

# Norske tog AS

(Incorporated with limited liability under the laws of Norway)

**€1,750,000,000**

## Euro Medium Term Note Programme

This Base Prospectus has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended or superseded, (the "Prospectus Directive") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue by Norske tog AS (the "Issuer") of notes ("Notes") under the €1,750,000,000 Euro Medium Term Note Programme (the "Programme") described in this Base Prospectus during the period of twelve months after the date hereof. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (the "Market"). The Market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments ("MiFID II"). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they may be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

As of the date of this Base Prospectus, the Programme has been assigned a rating of A+ by S&P Global Ratings Europe Limited ("S&P"). S&P is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"). S&P appears on the latest update of the list of registered credit rating agencies (as of 18 March 2019) on the website of the European Securities and Markets Authority ("ESMA") [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

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

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR, EURIBOR or NIBOR, as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of LIBOR is, and the administrators of EURIBOR and NIBOR are not, included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "Benchmark Regulation").

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that neither European Money Markets Institute (as administrator of EURIBOR) and Norske Finansielle Referanser AS (as administrator of NIBOR) is currently required to obtain authorisation or registration.

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

This Base Prospectus constitutes a Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive.

An investment in the Notes involves certain risks. Factors which could be material for the purposes of assessing the risks associated with the Notes issued under the Programme are set out under "Risk Factors" below.

Arranger

NATWEST MARKETS

Dealers

BARCLAYS

BNP PARIBAS

DNB BANK ASA

NATWEST MARKETS

NORDEA

SEB

6 June 2019

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## Important Notices

Norske tog AS (the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes (as defined below). To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained herein is, in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus should be read and construed with any supplement hereto, and with any other documents incorporated by reference herein and, in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

The Issuer has confirmed to the dealers (the "**Dealers**") named under "*Subscription and Sale*" below that this Base Prospectus (including for this purpose, each relevant Final Terms) is true, accurate and complete in all material respects and is not misleading; that the opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts in relation to the information contained or incorporated by reference in this Base Prospectus the omission of which would, in the context of the Programme or the issue of the Notes, make any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

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

No representation or warranty is made or implied by the Dealers, The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") or any of their respective affiliates, and neither the Dealers, the Trustee nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no material adverse change in the financial situation of the Issuer since the date hereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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

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**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE** – The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"). The Issuer will make a determination in relation to each such issue about the classification of the Notes being offered for purposes of section 309B(1)(a) of the SFA. Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

### **Benchmark Regulation**

The Euro Interbank Offered Rate ("**EURIBOR**"), London Interbank Offered Rate ("**LIBOR**"), Norwegian Interbank Offered Rate ("**NIBOR**") and any other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to EURIBOR LIBOR, NIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

As an example of such benchmark reforms on 27 July 2017, the UK Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**2017 FCA Announcement**"). On 12 July 2018, the FCA further

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announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation (the "**2018 FCA Announcement**"). The 2017 FCA Announcement and the 2018 FCA Announcement indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

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

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5.5 (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR, LIBOR, NIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

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

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

**The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any federal or state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed or endorsed the merits of the offering of Notes or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.**

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

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
  - (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
  - (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
  - (iv) understand thoroughly the Terms and Conditions of the Notes and be familiar with the behaviour of any financial markets; and
  - (v) be able to evaluate (either alone or with the help of a financial adviser or other adviser) possible scenarios for economic, interest rate, legal and other factors that may affect its investment and its ability to bear the applicable risks.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €1,750,000,000 (or the equivalent in other currencies). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Tranches of Notes that may be issued under the Programme can be rated or unrated. Where a Tranche of Notes issued under the Programme is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the Programme, the Issuer or to Notes already issued.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the European Union, but which is certified under the CRA Regulation. ESMA is obliged to maintain on its website, [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs), a list of credit rating agencies registered and certified in accordance with the CRA Regulation. The ESMA website is not incorporated by reference into, nor does it form part of, this Base Prospectus. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to a "**Relevant Member State**" are to a Member State which has implemented the Prospectus Directive, references to the "**Prospectus Directive**" are to Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State, references to "**EUR**", "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European economic and monetary union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, and references to "**NOK**" or "**Norwegian Kroner**" are to the lawful currency of Norway.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the

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

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## Overview of the Programme

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

Issuer:	Norske tog AS.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
Arranger:	NatWest Markets Plc.
Dealers:	Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, DNB Bank ASA, NatWest Markets N.V., NatWest Markets Plc, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ) and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.
Trustee:	The Law Debenture Trust Corporation p.l.c.
Principal Paying Agent:	The Bank of New York Mellon, London Branch.
Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
VPS Account Manager:	To be appointed by the Issuer prior to the issue of any VPS Notes.
Luxembourg Listing Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a drawdown prospectus (a " <b>Drawdown Prospectus</b> "), prepared in connection with a particular Tranche of Notes.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with the relevant Final Terms. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.

Listing and Admission to Trading:	Each Series may be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other regulated market for the purposes of MiFID II as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.
Initial Programme Amount:	Up to €1,750,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Form of Notes:	<p>The Notes will be issued in bearer form, registered form or in uncertificated and dematerialised book entry form cleared through Verdipapirsentralen, the Norwegian Central Securities Depository, "VPS", legal title thereto being evidenced by book entries in the VPS (the "VPS Notes"). VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS. In respect of each Tranche of Notes issued in bearer form, the Issuer will deliver a temporary global note (a "<b>Temporary Global Note</b>") or (if so specified in the relevant Final Terms in respect of Notes to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) or any successor rules in the U.S. Treasury Regulations promulgated under Section 4701 of the U.S. Internal Revenue Code (the "<b>TEFRA C Rules</b>") applies (as so specified in such Final Terms)) a permanent global note (a "<b>Permanent Global Note</b>"). Each global Note in bearer form which is not intended to be issued in new global note form (a "<b>Classic Global Note</b>" or "<b>CGN</b>"), as specified in the relevant Final Terms will be deposited on or before the relevant issue date therefor with a depository or a common depository for Euroclear Bank SA/NV (or any successors thereto) ("<b>Euroclear</b>") and/or Clearstream Banking, S.A. (or any successors thereto) ("<b>Clearstream, Luxembourg</b>") and each global Note in bearer form which is intended to be issued in new global note form (a "<b>New Global Note</b>" or "<b>NGN</b>"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Notes in definitive bearer form ("<b>Definitive Notes</b>") and/or (if so specified in the relevant Final Terms) registered form in accordance with its terms ("<b>Registered Notes</b>"). Each Permanent Global Note will be exchangeable for Definitive Notes and/or (if so specified in the relevant Final Terms) Registered Notes in accordance with its terms. (See further under "<i>Provisions Relating to the Notes whilst in Global Form</i>" below). Definitive Notes will, if interest-bearing, have interest coupons ("<b>Coupons</b>") attached and, if appropriate, a talon ("<b>Talon</b>") for further Coupons. Each Note represented by a global Note certificate (a "<b>Global Note Certificate</b>") will either be: (a) in the case of a Note which is to be held under the new safekeeping structure ("<b>New Safekeeping Structure</b>" or "<b>NSS</b>"), registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note</p>

Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg or (b) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary. Notes in registered form may not be exchanged for Notes in bearer form. VPS Notes may not be exchanged for bearer Notes or registered Notes and *vice versa*.

Issuance in Series:

Notes will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations. For the avoidance of doubt, a Tranche that comprises VPS Notes may not also comprise Notes in bearer form or Notes in registered form, though it may comprise Notes of different denominations. Each Tranche of VPS Notes will be issued in uncertificated book entry form, as more fully described under the section entitled "*Form of Notes*" above. On or before the issue date of each Tranche of VPS Notes entries may be made with the VPS to evidence the debt represented by such VPS Notes to accountholders with the VPS. VPS Notes will be issued in accordance with the laws and regulations applicable to VPS Notes from time to time.

Currencies:

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes:

Notes will be issued on an unsubordinated basis.

Issue Price:

Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities:

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year from the date of issue and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire,

hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA") by the Issuer.

- Redemption: Notes will be redeemable at par or at such other redemption amount as specified in the relevant Final Terms and/or determined in accordance with the Terms and Conditions of the relevant Series.
- Early Redemption: Early redemption will be permitted for taxation reasons as mentioned in "*Terms and Conditions of the Notes – Early Redemption for Taxation Reasons*", and may be permitted at the option of the Noteholder or of the Issuer if so specified in the Final Terms, in accordance with Conditions 6.3 (*Optional Early Redemption (Call)*), or 6.6 (*Optional Early Redemption (Put)*), but will otherwise be permitted only to the extent specified in the relevant Final Terms.
- Interest: Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series. The Terms and Conditions of the Notes also provide for additional fallbacks in the event that one or more benchmark rates used to determine the interest payable on the Notes is discontinued. Such fallbacks provide that an Independent Advisor may determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with Condition 5.5 (*Benchmark Discontinuation*).
- Denominations: No Notes may be issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
- Taxation: Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Norway or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.
- Negative Pledge: The Notes will have the benefit of a negative pledge as described in Condition 4.
- Cross Default: The Notes will have the benefit of a cross default as described in Condition 7.
- Governing Law: The Notes and all related contractual documentation and any non-contractual obligation arising out of, or in connection with them, will be governed by English law. VPS Notes must comply with the relevant regulations of the VPS and the Norwegian

Securities Register Act of 5 July, 2002 No. 64 (the "**VPS Act**") (as amended from time to time) and the holders of VPS Notes will be entitled to the rights, and are subject to the obligations and liabilities, which arise under the VPS Act and any related regulations and legislation.

The registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes will be governed by, and construed in accordance with, Norwegian law.

Clearing Systems:

Euroclear, Clearstream, Luxembourg in relation to any Notes other than VPS Notes, which are cleared through the VPS.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the Kingdom of Norway, the EEA, the United States of America, the United Kingdom, Japan and Singapore, see under "*Subscription and Sale*".

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## Risk Factors

Prospective investors should note that the following factors may represent a risk to the Issuer's ability to fulfil its obligations under Notes issued under the Programme. Investing in Notes involves certain risks, and prospective investors should consider that they could lose some or all of their investment. All of these factors are contingencies which may or may not occur and no view is expressed on the likelihood of any such contingency occurring.

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

This section is not intended to be, and is not, exhaustive and prospective investors should read the detailed information appearing elsewhere in this Base Prospectus prior to making any decision to invest in the Notes issued under the Programme.

