aggregate Outstanding

Principal Amounts of such Notes (in effect immediately prior to the relevant Trigger Event) to be converted.

7.12 *Decision of an Independent Adviser:* In:

- (i) the circumstances described in sub-paragraph (iv)(B) of Condition 7.8 (*Adjustments to Floor Price*), the Issuer will; and
- (ii) all other cases where the Floor Price can be adjusted as described in Condition 7.8 (*Adjustments to Floor Price*), if any doubt shall arise as to whether an adjustment shall be made to the Floor Price or as to the appropriate adjustment to the Floor Price, the Issuer may at its discretion,

appoint an Independent Adviser and, following consultation between the Issuer and such Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer and the Holders, save in the case of manifest error.

7.13 *Share Option Schemes, Dividend Reinvestment Plans:* No adjustment will be made to the Floor Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme.

7.14 *Taxes and Duties:* Neither the Issuer nor any member of the Group shall be liable for any taxes or duties (including, without limitation any capital, stamp, issue and registration or transfer taxes or duties) arising on conversion or that may arise or be paid as a consequence of the issue and delivery of Conversion Shares. Each Holder must pay any taxes or duties (including, without limitation, any capital, stamp, issue and registration and /or transfer taxes or duties) arising on conversion in connection with the issue and delivery of Conversion Shares to the Settlement Shares Depository on behalf of such Holder and such Holder must pay all, if any, such taxes or duties arising by reference to any disposal or deemed disposal of such Holder's Notes or interest therein. Any taxes or duties arising on delivery or transfer of Conversion Shares to a purchaser in any Conversion Shares Offer shall be payable by the relevant purchaser of those Conversion Shares.

7.15 *Ordinary Shares:* The Conversion Shares will be fully paid-up and non-assessable and will in all respects rank *pari passu* with the fully paid-up Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that any Conversion Shares so issued and delivered will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, distributions or payments, the record date (or other due date for the establishment of entitlement) for which falls prior to the Conversion Date.

7.16 *Purchase or Redemption of Ordinary Shares:* The Issuer or any company in the Group may exercise such rights as it may from time to time enjoy to purchase, redeem or buy back any Securities (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of Holders.

## **8. Redemption and Purchase**

8.1 *Scheduled redemption:* The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described herein. The Notes are not redeemable at the option of the Holders at any time.

8.2 *Early redemption upon the occurrence of a Special Event:* Subject to Condition 8.7 (*Conditions to redemption etc.*), upon the occurrence of a Special Event, the Issuer may, at its option, at any time and

having given no less than thirty nor more than sixty days' notice to the Holders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable, subject to the Trigger Event Redemption Restriction), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled; provided however that where the Special Event is a Tax Event, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts as referred to in the definition of Tax Event.

The Issuer, having satisfied itself that a Special Event has occurred, shall notify the Holders in accordance with Condition 17 (*Notices*) of the occurrence of such Special Event.

- 8.3 *Redemption at the option of the Issuer:* The Issuer may, at its option (but subject to Condition 8.7 (*Conditions to redemption etc.*)) and having given no less than thirty nor more than sixty days' notice to the Holders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable, subject to the Trigger Event Redemption Restriction), redeem all (but not some only) of the outstanding Notes on the relevant Optional Redemption Date (Call) at their Outstanding Principal Amounts, together with accrued interest (if any) thereon insofar as it has not been cancelled.
- 8.4 *Purchase:* The Issuer or any of its Subsidiaries may at any time (but subject to Condition 8.7 (*Conditions to redemption etc.*)) purchase Notes, whether in the open market, in the context of market making or otherwise, at any price, provided that all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or surrendered to any Paying Agent for cancellation.
- 8.5 *Cancellation:* All Notes which are redeemed will forthwith (but subject to Condition 8.7 (*Conditions to redemption etc.*)) be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.4 (*Purchase*) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.
- 8.6 *Substitution and variation:* Subject to Condition 8.7 (*Conditions to redemption etc.*) and having given no less than thirty nor more than sixty days' notice to the Holders (in accordance with Condition 17 (*Notices*)) and the Fiscal Agent, if a Special Event has occurred and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they become or remain Qualifying Capital Notes.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Qualifying Capital Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

- 8.7 *Conditions to redemption etc.:* The Notes may only be redeemed, purchased, cancelled, substituted, varied or modified (as applicable) pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Special Event*), Condition 8.3 (*Redemption at the option of the Issuer*), Condition 8.4 (*Purchase*), Condition 8.5 (*Cancellation*), Condition 8.6 (*Substitution and variation*), Condition 16.1 (*Meetings of Holders*) or paragraph (ii) of Condition 16.2 (*Modification of the Notes*), as the case may be, if:
- (i) in the case of any such substitution, variation or modification, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has not objected to, such substitution, variation or modification (as applicable);
  - (ii) in the case of any such redemption, purchase or cancellation, the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has given permission to, such redemption, purchase or cancellation (as applicable) in accordance with the CRD IV requirements (which, as at the Issue