### **Risks relating to the Issuer**

*The Issuer is a recently incorporated company with limited operating or financial history as a stand-alone operation*

The Issuer was established in June 2016 as a newly formed, wholly owned subsidiary of Vygruppen AS (previously named Norges Statsbaner AS) ("Vy"). In October 2016, the Issuer acquired most of Vy's passenger rolling stock. The rolling stock was simultaneously leased back to Vy. In April 2017, Vy was demerged as part of a general reform of the railway sector in Norway and all of the shares in the Issuer were transferred to the Norwegian Ministry of Transport and Communications (the "MOT"). Accordingly, the Issuer is, as at the date of this Base Prospectus, wholly owned by the MOT.

The Issuer is not a continuation of a division or a unit that has existed as an independently operated or reporting unit within Vy's operations, and has limited operating history as a stand-alone entity separate from Vy or any other entity. Investors will have limited historical financial and other information on which to base any decision to invest in the Notes.

*Risks relating to the Issuer's revenues and the potential competition from other owners of rolling stock*

The Issuer's sole business is to own and lease out its rolling stock to operators of passenger rail services in Norway, and its revenues are solely generated under lease agreements with passenger train operators. Until end 2019, the only lessee will be Vy. In addition, the passenger train operators appointed for the first two competitive tenders for Norwegian passenger rail services (with operations expected to commence in December 2019 and June 2020, respectively) must lease rolling stock from the Issuer. The future market position of the Issuer will however depend on (i) the timing and frequency of further competitive tenders for passenger rail operations in Norway and (ii) whether the MOT decides that the use of the Issuer's rolling stock will be a condition to tender in future competitive tenders, or whether passenger train operators may use their own rolling stock. There can be no assurance that the Issuer's current position will be continued if it proves to be more favourable, financially or otherwise, to use rolling stock made available by operators of service areas subjected to competitive tenders.

The customers of the Issuer are few in number, with only one lessee representing 100% of the Issuer's revenues until end 2019. Due to the limited number of customers, any loss of revenue from one or more such customers could have a material adverse effect on the Issuer's business and therefore impact its ability to make payments due in respect of Notes issued under the Programme. Upon default of a lessee (other than Vy), there is expected to be financial guarantees in place to cover the Issuer's losses and such lessee's train operating agreement and train leasing obligations are expected to pass on to Vy (or another operator). However, no assurance can be given that the Issuer's business and its ability to make payments due in respect of Notes issued under the Programme will not be affected by the default of a lessee.

*The Issuer could be negatively impacted by a failure to generate income from its rolling stock over its useful economic life*

The Issuer's business depends on generating rental income from the leasing of rolling stock over the whole of its economic life while minimising costs associated with that rolling stock over the same period. Rolling stock will typically have an economic life of approximately 30 years, but lease terms will normally not

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exceed 10 years. As a result, at the end of each lease the rolling stock may still have a substantial residual value which will only be recovered if the rolling stock is re-leased or sold on favourable terms and without significant time off-lease, or must be recovered by calling on the MOT residual value guarantee (see below). Any failure to realise the residual value of the rolling stock could materially adversely affect the Issuer's business if and to the extent such losses are not covered by the MOT residual value guarantee.

The Issuer's ability to re-lease available rolling stock in the future may be affected by, among other things, the perceived attractiveness among train operating companies of ordering newly built rolling stock as compared to re-leasing older rolling stock. In this assessment of rolling stock requirements, an operating company's decision to order newly built rolling stock may be influenced by its price, its all-in operating cost (including cost of servicing and maintenance), its operating characteristics, such as capacity, energy consumption and reliability and changes in technology generally. An operating company's decision will also be influenced by its ability to fund new rolling stock and underwrite residual value at an appropriate cost.

*Over time, the value of the Issuer's rolling stock may decline substantially, which may result in an impairment of the book value of the rolling stock, or loss upon sale of the rolling stock*

Over time, the value of the Issuer's rolling stock, or parts of the rolling stock, may fluctuate. The market value of the rolling stock may decrease depending on a number of factors including:

- general economic and market conditions affecting the railway industry, including competition from other companies;
- types, sizes and ages of the rolling stock;
- costs of new rolling stock;
- available manufacturing slots;
- governmental or other regulations; and
- technological developments and advances.

Any reduction in the value of the rolling stock could lead to accounting losses, reduced recovery upon lease expiry and other impairments that may adversely affect the Issuer's business if and to the extent such losses are not covered by the MOT residual value guarantee.

### *Residual value guarantee*

As further described, and within the limitations set out, under "*Norske tog – Business of the Issuer – Residual value guarantee*", the MOT has provided a residual value guarantee covering 75% of the book value of the Issuer's rolling stock. If the relevant rolling stock is no longer used for publicly procured passenger rail transport, the guarantee will cover up to 75% of any resulting losses. In the event that a train operator does not lease rolling stock from the Issuer and the rolling stock needs to be divested, the Issuer is expected to have recourse under the residual value guarantee. However, no assurance can be given that the residual value guarantee will cover all losses incurred by the Issuer as a consequence of holding excess rolling stock. Moreover, the residual value guarantee is subject to political risk as it requires an annual approval by the Norwegian Parliament and no assurance can be given that such approvals will be given in the future. The materialisation of the aforementioned risks could have a material adverse effect on the Issuer's business and therefore impact its ability to make payments due in respect of Notes issued under the Programme.

### *Risks relating to the Issuer's geographical location*

The Issuer's main business is conducted in Norway. As at the date of this Base Prospectus, the Issuer enjoys a *de facto* monopoly on leasing out the rolling stock used for passenger rail traffic in Norway. Rail transport has historically been viewed favourably by different Norwegian governments, owing to its environmental benefits and mitigation of increasingly heavy road traffic. By having its main business conducted and concentrated in Norway, the business, assets, operations and the revenues of the Issuer are on a general level exposed to the financial, political, legal and regulatory environment in Norway from time to time and so any change to the operating environment in Norway could have a material adverse effect on the Issuer's business and therefore impact its ability to make payments due in respect of Notes issued under the Programme.

### *The Issuer is exposed to foreign exchange risk*

NOK is the functional currency of the Issuer. The Issuer is exposed to foreign currency risks related to its current borrowings and may in the future be exposed to currency risks relating to investments or otherwise. The Issuer has entered into certain derivative agreements to reduce its risks relating to currency conversions and expects to continue to pursue a prudent hedging strategy going forward. However, there can be no assurance that such measures will be sufficient to protect the Issuer from all effects of currency fluctuations and such fluctuations could have a negative impact on the financial condition of the Issuer.

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

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

### *Risks relating to ownership by the Norwegian state*

The Issuer is wholly owned by the Kingdom of Norway. The Issuer is dependent on extensive public support in order to maintain its business, both in terms of oversight and control by the government as owner, in defining its role in the railway sector and passenger services supply chain as well as ensuring a satisfactory capitalisation to enable the Issuer to upgrade and renew its fleet of rolling stock to meet future demand.

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

The interests of the Kingdom of Norway in deciding on matters and the factors it considers in exercising its ownership may be related to the budgetary, social and environmental implications of the business and/or operations of the Issuer. Accordingly, when making commercial and operational decisions, the Issuer may not always be able to fully pursue its own commercial interests or those of its stakeholders other than the Kingdom of Norway which could impact the Issuer's business, financial condition, results of operations and/or prospects.

### *Risks relating to increases in the Issuer's costs*

The lease rates in the Issuer's rolling stock leasing agreements are calculated *inter alia* on the basis of expected inflation, depreciation rates and cost increase/decrease over the lease period. However, if in the future inflation, depreciation rates and/or cost increases exceed the levels on which the calculation of the rates is based, the Issuer's profitability may be negatively affected.

### *Technical failures, safety issues or operational risks could have a material adverse effect on the Issuer's business*

There is a risk that as a rolling stock owning company, the Issuer could be involved in a major operational incident with consequent human injuries or damage to property, including damage to or destruction of rolling stock, resulting in liability to the Issuer. Although primarily the responsibility of the relevant operating company, the cost to the Issuer for any claim made against the Issuer for which the Issuer was held liable and for which its own insurance programme was inadequate could have a material adverse effect on the Issuer's business, financial condition, results of operations and/or prospects.

The Issuer is also exposed to the risk of significant out of warranty rolling stock failures (such as inherent design faults or technical failures) as the economic life of rolling stock exceeds standard manufacturer warranty periods. Such rolling stock failures may result in the loss of lease revenue (if such rolling stock cannot be used) and increased costs if the Issuer has to implement new or additional maintenance works or implement rolling stock modifications which could have a material adverse effect on the Issuer's business, financial condition, results of operations and/or prospects.

*The Issuer is dependent on the services of key personnel and its ability to continue to attract and retain such personnel*

The Issuer's success will depend, in part, on its ability to continue to attract, retain and motivate qualified personnel. The Issuer relies on its senior management for the implementation of its strategy and its day-to-day operations. Competition in the rail industry for personnel with relevant expertise, especially at the senior management level, may be intense due to the specialised nature of the rail industry and the limited number of qualified individuals. Any failure by the Issuer to appoint and/or retain key personnel could have a material adverse effect on the Issuer's business, financial condition, results of operations and/or prospects.

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

The Issuer's rolling stock purchased since 2008 has been purchased from a single supplier, Stadler Bussnang AG and 150 train sets are under order with the same supplier as of 31 December 2018. If that supplier should encounter financial, regulatory or operational difficulties, the Issuer may not be able to enforce warranty claims or place orders for upgrading, refurbishing and life extension of trains delivered. The same may be the case if the supplier should encounter capacity constraints, extended production delays etc which could have a material adverse effect on the Issuer's business, financial condition, results of operations and/or prospects.

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

Terrorist acts and the public's concerns about potential future attacks on public transport in Europe could adversely affect demand for the Issuer's rolling stock which in turn could have a material adverse effect on the Issuer's business, financial condition, results of operations and/or prospects. There have been multiple acts of terrorism on public transport systems and other terrorist attacks that have discouraged travel. There is a risk that future demand for rolling stock could be adversely affected by a significant terrorist incident.

*The Issuer may be subject to certain regulatory risks in relation to the rolling stock which it owns and leases*

The ownership and operation of rolling stock is subject to a number of health and safety, environmental and other laws and regulations. Under health and safety laws and regulations, rail operators have the primary responsibility to ensure the safety of any rolling stock they use and any safety related issues could have an adverse impact on their use of rolling stock, including the prevention of a rail operator from operating. Environmental laws and regulations affect all operations of rolling stock, particularly in relation to emissions (for example, if the relevant rolling stock is powered by diesel engines), waste handling and asbestos exposure.

The Issuer may in certain exceptional circumstances be exposed to potential statutory and third party environmental liability as a result of the operations carried out on its rolling stock by contractors, including liability arising from the clean-up and remediation of environmental damage to land, personal injury, property damage, disposal of waste and/or the use or maintenance of rolling stock, all of which may require financial contributions from the Issuer.

### **Risks relating to the Notes**

#### *There is no active trading market for the Notes*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes issued under the Programme to be admitted to listing on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### *The Notes may be redeemed prior to maturity*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any 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 the Kingdom of Norway or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

*Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer*

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Noteholders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

#### *The Notes may not be suitable for all investors*

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### *Modification, waivers and substitution*

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

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such.

### *Change of law*

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

### *Minimum Denomination*

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

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

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

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rates Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

*The regulation and reform of "benchmarks" may adversely affect the value of the Notes linked to such "benchmarks"*

The Euro Interbank Offered Rate ("**EURIBOR**"), London Interbank Offered Rate ("**LIBOR**"), Norwegian Interbank Offered Rate ("**NIBOR**") and any other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to EURIBOR LIBOR, NIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

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

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

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5.5 (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR, LIBOR, NIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

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

Further, if a successor rate or alternative rate (or an applicable adjustment spread) is determined in accordance with the "Terms and Conditions of the Notes" set out below, the Issuer may vary the Terms and Conditions and/or the Trust Deed as necessary to ensure the proper operation of such rate or spread, as applicable, without the consent or approval of the Noteholders or Couponholders.

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

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

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

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently labelled project, or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any project(s) or use(s) the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any project(s) or use(s) the subject of, or related to, any Green Projects. As at the date of this Base Prospectus, the Issuer has not published a framework relating to an investment in Green Projects although the Issuer intends to publish such framework prior to the issuance of any Notes which specify that the relevant proceeds will be used for Green Projects.

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

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

made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

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

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

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## Documents Incorporated by Reference

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

<b>Document</b>	<b>Page Reference</b>
<b>Base Prospectus dated 26 April 2018</b>	
– Terms and Conditions of the Notes	22-46
<b>Annual Report 2018</b>	
– Consolidated financial statements (prepared in accordance with International Financial Reporting Standards (" <b>IFRS</b> ") and IFRIC interpretation as approved by the EU) as at and for the year ended 31 December 2018	
– Income statement	82
– Overview financial position	83
– Cash flow statement	84
– Equity	85
– Notes to financial statements	86-108
– Auditors' Report	110-113
<b>Annual Report 2017</b>	
– Consolidated financial statements (prepared in accordance with IFRS and IFRIC interpretation as approved by the EU) as at and for the year ended 31 December 2017	
– Income statement	16
– Balance sheet	17
– Cash flow statement	18
– Development in Equity	19
– Notes to financial statements	20-39
– Auditors' Report	41-44

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004 as amended.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu). Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

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## Use of Proceeds

The net proceeds of each issue of Notes will be used by the Issuer for general corporate purposes and, if the relevant Notes are referred to as Green Bonds (as defined below) in the relevant Final Terms, for projects and activities that promote climate friendly and other environmental purposes (“**Green Projects**”).

Where the net proceeds of an issue of Notes are to be used for Green Projects in accordance with criteria set out in the Issuer’s Green Bond Framework, such Notes may be referred to as “**Green Bonds**” in the title of the relevant Final Terms. The Green Bond Framework will set out, amongst other things, the type of projects and investments that are eligible for allocation of proceeds raised from Green Bonds, the process around selection and approval of allocation of proceeds to Green Projects and how the Issuer will manage and report on the proceeds of its Green Bonds. The Green Bond Framework will be available on the investor relations section of the Issuer’s website (<https://www.norsketog.no/investor-relations>) ahead of issuance of a Green Bond.

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## Supplement to the Base Prospectus

If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes whose inclusion would reasonably be required by investors for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer will prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus in connection with any subsequent offering of the Notes. The Issuer shall submit such supplement to the *Commission de Surveillance du Secteur Financier* in Luxembourg for approval.

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## General Description of the Programme

This Programme is a €1,750,000,000 Euro Medium Term Note Programme under which the Issuer may from time to time issue Notes in accordance with and subject to all applicable laws and regulations and denominated in any currency, subject as set out herein. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer or Dealers prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as completed by the applicable Final Terms attached to, or endorsed on, such Notes.

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## Terms and Conditions of the Notes

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

The Notes are constituted by a trust deed dated 6 June 2019 (the "**Trust Deed**", which expression shall include any amendments or supplements thereto or any restatements thereof) made between Norske tog AS (the "**Issuer**") and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include all persons for the time being the Trustee or Trustees of the Trust Deed). The Notes (other than VPS Notes) are the subject of an issuing and paying agency agreement dated 26 April 2018 (the "**Agency Agreement**", which expression shall include any amendments or supplements thereto or any restatement thereof) made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch in its capacity as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such) and as transfer agent, The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar (the "**Registrar**", which expression shall include any successor to The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as such) and The Bank of New York Mellon SA/NV, Luxembourg Branch as paying agent (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any successor or additional paying agents appointed in accordance with the Agency Agreement) and as transfer agent (together with the transfer agent mentioned above, the "**Transfer Agents**", which expression shall include any successor or additional transfer agents appointed in accordance with the Agency Agreement). For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Terms and Conditions of any Series of Notes (as defined below), the Issuer may appoint a calculation agent (the "**Calculation Agent**") for the purposes of such Notes, in accordance with the provisions of the Trust Deed and the Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Trustee, the Paying Agents, the Registrar and the Transfer Agents. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Trust Deed and the Agency Agreement insofar as they relate to the relevant Notes. Certain provisions of these Terms and Conditions are summaries of the Trust Deed and subject to its detailed provisions.

The Notes are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Notes. Each Tranche will be the subject of final terms ("**Final Terms**"), a copy of which will be available free of charge during normal business hours at the specified office of the Principal Paying Agent, the Paying Agent with a specified office in Luxembourg or, as the case may be, the Registrar. In the case of Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, copies of the relevant Final Terms will also be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In the case of a Tranche of Notes in relation to which application has not been made for listing on any stock exchange, copies of the Final Terms will only be available for inspection by a Noteholder (as defined in Condition 2.1) of such Notes.

References in these Terms and Conditions to Notes are to Notes of the relevant Series and any references to Coupons (as defined in Condition 1.2) are to Coupons relating to Notes of the relevant Series.

References in these Terms and Conditions to the Final Terms are to the Final Terms prepared in relation to the Notes of the relevant Tranche or Series.

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

### 1. Form and Denomination

#### *Form of Notes*

1.1 Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") or in uncertified book entry form ("**VPS Notes**"), as specified in the Final Terms. Bearer Notes are serially numbered. Registered Notes and VPS Notes are not exchangeable for Bearer Notes and VPS Notes are not exchangeable for Registered Notes.

1.2 Interest-bearing Bearer Notes have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, if so specified in the Final Terms, such Notes have attached thereto at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "Coupons" shall, where the context so requires, include Talons.

*Denomination of Bearer Notes*

1.3 Bearer Notes are in the denominations specified in the Final Terms (the "**Specified Denominations**") subject to a minimum denomination of EUR 100,000 (or its equivalent in other currencies). Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of any other Specified Denomination.

*Denomination of Registered Notes*

1.4 Registered Notes are in the Specified Denominations specified in the Final Terms subject to a minimum denomination of EUR 100,000 (or its equivalent in other currencies).

*Denomination of VPS Notes*

1.5 VPS Notes are in the Specified Denomination specified in the Final Terms subject to a minimum denomination of EUR 100,000 (or its equivalent in other currencies).

*Currency of Notes*

1.6 The Notes are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

2. Title and Transfer

2.1 Title to Bearer Notes and Coupons passes by delivery. References herein to the "**Noteholders**" of Bearer Notes or Coupons are to the bearers of such Bearer Notes or such Coupons.

2.2 Title to Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar (the "**Register**"). References herein to the "**Noteholders**" of Registered Notes are to the persons in whose names such Registered Notes are so registered in the Register. A certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.

2.3 Title to the VPS Notes passes by book entries in the records of the VPS, in accordance with the Norwegian Securities Register Act of 5 July, 2002 No. 64 (the "**VPS Act**") and the rules and procedures of the VPS. On the issue of such VPS Notes, the Issuer will send a letter to the Trustee (the "**VPS Letter**"), with a copy sent to a VPS account manager to be appointed by the Issuer prior to the issue of any VPS Notes (the "**VPS Account Manager**"), which will set out the terms of the relevant issue of VPS Notes in the form of Final Terms attached to such VPS Notes. On delivery of a copy of such VPS Letter, including the applicable Final Terms, to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Account Manager will credit each subscribing account holder with the VPS with a nominal amount of VPS Notes equal to the nominal amount for which it has subscribed and paid. Settlement of transactions in the VPS will take place two Oslo business days after the date of the relevant transaction. References herein to the "**Noteholders**" of VPS Notes are to the persons in whose names such VPS Notes have been entered in the records of the VPS.

2.4 The Noteholder of any Bearer Note, Coupon or Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing on the relevant Note or Certificate, or any theft or loss thereof) and no person shall be liable for so treating such Noteholder.

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

2.5 A Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement and further subject to the provisions of Conditions 2.8, be transferred in whole or in part only

(provided that such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms) upon the surrender of the relevant Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. A new Certificate will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Certificate in respect of the balance not transferred will be issued to the transferor.

2.6 If so specified in the Final Terms and subject to the provisions of Conditions 2.8, the Noteholder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Noteholder thereof shall surrender such Bearer Note at the specified office outside the United States of the Principal Paying Agent, the Registrar or of any Transfer Agent together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.7) where the exchange date would, but for the provisions of Condition 2.7, occur between the Record Date (as defined in Condition 9B.3) for such payment of interest and the date on which such payment of interest falls due.

2.7 A Certificate representing each new Registered Note or Notes to be issued upon the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Noteholder at the specified office of the Registrar or the Transfer Agent (as the case may be) or, at the option of the Noteholder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Noteholder(s) entitled thereto) to such address(es) as may be specified by such Noteholder. For these purposes, a form of transfer or request for exchange received by the Registrar, the Principal Paying Agent or the Transfer Agent (as the case may be) after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar, the Principal Paying Agent or the Transfer Agent (as the case may be) until the day following the due date for such payment. For the purposes of these Terms and Conditions,

- (i) "**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar or the Transfer Agent is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Principal Paying Agent, in the place where the specified office of the Principal Paying Agent is located;
- (ii) the "**exchange date**" shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in accordance with Condition 2.6; and
- (iii) the "**transfer date**" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.5.