Date, are set out in Articles 77 and 78 of the CRR and Article 29 of the 2014 RTS);

- (iii) in the case of any such redemption of the Notes, the Trigger Event Redemption Restriction does not apply to such redemption or to the redemption notice relating to such redemption (as applicable); and
- (iv) in the case of a redemption of the Notes as a result of a Special Event, the Issuer has delivered a certificate signed by two of its Directors to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's Specified Office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such Special Event has occurred or will occur no more than ninety days following the date fixed for redemption, as the case may be.

Any refusal by the Relevant Regulator to grant its permission to any such redemption, purchase or cancellation (as applicable) pursuant to Condition 8.7(ii) (*Conditions to redemption etc.*) will not constitute an event of default under the Notes.

## **9. Payments**

- 9.1 *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of the Note at the Specified Office of any Paying Agent outside the United States. Subject as provided in these Conditions, payments will be in U.S. Dollars made by credit or transfer to a U.S. Dollar account (or any other account to which U.S. Dollars may be credited or transferred) specified by the payee, or, at the option of the payee, by a U.S. Dollar cheque.
- 9.2 *Interest*: Payments of interest shall, subject to Condition 9.6 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 9.1 (*Principal*) above.
- 9.3 *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of 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 Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.
- 9.4 *Unmatured Coupons void*: On the due date for redemption of any Note pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Special Event*), Condition 8.3 (*Redemption at the option of the Issuer*) or Condition 11 (*Enforcement Events*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- 9.5 *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.
- 9.6 *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- 9.7 *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.



9.8 *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, any Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 10. Taxation

10.1 *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in the case of a payment of interest only, the Issuer shall pay such additional amounts as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been receivable by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (i) to, or to a third party on behalf of, a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with Denmark other than:
  - (a) the mere holding of the Note or Coupon; or
  - (b) the receipt of principal, interest or other amount in respect of such Note or Coupon;or
- (ii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days.

10.2 *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

## 11. Enforcement Events

11.1 *No events of default*: There are no events of default in respect of the Notes. Holders shall not be entitled at any time to file for bankruptcy or liquidation of the Issuer.

11.2 *Enforcement Events*: If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an “**Enforcement Event**”), any Holder may prove or claim in such proceedings in respect of such Note, such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such bankruptcy or liquidation of the Issuer together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable on such Note (including any damages payable in respect thereof). Such claim shall rank as provided in Condition 4 (*Status of the Notes*).

11.3 *Enforcement of obligations*: Subject to Condition 11.1 (*No events of default*) and without prejudice to Condition 11.2 (*Enforcement Events*), any Holder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not be by virtue of the institution of any

proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

## **12. Undertakings**

So long as any Note remains outstanding, the Issuer will, save with the approval of an Extraordinary Resolution:

- (i) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, upon conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*), Conversion Shares could not, under any applicable law then in effect, be legally issued as fully paid-up;
- (ii) deliver Conversion Shares upon conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*), subject to, and as provided in, Condition 7 (*Loss Absorption Following a Trigger Event*);
- (iii) use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares and the Conversion Shares, as the case may be, will be admitted to listing and trading on the Relevant Stock Exchange;
- (iv) at all times ensure there is sufficient registered authorised share capital to enable conversion of the Notes pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*), and all rights of subscription and exchange for Conversion Shares, to be satisfied in full;
- (v) as soon as reasonably practicable and in any event not later than 14 calendar days following the Conversion Date, request and procure the registration of the Conversion Shares (a) with the DBA and (b) in the Share Register of the Issuer; and
- (vi) where the provisions of Condition 7 (*Loss Absorption Following a Trigger Event*) require or provide for a determination by an Independent Adviser or a role to be performed by a Settlement Shares Depository, the Issuer shall use all reasonable endeavours promptly to appoint such Person for such purpose.

## **13. Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

## **14. Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 15. Agents

- 15.1 *Obligations of Agents:* In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders or Couponholders, and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect of its appointment or incidental thereto.
- 15.2 *Termination of Appointments:* The initial Paying Agents and their initial Specified Offices are listed in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) and to appoint an additional or successor fiscal agent or Paying Agent; provided, however, that:
- (i) the Issuer shall at all times maintain a Fiscal Agent; and
  - (ii) if and for so long as the Notes are admitted to listing and/or to trading and/or quotation on any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent (which may be the Fiscal Agent) each with a Specified Office in the place required by such listing authority, stock exchange and/or quotation system.
- 15.3 *Change of Specified Offices:* The Paying Agents reserve the right at any time to change their respective Specified Offices to some other Specified Office in the same city. Notice of any change in the identities or Specified Offices of any Paying Agent shall promptly be given to the Holders in accordance with Condition 17 (*Notices*).