2.8 The issue of new Registered Notes on transfer or on the exchange of Bearer Notes for Registered Notes will be effected without charge by or on behalf of the Issuer, the Principal Paying Agent, the Registrar or the Transfer Agent, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Principal Paying Agent, the Registrar or the Transfer Agent may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

2.9 No Noteholder may require the transfer of a Registered Note to be registered or a Bearer Note to be exchanged for a Registered Note during the period of 15 days ending on the due date for the payment of any principal or interest in respect of such Note.

### 3. Status of the Notes

The Notes and the Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, including guarantees given by the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### 4. Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer shall not, and shall procure that no member of the Group shall, create or permit to subsist any encumbrance over all or any of its present or future revenues or assets to secure any Relevant Indebtedness or any guarantee by the Issuer or any member of the Group of any Relevant Indebtedness, without (a) at the same time or prior thereto securing the Notes or procuring that the Notes are secured equally and rateably therewith to the satisfaction of the Trustee or (b) by providing such other security as the Trustee may in its absolute discretion consider not to be materially less beneficial to the interest of the Noteholders or as may be approved by Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

In these Conditions:

an "**encumbrance**" shall be construed as a reference to (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person, (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect payment of sums owed or payable to any person or (c) any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;

"**Group**" means the Issuer and its subsidiaries for the time being;

"**Relevant Indebtedness**" means any indebtedness in the form of, or represented by, any note, bond, debenture, debenture stock, loan stock, certificate or other instrument or security which at any time are (or at the time of issue, subscription or sale are intended to be), or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other recognised securities market; and

a "**subsidiary**" of a company (the "**first Company**") shall be construed as a reference to a company (the "**second Company**") if, as a result of agreement or by virtue of ownership of shares or participation in the second Company, the first Company has a controlling interest in the second Company; for the purposes of this definition, the first Company shall be deemed to have a "controlling interest" in the second Company if:

- (i) the number of shares owned by it, or its participants, in the second Company is such that it represents the majority of the votes in the second Company; or
- (ii) it has the right to elect to, or remove from, office a majority of the members of the board of the second Company;

provided always that in determining such voting rights, the rights held by the first Company and its subsidiaries shall be included, as well as rights held by a third party on behalf of the first Company or any of its subsidiaries.

## 5. Interest

### *Interest*

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

### *Interest-bearing Notes*

5.2 Notes which are specified in the Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date, subject as provided in Condition 9A (*Payments – Bearer Notes*) and Condition 9B (*Payments – Registered Notes*). Interest will cease to accrue as from the due date for redemption therefor unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 6.10) is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Principal Paying Agent, the Registrar or, as the case may be, the Trustee or the VPS Account Manager having received the

funds required to make such payment, notice is given to the Noteholders in accordance with Condition 14 that the Principal Paying Agent, the Registrar or, as the case may be, the Trustee or the VPS Account Manager has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

*Fixed Rate Notes*

5.3 If the Final Terms specifies the Interest Rate applicable to the Notes to be Fixed Rate then the amount of interest payable in respect of each Calculation Amount for any Interest Period shall be the relevant Fixed Coupon Amount.

*Floating Rate Notes*

5.4 If the Final Terms specifies the Interest Rate applicable to the Notes to be Floating Rate then the amount of interest payable in respect of each Note for any Interest Period shall be determined in accordance with Condition 5.6 or 5.7.

*Benchmark Discontinuation*

5.5

(i) Notwithstanding Condition 5.6, if a Benchmark Event occurs in relation to the Reference Rate when the Interest Rate (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.5(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.5(iii)) and any Benchmark Amendments (in accordance with Condition 5.5(iv)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Trustee or the Noteholders for any determination made by it pursuant to this Condition 5.5.

If, following the occurrence of a Benchmark Event, (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.5, in each case prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be determined by reference to the fallback provisions set out in Condition 5.6. For the avoidance of doubt, any adjustment pursuant to this final paragraph of Condition 5.5 shall apply to the determination of the Interest Rate applicable to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 5.5.

(ii) If the Independent Adviser determines in its discretion that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.5(iii)) subsequently be used in place of the Reference Rate to determine the Interest Rate (or relevant component thereof) for the immediately following Interest Period and all following Interest Periods, subject to the subsequent further operation of this Condition 5.5; or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.5(iii)) subsequently be used in place of the Reference Rate to determine the Interest Rate (or relevant component thereof) for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 5.5.

(iii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(iv) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.5 and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii)

the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.5(v), without any requirement for the consent or approval of relevant Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Principal Paying Agent and the other Paying Agents shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.5). In addition, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 5(c)(vi), the Trustee shall (at the expense of the Issuer), without the requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any Supplemental Trust Deed) in any way.

(v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.5 will be notified promptly by the Issuer to the Principal Paying Agent or Trustee, the Calculation Agent and, in accordance with Condition 14 (Notices), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) No later than notifying the Principal Paying Agent or Trustee (as applicable) of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.5;
- (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread; and
- (C) certifying that (i) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Issuer has not done so.

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

(vii) Without prejudice to the obligations of the Issuer under Condition 5.5 (i), (ii), (iii) and (iv), the Reference Rate and the fallback provisions provided for in the definition of the term "Reference Rate" will continue to apply unless and until the Principal Paying Agent, the Trustee and the Calculation Agent have been notified of the Successor Rate or Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments in accordance with Condition 5.5 (v).

(viii) As used in this Condition 5.5:

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

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(C) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5.5(ii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency.

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

**"Benchmark Amendments"** has the meaning given to it in Condition 5.5(i).

**"Benchmark Event"** means:

(A) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or

(B) the later of (i) the making of a public statement by the administrator of the Reference Rate that it will, on or before a specified date, cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate and (ii) the date falling six months prior to the specified date referred to in (B)(i)); or

(C) the making of a public statement by the supervisor of the administrator of the Reference Rate, that the Reference Rate has been permanently or indefinitely discontinued; or

(D) the later of (i) the making of a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i); or

(E) the later of (i) the making of a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used either generally, or in respect of the relevant Floating Rate Notes, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i); or

(F) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Reference Rate; or

(G) the making of a public statement by the supervisor of the administrator of such Reference Rate announcing that such Reference Rate is no longer representative or may no longer be used.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 5.5(i).

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

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the

administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

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

*Screen Rate Determination*

5.6 If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period shall be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is LIBOR, EURIBOR or NIBOR, or a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Interest Rate for such Interest Period shall be calculated by the Calculation Agent by reference to a straight-line linear interpolation of two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

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

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer (in consultation with an independent financial institution or an independent financial adviser appointed by the Issuer) determines to be appropriate for such purposes;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on the Relevant Screen Page or, in the case of (iii) above, fewer than two such rates appear on the Relevant Screen Page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

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

Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to such Notes in respect of the last preceding Interest Period.

*ISDA Determination*

5.7 If ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be the sum of the Relevant Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the ISDA Rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

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

*Maximum or Minimum Interest Rate*

5.8 If any Maximum or Minimum Interest Rate is specified in the Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

*Accrual of Interest*

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

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

5.10 If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in respect of each Specified Denomination or, if the Calculation Amount is less than the minimum Specified Denomination, the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination (in the case of Bearer Notes) and the minimum denomination (in the case of Registered Notes or VPS Notes) for the relevant Interest Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount to be notified to the Principal Paying Agent, the Trustee, the Registrar (in the case of Registered Notes), the VPS Account Manager (in the case of VPS Notes), the Issuer, the Noteholders in accordance with Condition 14 and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the relevant stock exchange, (which shall be no later than the first day of the Interest Period in respect of any notification required to be made to the Luxembourg Stock Exchange). The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements satisfactory to the Trustee made by way of adjustment) without notice in the event of an extension or shortening of an Interest Period. If the Notes become due and payable under Condition 7, the Interest Rate and the accrued interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless the Trustee (in its absolute discretion) otherwise requires.

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

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) to act as such in its place.

The determination of each Interest Rate, Interest Amount and Redemption Amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer, the Trustee and the Noteholders and none of the Calculation Agent, the Trustee and any Reference Bank shall (in the absence of manifest error) have any liability to the Noteholders in respect of any determination, calculation, quotation or rate made or provided by it.

*Calculations and Adjustments*

5.11 The amount of interest payable in respect of any Note for any period shall be calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the Day Count Fraction, rounding the resulting figure as specified below and multiplying such rounded figure by a fraction equal to the Outstanding Principal Amount of the relevant Note divided by the Calculation Amount, save that (i) if the Final Terms specifies a specific amount in respect of such period, the amount of interest payable in respect of such Note for such period will be equal to such specified amount and (ii) in the case of Notes where the Interest Rate is fixed, unless otherwise specified in the Final Terms, the interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed or on such other basis as may be agreed, as specified in the applicable Final Terms.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen

amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

*Definitions*

5.12 "**Additional Business Centre**" means the city or cities specified as such in the relevant Final Terms;

"**Applicable Business Day Convention**" means the "Business Day Convention" which may be specified in the Final Terms as applicable to any date in respect of the Notes. Where the Final Terms specifies "No Adjustment" in relation to any date, such date shall not be adjusted in accordance with any Business Day Convention. Where the Final Terms fails either to specify an applicable Business Day Convention or "No Adjustment" for the purposes of an Interest Payment Date, then in the case of Notes which bear interest at a fixed rate, "No Adjustment" shall be deemed to have been so specified and in the case of Notes which bear interest at a floating rate, the Modified Following Business Day Convention shall be deemed to have been so specified. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Notes.

"**Additional Financial Centre**" means the city or cities specified as such in the relevant Final Terms;

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

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settle payments generally in the Relevant Financial Centre in respect of the relevant Notes or, in relation to Notes payable in euro, a TARGET Settlement Day.

"**Business Day Convention**" means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Final Terms in relation to any date applicable to any Notes, shall have the following meanings:

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

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

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

- (i) if "**Actual/365**" or "**Actual/Actual – (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(vi) if "**Actual/Actual – (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year.

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

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor).

"**Euro**", "**EUR**" or "**€**" means, the single currency introduced at the start of the third stage of European economic and monetary union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

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

"**Fixed Coupon Amount**" has the meaning specified in the relevant Final Terms.

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

"**Interest Determination Date**" means such date(s) as may be specified in the Final Terms.

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms,

(a) as the same may be adjusted in accordance with the Applicable Business Day Convention; or

(b) if the Applicable Business Day Convention is the FRN Convention or Eurodollar convention and an interval of a number of calendar months is specified in the Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention or Eurodollar convention at such Specified Period of calendar months following the Interest Commencement Date of the Notes (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

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

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

**"ISDA Definitions"** means the 2000 ISDA Definitions (as further amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.)) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as further amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

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

**"LIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of Intercontinental Exchange Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor).

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

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

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

**"NIBOR"** means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate which is calculated and published by a designated distributor (currently Oslo Børs ASA) in accordance with the requirements from time to time of Norske Finansielle Referanser AS based on estimated interbank borrowing rates for Norwegian Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic NIBOR rates can be obtained from the designated distributor).

**"Outstanding Principal Amount"** means, in respect of a Note, its principal amount.

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

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

**"Reference Rate"** means EURIBOR, LIBOR or NIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**"Regular Period"** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but

excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Financial Centre**" means such financial centre or centres as may be specified in the Final Terms.

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

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Specified Currency**" has the meaning given in the relevant Final Terms;

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

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

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

#### *Non-Interest Bearing (Zero Coupon) Notes*

5.13 If any Redemption Amount (as defined in Condition 6.10) in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield defined in the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Note or Certificate (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Principal Paying Agent, the Registrar, or, as the case may be, the VPS Account Manager or the Trustee having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 14 that the Principal Paying Agent, the Registrar or, as the case may be, the VPS Account Manager or the Trustee has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.10 as if the Interest Rate was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.12).

## 6. Redemption and Purchase

### *Redemption at Maturity*

6.1 Unless previously redeemed, or purchased and cancelled or unless such Note is stated in the Final Terms as having no fixed maturity date, each Note will be redeemed at its maturity redemption

amount (the "**Maturity Redemption Amount**") (which shall be its Outstanding Principal Amount) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms.

*Early Redemption for Taxation Reasons*

6.2 If, in relation to any Series of Notes, the Issuer satisfies the Trustee that (i) as a result of any change in the relevant laws, regulations or rulings of the Kingdom of Norway ("**Norway**") or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of such Notes or any other date specified in the Final Terms, the Issuer has or will become obliged to pay additional amounts as provided in Condition 8 and, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6.11) together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing (satisfactory to the Trustee) to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 6.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 6.2.

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

*Optional Early Redemption (Call)*

6.3 If this Condition 6.3 is specified in the Final Terms as being applicable, then the Issuer may, having given the appropriate notice to the Noteholders and having notified the Trustee prior to the provision of such notice and subject to such conditions as may be specified in the Final Terms, redeem all (but not, unless and to the extent that the Final Terms specifies otherwise, some only) of the Notes of the relevant Series at their call early redemption amount (the "**Early Redemption Amount (Call)**") (which shall be their (i) Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms, or (ii) if Make Whole Redemption Price is specified as being applicable in the applicable Final Terms, the relevant Make Whole Redemption Price), together with accrued interest (if any) thereon on the date specified in such notice.

The "**Make Whole Redemption Price**" will be an amount equal to the higher of:

- (a) if spens amount is specified as being applicable in the applicable Final Terms, (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed or (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer by the Determination Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond plus the Redemption Margin; or
- (b) if Make Whole Redemption Amount is specified as applicable in the applicable Final Terms, (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed or (ii) the sum of

the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis at the Reference Bond Rate plus the Redemption Margin,

all as determined by the Determination Agent.

In this Condition 6.3:

**"DA Selected Bond"** means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

**"Determination Agent"** means an investment bank or financial institution of international standing selected by the Issuer as may be specified in the relevant Final Terms;

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

**"Quotation Time"** shall be as set out in the applicable Final Terms;

**"Redemption Margin"** shall be as set out in the applicable Final Terms;

**"Reference Bond"** shall be as set out in the applicable Final Terms or the DA Selected Bond;

**"Reference Bond Price"** means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**"Reference Bond Rate"** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

**"Reference Date"** will be set out in the relevant notice of redemption;

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

**"Remaining Term Interest"** means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 6.3.

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

6.4 The appropriate notice referred to in Condition 6.3 is a notice given by the Issuer to the Trustee, the Principal Paying Agent and the Noteholders of the Notes of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:

- (a) the Series of Notes subject to redemption;
- (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note or Permanent Global Note) the serial numbers of the Notes of the relevant Series which are to be redeemed;
- (c) the due date for such redemption, which shall be not less than 30 days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- (d) the Early Redemption Amount (Call) at which such Notes are to be redeemed.

*Partial Redemption*

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

- (a) in the case of Bearer Notes, the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Trustee may approve and deem appropriate and fair; and
- (b) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an integral multiple thereof,
- (c) in the case of VPS Notes, the Notes to be redeemed shall be selected in accordance with the rules of the VPS.

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

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

*Optional Early Redemption (Put)*

6.6 If this Condition 6.6 is specified in the Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Noteholder of any Note of the relevant Series, redeem such Note on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the "**Early Redemption Amount (Put)**") (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Noteholder must, not less than 45 days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates ("**Put Date(s)**") or a day falling within such period ("**Put Period**") as may be specified in the Final Terms), deposit the relevant Note or Certificate (together, in the case of an interest-bearing Note in bearer form, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 9A.6 apply)) during normal business hours at the specified office of, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note, the Registrar or any Transfer Agent together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents, the Registrar or, as the case may be, any Transfer Agent specifying, in the case of a Registered Note, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof) or, in the case of VPS Notes, the Noteholder must deposit with the VPS

Account Manager or the Issuer at its specified office a duly completed option exercise notice in the form obtainable from the Paying Agent or the VPS Account Manager. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement).

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

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

*Purchase of Notes*

6.7 The Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Coupons appertaining thereto are purchased therewith.

*Cancellation of Redeemed and Purchased Notes*

6.8 All unmatured Notes and Coupons and unexchanged Talons redeemed or purchased, otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 6 will be cancelled forthwith or in the case of VPS Notes, be deleted from the VPS, and may not be reissued or resold.

*Further Provisions applicable to Redemption Amount*

6.9 The provisions of Condition 5.10 and the last paragraph of Condition 5.11 shall apply to any determination or calculation of the Redemption Amount required by the Final Terms to be made by the Calculation Agent.

6.10 References herein to "**Redemption Amount**" shall mean, as appropriate, the Maturity Redemption Amount (as defined in Condition 6.1), Early Redemption Amount (Tax) (as defined in Condition 6.2), Early Redemption Amount (Call) (as defined in Condition 6.3), Early Redemption Amount (Put) (as defined in Condition 6.6) and Early Termination Amount (as defined in Condition 7.1) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms.

6.11 In the case of any Note which is non-interest bearing, the "**Amortised Face Amount**" shall be an amount equal to the sum of:

- (i) the Reference Price specified in the Final Terms; and
- (ii) the product of the Amortisation Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.10) specified in the Final Terms for the purposes of this Condition 6.11.

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

- (i) the date on which, upon due presentation or surrender of the relevant Note or Certificate (if required), the relevant payment is made; and
- (ii) (except where presentation or surrender of the relevant Note or Certificate is not required as a precondition of payment), the seventh day after the date on which, the Principal

Paying Agent, the Registrar or, as the case may be, the Trustee or the VPS Account Manager having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Noteholder).

6.13 If this Condition 6.13 is specified in the Final Terms as being applicable, then the Noteholder of any Note of the relevant Series shall be entitled to require the Issuer to redeem such Note in the manner and in the amount set out in Condition 6.6 (or in such other manner or amount specified in the Final Terms) in the event that the Issuer ceases to be wholly owned (directly or indirectly) by the Kingdom of Norway (such event, a "**Change of Control**") and the Issuer shall notify such Noteholders in accordance with Condition 14 of such Change of Control not less than twenty days prior to the date upon which such Change of Control takes place.

## 7. Events of Default

7.1 The Trustee may at its discretion, and if so requested in writing by the Noteholders of not less than 25 per cent. of the Outstanding Principal Amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders of such Series shall (subject in each case to being indemnified and/ or secured and/ or prefunded to its satisfaction) (but, in the case of the happening of any of the events mentioned in paragraphs (ii) to (xi) below inclusive, only if the Trustee shall have certified that, in its opinion, such event is materially prejudicial to the interests of the Noteholders of such Series, provided that, such certification shall only be required in respect of Material Subsidiaries (and not the Issuer) in the case of paragraphs (iv) and (v)) give notice to the Issuer that the Notes of such Series are, and they shall accordingly thereby become, immediately due and repayable at their early termination amount (the "**Early Termination Amount**") (which shall be their Outstanding Principal Amount or, if such Note is non-interest bearing, their Amortised Face Amount (as defined in Condition 6.11)) together with accrued interest thereon as provided in the Trust Deed, if any of the following events occur (each, an "**Event of Default**"):

- (i) *Failure to Pay*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such failure to pay principal or interest is not remedied within seven calendar days; or
- (ii) *Other Obligations*: the Issuer fails duly to perform or comply with any other obligation under or in respect of the Notes, the Trust Deed or the Agency Agreement and (except in any case where the Trustee determines that such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) such failure is not remedied within twenty calendar days (or such longer period as the Trustee in its sole discretion may permit) after written notice thereof has been delivered to the Issuer by the Trustee, requiring the same to be remedied; or
- (iii) *Cross Default*: any indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, any indebtedness of the Issuer or any of its Material Subsidiaries is declared to be or otherwise becomes due and payable prior to its specified maturity or the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any guarantee of any indebtedness, provided that, in each case, it shall not constitute an Event of Default if the aggregate amount of all such indebtedness is less than NOK 200,000,000 or an equivalent amount in another currency or currencies; or
- (iv) *Insolvency and Rescheduling*: either the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it (otherwise than, in the case of a Material Subsidiary, as a result of or pursuant to an amalgamation, reorganisation or restructuring, in each case, whilst solvent); or

- (v) *Winding-up*: either the Issuer or any of its Material Subsidiaries takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, dissolution, administration or reorganisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets (otherwise than, in the case of a Material Subsidiary, as a result of or pursuant to an amalgamation, reorganisation or restructuring, in each case, whilst solvent); or
- (vi) *Execution or Distress*: any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part (in the opinion of the Trustee) of, the property, undertaking or assets of the Issuer or any of its Material Subsidiaries, having an aggregate value exceeding NOK20,000,000 and which is not discharged within 30 calendar days thereof; or
- (vii) *Analogous Events*: any event occurs which under the laws of any jurisdiction has a similar or analogous effect to any of those events mentioned in paragraphs (iv) (Insolvency and Rescheduling), (v) (Winding-up) or (vi) (Execution or Distress); or
- (viii) *Cessation of Business*: the Issuer or any of its Material Subsidiaries ceases to carry on the business it carried on as at the date hereof (in the opinion of the Trustee) (otherwise than, in the case of a Material Subsidiary, as a result of or pursuant to an amalgamation, reorganisation or restructuring, in each case, whilst solvent); or
- (ix) *Repudiation*: the Issuer repudiates its obligations in respect of the Notes or the Trust Deed; or
- (x) *Validity and Admissibility*: at any time any act, condition or thing required to be done, fulfilled or performed in order (a) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes or the Trust Deed, (b) to ensure that those obligations are legal, valid, binding and enforceable or (c) to make the Notes, the Coupons and the Trust Deed admissible in evidence in Norway is not done, fulfilled or performed; or
- (xi) *Illegality*: at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Notes or the Trust Deed or any of the obligations of the Issuer thereunder are not or cease to be legal, valid and binding.