## 16. Meetings of Holders; Modification

- 16.1 *Meetings of Holders:* The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of Holders to consider matters relating to the Notes, including (without limitation) the modification by Extraordinary Resolution of any provision of these Conditions and the Deed of Covenant insofar as the same may apply to the Notes. Any Extraordinary Resolution duly passed at any such meeting of Holders will be binding on all Holders, whether present or not at the meeting and on all Couponholders.

In addition, a resolution in writing signed by or on behalf of all Holders who for the time being are entitled to receive notice of a meeting of Holders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

Any modification to these Conditions and/or the Deed of Covenant pursuant to the operation of the provisions described in this Condition 16.1 is subject to Condition 8.7 (*Conditions to redemption etc.*).

- 16.2 *Modification of Notes:* The Issuer may make, without the consent of the Holders or Couponholders:
- (i) any modification to the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant to correct a manifest error; or
  - (ii) subject to Condition 8.7 (*Conditions to redemption etc.*), any modification to the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant which is not prejudicial to the interests of the Holders and the Couponholders.

Any such modification to the Agency Agreement shall be subject to the consent of the Fiscal Agent. Subject as provided in these Conditions, no other modification may be made to the Notes, these Conditions, the Agency Agreement or the Deed of Covenant except with the sanction of an Extraordinary Resolution and, in the case of a modification to the Agency Agreement, the consent of the Fiscal Agent.

Any such modification shall be binding on the Holders and the Couponholders and any such modification shall be notified to the Holders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

## 17. Notices

Notices to Holders will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe or, if the Notes are listed on the Official List of The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) and admitted to trading on the Global Exchange Market of Euronext Dublin (so long as the Notes are listed on the Official List of Euronext Dublin and the rules of that exchange so permit), if published on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition.

While the Notes are represented by one or more global Note(s) and such global Note(s) is/are held in its/their entirety on behalf of one or more relevant clearing system(s), the terms of such global Note(s) will specify how notices to Holders are to be given, as described in “Overview of Form of the Notes” of the Offering Memorandum relating to the Notes dated 22 June 2018.

## 18. Currency Indemnity

The currency in which the Notes are denominated is USD (the “**Contractual Currency**”), which is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount of the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount of the Contractual Currency expressed to be due to any Holder in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss as aforesaid shall be deemed to constitute a loss suffered by the relevant Holder and no proof or evidence of any actual loss will be required by the Issuer.

## 19. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder, any right in these Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

- 20. Governing Law, Jurisdiction and Acknowledgement of Danish Statutory Loss Absorption Powers**
- 20.1 *Governing Law*: The Notes, the Agency Agreement and the Deed of Covenant, and any non-contractual obligations arising therefrom or in connection therewith, shall be governed by, and construed in accordance with, English law, except for Condition 4 (*Status of the Notes*), Condition 6 (*Interest Cancellation*), Condition 7 (*Loss Absorption Following a Trigger Event*), Condition 8.2 (*Early redemption upon the occurrence of a Special Event*) and Condition 11 (*Enforcement Events*) which shall be governed by, and construed in accordance with, Danish law.
- 20.2 *English courts*: The courts of England have jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Notes (including any Dispute relating to any non-contractual obligations arising from or connected with the Notes).
- 20.3 *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- 20.4 *Rights of the Holders to take proceedings outside England*: Condition 20.2 (*English courts*) is for the benefit of the Holders only. As a result, nothing in this Condition 20 prevents any Holder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, any Holder may take concurrent Proceedings in any number of jurisdictions.
- 20.5 *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Issuer at 75 King William Street, London EC4N 7DT or at any address of the Issuer in Great Britain at which service of process may be served on it in accordance with the Companies Act 2006. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.
- 20.6 *Acknowledgement of Danish Statutory Loss Absorption Powers*: Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 20.6, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Holder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Danish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:
- (i) the effect of the exercise of any Danish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
    - (a) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
    - (b) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into Ordinary Shares, other Securities or other obligations of the Issuer or another Person, and the issue to or conferral on the Holder of such Ordinary Shares, Securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
    - (c) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
    - (d) the amendment or alteration of the perpetual nature of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
  - (ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Danish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

**21. Rights of Third Parties**

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