In these Terms and Conditions:

"**Consolidated Total Assets**" means at any time the aggregate value at that time of such of the Group's current assets, fixed assets and investments (excluding cross-border leases), determined at such time in accordance with accounting principles generally accepted in Norway and consistently applied and by reference to the most recently published consolidated financial statements of the Group; and

"**Material Subsidiaries**" means each of the subsidiaries of the Issuer whose individual assets represent not less than ten per cent. of Consolidated Total Assets or whose individual revenues (excluding intra-group items) represent not less than ten per cent. of Group Total Operating Revenue (as defined in the latest annual consolidated financial statements of the Group).

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

## 8. Taxation

8.1 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Norway or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholder after such withholding or

deduction shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such withholding or deduction except that:

- (A) in the case of Bearer Notes no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
  - (i) by a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) more than 30 days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts if it had presented the relevant Note or Coupon for payment on the last day of such period of 30 days.
- (B) in the case of Registered Notes, no such additional amounts shall be payable in respect of any Note:
  - (i) held by a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) where (in the case of a payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with the Terms and Conditions) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to such additional amounts if it had surrendered the relevant Certificate on the last day of such period of 30 days.

Notwithstanding any other provision of these Terms and Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and/or the Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

8.2 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Principal Paying Agent, the Registrar or, as the case may be, the Trustee, on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Noteholders, notice to that effect shall have been duly given to the Noteholders of the Notes of the relevant Series in accordance with Condition 14.

8.3 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Norway, references in Condition 6.2 and Condition 8.1 to Norway shall be read and construed as references to Norway and/or to such other jurisdiction(s).

8.4 Any reference in these Terms and Conditions to "**principal**" and/or "**interest**" in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to "principal" shall include any premium payable in respect of a Note, any Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "interest" shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

## 9. Payments

### 9A Payments – Bearer Notes

9A.1 This Condition 9A is applicable in relation to Notes in bearer form.

9A.2 Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

9A.3 Payment of amounts in respect of interest on Bearer Notes will be made:

- (i) in the case of Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Notes at the specified office of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States; and
- (ii) in the case of Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States.

9A.4 Payments of amounts due in respect of interest on the Notes and exchanges of Talons for Coupon sheets in accordance with Condition 9A.7 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment is made in U.S. dollars, (b) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment or exchange is permitted by applicable United States law. If paragraphs (a), (b) and (c) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

9A.5 If the due date for payment of any amount due in respect of any Note is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 9C.3), then the Noteholder thereof will not be entitled to payment thereof until the next day which is such a day, (or as otherwise specified in the Final Terms) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.9 or, if appropriate, Condition 5.13.

9A.6 Each Note initially delivered with Coupons or Talons attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmaturing Coupons and Talons relating thereto, failing which:

- (i) if the Final Terms specifies that this paragraph (i) of Condition 9A.6 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Notes which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmaturing Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
- (ii) if the Final Terms specifies that this paragraph (ii) of Condition 9A.6 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Notes which bear interest at a floating rate or rates or in variable amounts) all unmaturing Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Notes initially delivered with Talons attached thereto, all unmaturing Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

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

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

## **9B Payments – Registered Notes**

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

9B.2 Payment of the Redemption Amount (together with accrued interest) due in respect of Registered Notes will be made against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Certificate at the specified office of the Registrar or any Transfer Agent. If the due date for payment of the Redemption Amount of any Registered Note is not a Relevant Financial Centre Day (as defined in Condition 9C.3), then the Noteholder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and, will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.7 or, as appropriate, Condition 5.11.

9B.3 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Notes will be paid to the Noteholder thereof (or, in the case of joint Noteholders, the first-named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth calendar day before the due date for such payment (the "**Record Date**").

9B.4 Notwithstanding the provisions of Condition 9C.2, payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Notes will be made in the currency in which such amount is due by cheque and posted to the address (as recorded in the Register of the Noteholder thereof (or, in the case of joint Noteholders, the first-named) on the Relevant Banking Day (as defined in Condition 2.6) not later than the relevant due date for payment unless prior to the relevant Record Date the Noteholder thereof (or, in the case of joint Noteholders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day, then the Noteholder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.9 or, as appropriate, Condition 5.13.

## 9C Payments – General Provisions

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

9C.2 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will be subject in all cases to (i) without prejudice to the provisions of Condition 8, any applicable fiscal or other laws and regulations, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto..

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

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

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

## 9D Payments – VPS Notes

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

## 10. Prescription

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

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

11. The Paying Agents, the Registrar, the VPS Account Manager, the Transfer Agents and the Calculation Agent

11.1 The Calculation Agent in respect of any Notes shall be specified in the Final Terms. The Issuer reserves the right at any time (with the prior written approval of the Trustee) to vary or terminate the appointment of any Paying Agent (including the Principal Paying Agent), the Registrar, the VPS Account Manager, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents, another Registrar, another VPS Account Manager, additional or other Transfer Agents or another Calculation Agent provided that it will at all times maintain (i) a Principal Paying Agent, (ii) in the case of Registered Notes, a Registrar, (iii) a Paying Agent (or in the case of Registered Notes, a Transfer Agent) with a specified office in a European city, (iv) so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or any other stock exchange, a Paying Agent and a Registrar or Transfer Agent each with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange, (v) in the circumstances described in Condition 9A.4, a Paying Agent with a specified office in New York City, and (vi) a Calculation Agent where required by the Terms and

Conditions applicable to any Notes (in the case of (i), (ii), (iii) and (vi) with a specified office located in such place (if any) as may be required by the Terms and Conditions) and (v) in the case of VPS Notes, a VPS Account Manager. The Paying Agents, the Registrar, the VPS Account Manager the Transfer Agents and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar, the VPS Account Manager, any Transfer Agent or the Calculation Agent will be given promptly by the Issuer to the Trustee and the Noteholders in accordance with Condition 14.

11.2 The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer or, following notice in writing from the Trustee following the occurrence of an Event of Default or a Potential Event of Default (as defined in the Trust Deed), the Trustee and, save as provided in the Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Noteholder of any Note or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

## 12. Replacement of Notes

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

## 13. Meetings of Noteholders and Modification

The Trust Deed contains provisions for convening meetings of the Noteholders of any Series to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined in the Trust Deed) of these Terms and Conditions insofar as the same may apply to such Notes. An Extraordinary Resolution passed at any meeting of the Noteholders of Notes of any Series will be binding on all Noteholders of the Notes of such Series, whether or not they are present at the meeting, and on all holders of Coupons relating to Notes of such Series. The Trust Deed contains provisions for the convening of a single meeting of Noteholders of the Notes of more than one Series where the Trustee so decides.

The Trustee may (subject to certain exceptions) without the consent of the Noteholders or the Coupons appertaining thereto (i) agree to any modification of these Terms and Conditions or of the Trust Deed (other than in respect of Reserved Matters (as defined in the Trust Deed)) which, in any case, in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders or is of a formal, minor or technical nature or which is made to correct a manifest error, or (ii) waive or authorise any breach or proposed breach by the Issuer of any of the provisions of these Terms and Conditions applicable to the Notes or Coupons or the Trust Deed or determine that an Event of Default or a Potential Event of Default shall not be treated as such, provided that, in either case, in the Trustee's opinion, the Noteholders will not be materially prejudiced thereby. Any such modification, waiver, authorisation or determination shall be binding on Noteholders of such Notes and of the Coupons appertaining thereto and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to Noteholders of such Notes as soon as practicable thereafter.

In addition, the Trustee shall be obliged to concur with the Issuer in effecting any modification in the circumstances and as set out in Condition 5.5(iv) without the consent of the Noteholders or Couponholders.

## 14. Notices

### *To Noteholders of Bearer Notes*

14.1 Notices to Noteholders of Bearer Notes will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if (i)

published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and (ii) in the case of any Notes which are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or (iii) (in the case of (i) or (ii)), if such publication is not practicable in the opinion of the Trustee, if published in a leading English language daily newspaper having general circulation in Europe approved by the Trustee. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to holders of Bearer Notes in accordance with this Condition 14.1.

*To Noteholders of Registered Notes*

14.2 Notices to Noteholders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Noteholders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. With respect to Registered Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices shall also be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and, in addition to the foregoing, will be deemed validly given only after the date of such publication.

*To Noteholders of VPS Notes*

14.3 Notices to Noteholders of VPS Notes shall be validly given if (i) published on the website of Stamdata ([www.stamdata.com](http://www.stamdata.com)) or any successor thereto, and such notice will be deemed to be validly given on the date of publication, or (ii) otherwise given in accordance with the rules and regulations set out by the VPS as amended from time to time.

15. Further Issues

The Issuer may from time to time, with the prior written consent of the Trustee but without the consent of the Noteholders of any Notes or Coupons, create and issue further notes having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them, the issue date and/or the issue price thereof) so as to form a single series with the Notes of any particular Series. Any such further issue shall be constituted by a trust deed supplemental to the Trust Deed.

16. Enforcement

16.1 At any time after the occurrence of an Event of Default the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter of the Outstanding Principal Amount of the Notes then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder of a Note or Coupon may proceed directly against the Issuer, unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

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

17. The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and to be paid its costs and expenses in priority to the claims of the Noteholders. The Trustee is entitled to enter into business transactions with the Issuer or any subsidiary and any entity associated directly or indirectly to the Issuer or any subsidiary without accounting for any profit.

In the exercise of its powers and discretions under these Terms and Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Noteholders of Notes or Coupons as a result of such Noteholders being connected with any particular territory or taxing jurisdiction.

18. Law and Jurisdiction

18.1 The Notes and the Trust Deed and any non-contractual obligation arising out of or in connection with them are governed by English law. VPS Notes must comply with the relevant regulations of the VPS and the Norwegian Securities Act of 5th July, 2002, No. 64, as amended from time to time, and the Noteholders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation. The registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes will be governed by, and construed in accordance with, Norwegian law.

18.2 The Issuer has irrevocably agreed in the Trust Deed for the benefit of the Trustee and Noteholders that the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Notes and Coupons (including a dispute relating to the existence, validity or termination of the Trust Deed or the Notes and Coupons or any non-contractual obligations arising out of or in connection with them) or the consequences of their nullity.

18.3 The Issuer has agreed in the Trust Deed 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.

18.4 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 TMF Global Services (UK) Limited at 6 St Andrew Street, 5<sup>th</sup> Floor, London EC4A 3AE or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer has undertaken in the Trust Deed that it shall, on written demand of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer. Nothing in this paragraph shall affect the right of the Trustee or any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

18.5 Condition 18.2 is for the benefit of the Trustee and the Noteholders only. As a result, nothing in this Condition 18 prevents the Trustee or any Noteholder or any of them from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any Noteholders or any of them may take concurrent Proceedings in any number of jurisdictions.

18.6 The Issuer has consented in the Trust Deed generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

18.7 To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer has agreed in the Trust Deed not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

## Provisions relating to the Notes whilst in Global Form

### (A) Relationship of Accountholders with Clearing Systems

#### *Bearer Notes*

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note (which expression includes a Temporary Global Note and a Permanent Global Note) must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person's share of each payment made by the Issuer to the bearer of such Global Note, and in relation to all other rights arising under the Global Note subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note, in respect of each amount so paid. References in these provisions relating to the Notes in global form to "**holder**" or "**accountholder**" are to those persons shown in the records of the relevant clearing system as a holder of a Note and references to "**Noteholder**" shall have the meaning attributed to it in the Terms and Conditions.

#### *Registered Notes*

In relation to any Tranche of Notes represented by one or more Global Note Certificate, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the person in whose name the relevant Global Note Certificate is for the time being registered in the Register which, in the case of any Global Note Certificate which is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

### (B) Form and Exchange - Bearer Global Notes

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

(1) *TEFRA D, TEFRA C or TEFRA not applicable:* The Final Terms shall specify whether U.S. Treasury Regulation §1.1635(c)(2)(i)(D) or any successor rules in the U.S. Treasury Regulations promulgated under Section 4701 of the U.S. Internal Revenue Code (the "**TEFRA D Rules**") or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) or any successor rules in the U.S. Treasury Regulations promulgated under Section 4701 of the U.S. Internal Revenue Code (the "**TEFRA C Rules**") shall apply. Each Tranche of Bearer Notes is represented upon issue by a temporary global Note (a "**Temporary Global Note**"), unless the Final Terms specifies otherwise or the TEFRA C Rules apply.

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

Interests in a Temporary Global Note may be exchanged for:

- (i) interests in a permanent global Note (a "**Permanent Global Note**"); or
- (ii) if so specified in the Final Terms, definitive Notes in bearer form ("**Definitive Notes**") and/or (if so specified in the Final Terms) Registered Notes.

Exchanges of interests in a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specifies that TEFRA is not applicable or that the TEFRA C Rules are applicable to the Notes) provided certification as to the beneficial ownership thereof as required by U.S.

Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received. An exchange for Registered Notes will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

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

(3) *Certification of non-U.S. beneficial ownership:* Unless the Final Terms specifies that TEFRA is not applicable or that the TEFRA C Rules are applicable to the Notes and subject to paragraph (2) above, if any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg or any other relevant clearing system which may be specified in the Final Terms. Payments of amounts due in respect of a Permanent Global Note or (subject to paragraph (2) above) a Temporary Global Note (if the Final Terms specifies that TEFRA is not applicable or that the TEFRA C Rules are applicable to the Notes) will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

(4) *Exchange for Definitive Notes:* Interests in a Permanent Global Note will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the Noteholder of such Global Note, for Definitive Notes and/or (if so specified in the Final Terms) Registered Notes, (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 7 occurs or, (c) at any time on the request of the bearer, if so specified in the Final Terms. However, in relation to any Notes issued with a denomination of €100,000 (or equivalent) and integral multiples of €1,000 (or equivalent), each Permanent Global Note representing such Notes shall only be exchangeable to for Definitive Notes in the limited circumstances of (1) closure of Euroclear or Clearstream, Luxembourg or any other relevant clearing system for business for a continuous period of 14 days (other than by reason of legal holiday) or where such clearing system announces an intention permanently to cease business; (2) any of the circumstances described in Condition 7 occurring; or (3) exchange at the option of the Issuer due to adverse tax consequences as a result of the Notes being in global form. Whenever a Permanent Global Note is to be exchanged for Definitive Notes and/or Registered Notes, the Issuer shall procure the prompt delivery of such Definitive Notes and/or Registered Notes, duly authenticated and where and to the extent applicable, with Coupons and Talons attached (each as defined in Condition 1.2 and Condition 1.3), in an aggregate principal amount equal to the principal amount of such Permanent Global Note to the Noteholder of the Permanent Global Note against its surrender to or to the order of the Principal Paying Agent within 30 days of the Noteholder requesting such exchange.

**(C) Form and Exchange - Global Note Certificates**

(1) *Global Certificate:* Each Note represented by a Global Note Certificate will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depository; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

(2) *Exchange:* The Global Note Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) Euroclear or Clearstream, Luxembourg (or such other relevant clearing

system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, (b) any of the circumstances described in Condition 7 occurs, or (c) at any time at the request of the registered Noteholder if so specified in the Final Terms.

In a press release dated 22 October 2008, "Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations", the ECB announced that it had assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the New Safekeeping Structure would be in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the Eurosystem, subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Noteholder of the Global Note Certificate to the Registrar or the Transfer Agent (as the case may be) of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the specified office of the Registrar or the Transfer Agent (as the case may be). Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar or the Transfer Agent (as the case may be) may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

**(D) Amendment to Conditions**

The Temporary Global Notes, Permanent Global Notes and Global Note Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

(1) *Meetings:* The Noteholder of a Global Note or the registered Noteholder of a Global Note Certificate shall (unless such Global Note or Global Note Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the Noteholder of a Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes for which such Global Note may be exchanged. (All Noteholders of Registered Notes are entitled to one vote in respect of each Note comprising such holder's holding, whether or not represented by a Global Certificate).

(2) *Cancellation:* Cancellation of any Note represented by a Global Note that is required by the Terms and Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Note.

(3) *Purchase:* Notes represented by a Global Note or Global Note Certificate may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

(4) *Issuer's Option:* Any option of the Issuer provided for in the Terms and Conditions of the Notes while such Notes are represented by a Global Note or Global Note Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules

and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

(5) *Noteholders' Options:* Any option of the holders provided for in the Terms and Conditions of any Notes while such Notes are represented by a Global Note may be exercised by the holder of the Permanent Global Note or Global Note Certificate giving notice to the Principal Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Global Note or Global Note Certificate to the Principal Paying Agent, or to a Paying Agent acting on behalf of the Principal Paying Agent, for notation.

(6) *Notices:* So long as any Notes are represented by a Global Note or Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions, and such notice shall be deemed to be given to Noteholders on the day on which it is given to the relevant clearing system, except that so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices shall also be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

(7) *Payments:* All payments in respect of the Global Notes will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

(8) *Payment Business Day:* in the case of a Global Note or a Global Note Certificate, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre (as specified in the Final Terms); or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre (as specified in the Final Terms).

(9) *Payment Record Date:* Each payment in respect of a Global Note Certificate will be made to the person shown as the Noteholder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

(10) *Interest Calculation:* For so long as the Notes are represented by a Global Note, interest payable to the holder of that Global Note will be calculated by applying the Interest Rate applicable to the Notes for the relevant Interest Period to the outstanding nominal amount of the Notes represented by that Global Note and on the basis of the Day Count Fraction specified in the relevant Final Terms.

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## Form of Final Terms

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II[.] / [; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

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

**[Singapore Securities and Futures Act Product Classification** –In connection with section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Notes are ["prescribed capital markets products"/"capital markets products other than prescribed capital markets products"] (as defined in the CMP Regulations 2018) and ["Excluded Investment Products"/"Specified Investment Products"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Final Terms dated [●]

**NORSKE TOG AS**

**LEI: 5493004632KI8NGDEX09**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes (indicate whether Notes are Green Bonds)]

under the

**€1,750,000,000**

**Euro Medium Term Note Programme**

**PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the base prospectus dated 6 June 2019 [and the supplement to the base prospectus dated [●]] which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended or superseded (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Final Terms are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) [and during normal business hours at [address] [and copies may be obtained from [the registered office of the Issuer, at Munkedamsveien 62A, 0270 Oslo, Norway]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the base prospectus dated 6 June 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended or superseded (the "Prospectus Directive") and must be read in conjunction with the base prospectus dated 26 April 2018 [and the supplement to the base prospectus dated [●]], which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [●] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 6 June 2019 [and the supplement(s) to the Base Prospectus dated [●] and [●]]. The Base Prospectuses and the Final Terms are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) [[and] during normal business hours at [address] [and copies may be obtained from [the registered office of the Issuer, at Munkedamsveien 62A, 0270 Oslo, Norway]].

## Form of Final Terms

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for an individual paragraph in which case the sub-paragraphs which are not applicable can be deleted. Italics denote guidance for completing the Final Terms.)

- |    |         |   |  |
|----|---------|---|--|
| 1. | [(i)]   | Series Number:  | [●]  |
|    | [(ii)]  | Tranche Number:                                       | [●]  |
|    | [(iii)] | Date on which notes become fungible:                  | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 19 below [which is expected to occur on or about [●]].]   |
| 2. |         | Specified Currency or Currencies:                     | [●]  |
| 3. |         | Aggregate Nominal Amount of Notes:                    | [●]  |
|    | [(i)]   | Series:   | [●]  |
|    | [(ii)]  | Tranche:  | [●]  |
| 4. |         | Issue Price:  | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] ( <i>in the case of fungible notes only, if applicable</i> )]  |
| 5. | (i)     | Specified Denominations:                              | [●]  |
|    |         |   | <p><i>(N.B. Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).)</i></p> <p><i>(N.B. For Bearer Notes, if the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows.</i></p> <p><i>"€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above €199,000.")</i></p> |
|    | (ii)    | Calculation Amount:                                   | [●]  |
|    |         |   | <p><i>(N.B. The applicable Calculation Amount will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations or the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).)</i></p>   |
| 6. | (i)     | Issue Date:   | [●]  |
|    | (ii)    | Interest Commencement Date:                           | [[●]/Issue Date/Not Applicable]  |
| 7. |         | Maturity Date:  | [●]  |
|    |         |   | <p><i>(Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year)</i></p>   |
| 8. |         | Interest Basis:<br>(As referred to under Condition 5) | <p>[[●] per cent. Fixed Rate]</p> <p>[[●][EURIBOR/LIBOR/ NIBOR]+/- [●] per cent. Floating Rate]</p> <p>[Zero Coupon]</p> <p>(further particulars specified below)</p>  |
| 9. |         | Redemption/Payment Basis:                             | [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100/[●]] per cent. of their nominal amount]   |

10. Change of Interest or Redemption/Payment Basis: [Applicable /Not Applicable] [*Specify the date when any fixed to floating rate or zero coupon change occurs or refer to paragraphs 13, 14 and 15 below and identify these.*]
11. Put/Call Options: [Optional Early Redemption (Call)]  
(As referred to under Conditions 6.3, 6.4, 6.5, 6.6 and 6.13) [Optional Early Redemption (Put)] [Change of Control Put] [(further particulars specified below)] [Not Applicable]
12. [Date [Board] approval for issuance of Notes obtained: [•] [and [•], respectively]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

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

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
(As referred to under Condition 5.3) [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (i) Interest Rate(s): [•] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year [adjusted [for payment purposes only] in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]]/Not applicable]
- (v) Day Count Fraction: [Actual/Actual (ICMA)/30/360]
- (vi) Redemption for unmatured coupons: [Condition 9A.6(i) applies]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
(As referred to under Condition 5.4 and 5.5) [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (i) Specified Period(s): [•]
- (ii) Specified Interest Payment Dates: [[•] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]
- (iii) First Interest Payment Date: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Interest Rate(s) is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Interest Rate(s) and/or Interest Amount(s): [Principal Paying Agent/Calculation Agent/[•]]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]  
— Reference Rate: [•][•] [EURIBOR/LIBOR/NIBOR]  
— Interest Determination Date(s): [•]  
— Relevant Screen Page: [•]  
— Relevant Time: [•]  
— Relevant Financial Centre: [•]
- (ix) ISDA Determination: [Applicable/Not Applicable]  
— Floating Rate Option: [•]  
— Designated Maturity: [•]  
— Reset Date: [•]

(x)	Linear interpolation:	Not Applicable/Applicable – the Interest Rate for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xi)	Relevant Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Interest Rate:	[●] per cent. per annum
(xiii)	Maximum Interest Rate:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/365 / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond Basis/Actual/Actual-ICMA]
(xv)	Redemption for unmatured coupons:	[Condition 9A.6(ii) applies]
15.	<b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable]
	(As referred to under Condition 5.12)	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Amortisation Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction determining amount payable:	Actual/365 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis
<b>PROVISIONS RELATING TO REDEMPTION</b>		
16.	<b>Optional Early Redemption (Call)</b>	[Applicable/Not Applicable]
	(As referred to under Condition 6.3, 6.4 and 6.5)	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Call Option Date(s)/Period:	[●]
(ii)	Early Redemption Amount (Call) of each Note:	[[●] per Calculation Amount/Make Whole Redemption Price]
(iii)	Make Whole Redemption Price:	[spens amount/Make Whole Redemption Amount/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a) Reference Bond:	[Insert applicable Reference Bond]
	(b) Quotation Time:	[●]
	(c) Redemption Margin:	[●] per cent. per annum
	(d) Determination Agent:	[●]
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
17.	<b>Optional Early Redemption (Put)</b>	[Applicable/Not Applicable]
	(As referred to under Condition 6.6)	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	As referred to under Condition 6.6:	[Applicable/Not Applicable]
	(a) Put Date(s)/Period:	[●]
	(b) Early Redemption Amount (Put) of each Note:	[●] per Calculation Amount
(ii)	As referred to under Condition 6.13 (Change of Control)	[Applicable/Not Applicable]
18.	<b>Early Redemption Amount</b>	[At par/At the Amortised Face Amount]

(As referred to under Condition 6.2 and 7)

Early Redemption Amount(s) per Calculation  
Amount payable on redemption for taxation  
reasons or on event of default or other early  
redemption if different from the principal  
amount of the Notes:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

19. Form of Notes: [Bearer Notes/Registered Notes/VPS Notes issued in uncertified book entry form]<sup>1</sup>:
- (As referred to under Condition 1) [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]
- [Temporary Global Note exchangeable for Definitive Notes [only,] [and/or Registered Notes] on [●] (*specify Exchange Date*)]
- (*Specify date from which exchanges for Registered Notes will be made. If nothing is specified, exchanges will be made at any time*)
- [Permanent Global Note exchangeable for Definitive Notes [only] [and/or Registered Notes] on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].
- [Registered Notes]
- [Bearer Notes exchangeable for Registered Notes]
- Global Note Certificate [(U.S.\$/€[●] nominal amount)] registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]
20. [New Global Note]/[New Safekeeping Structure]: [Yes] [No]
21. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]
- (*Note that this paragraph relates to the date and place of payment, and not interest periods to which sub paragraphs 13(ii) and 14(v) relate.*)
22. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]

**[THIRD PARTY INFORMATION]**

(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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<sup>1</sup> *In relation to Notes issued with a denomination of €100,000 (or equivalent) and integral multiples of €1,000 (or equivalent) in excess thereof, it will be necessary for the Global Note relating to such Notes to be exchangeable for Definitive Notes only in the limited circumstances of (1) closure of Euroclear or Clearstream, Luxembourg or any other relevant clearing system for business for a continuous period of 14 days (other than by reason of legal holiday) or where such clearing system announces an intention permanently to cease business; (2) any of the circumstances described in Condition 7 occurring; and (3) exchange at the option of the Issuer due to adverse tax consequences as a result of the Notes being in global form.*

**Form of Final Terms**

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Signed on behalf of the Issuer:

By: .....  
Duly authorised

By: .....  
Duly authorised

**PART B - OTHER INFORMATION**

**1. LISTING AND ADMISSION TO TRADING**

- (i) Admission to listing and trading: [[Application has been made/Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange] / [●] with effect from [●]][Not Applicable]
- [[Application has been made/Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to listing on [the Official List of the Luxembourg Stock Exchange]/ [●] with effect from [●]] [Not Applicable].
- (ii) Estimate of total expenses related to admission to trading: [●]

**2. RATINGS**

[Not Applicable]/[The Notes to be issued [have been/are expected to be] rated]/ [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

S&P Global Ratings Europe Limited:

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

[Apart from the appointment of [*insert names of managers*] listed in paragraph 6 below, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]/[●]/[Not applicable].

**4. FIXED RATE NOTES ONLY - YIELD**

Indication of yield: [●] / [Not Applicable]

**5. FLOATING RATE NOTES ONLY - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/NIBOR] rates can be obtained from [Reuters]/ [Not Applicable].

**6. DISTRIBUTION**

- (i) If syndicated, names of Managers: [Not Applicable/[●]]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/[●]]
- (iii) If non syndicated, name of Dealer: [Not Applicable/[●]]
- (iv) U.S. Selling Restrictions: [Reg. S Compliance Category 2: TEFRA C/TEFRA D/TEFRA not applicable]
- (v) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
- Where agreed that the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.*

**7. OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

[FISN: [●]]

[CFI code: [●]]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s), number(s) and address(s)]

Delivery: Delivery [against/free of] payment

## Form of Final Terms

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Names and addresses of initial  
Paying Agent(s):

[•]

Names and addresses of  
additional Paying Agent(s) (if  
any):

[Not Applicable/[•]]

Name and address of  
Calculation Agent (if any):

[•]

Intended to be held in a manner  
which would allow Eurosystem  
eligibility:

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

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## Norske tog

### Introduction

The legal and commercial name of the Issuer is Norske tog AS (previously named Materiellselskapet AS).

The Issuer was incorporated on 16 June 2016 as a wholly owned subsidiary of Vy, with the Kingdom of Norway as the ultimate owner. In October 2016, the Issuer acquired most of Vy's passenger rolling stock. The rolling stock was simultaneously leased back to Vy. In April 2017, Vy was demerged and the Issuer became wholly owned by the MOT. The Kingdom of Norway remains the sole ultimate owner of the Issuer.

The Issuer is a private limited liability company incorporated pursuant to the Norwegian Private Limited Companies Act, and is registered in the Norwegian Register of Business Enterprises with business registration number 917 445 060. The Issuer's registered office is at Munkedamsveien 62A, N-0270 Oslo, Norway and its central telephone number is (+47) 412 62 664.

The Issuer's business is to own, manage and lease out rolling stock to operators that are awarded contracts to operate passenger railway services in Norway following implementation of the Norwegian railway reform, as described below.

### Reform of the Norwegian railway

On 12 May 2015, the MOT published a white paper (*Meld. St. 27 (2014-2015)*) describing a proposed reform of the Norwegian railway sector (the "**Reform**"). The white paper was approved by the Norwegian Parliament (*Stortinget*) on 15 June 2015. The Reform entailed a partial liberalisation of the railway sector in Norway by opening up the passenger railway services for competition as well as changes to the organisational structure of the sector.

In connection with the Reform, the Norwegian passenger railway market will be divided into geographical traffic packages (*no.: trafikkpakker*) comprising defined service areas (*no.: togprodukter*). So far, three traffic packages with 3-7 service areas each have been defined. By putting these traffic packages out to competitive tender, the Norwegian government intends to gradually introduce competition for the operation of rail-based passenger transport in Norway. For further information see: <https://www.jernbanedirektoratet.no/no/togkonkurranse/>. For the avoidance of doubt, such website does not, and should not be deemed to, constitute a part of, or be incorporated into, this Base Prospectus.

Vy was historically responsible for procuring its own rolling stock, and acquired its rolling stock after competitive tendering in accordance with applicable Norwegian rules and regulations. However, as rolling stock for the Norwegian passenger railway market is developed specifically for the Norwegian rail system and climate, represents a significant investment and has a long useful life, the MOT decided that procuring rolling stock therefore represented a potential barrier to entry for new train operators in the Norwegian passenger rail market. Accordingly, to reduce entry barriers and ensure competition for passenger rail services on equal terms, the MOT therefore decided that, as a part of the Reform, the rolling stock would be transferred from Vy to the Issuer and be made available to the train operators that win the tenders for the traffic packages.

The passenger rolling stock previously owned by Vy (as well as certain other assets and equipment, rights under manufacturer's warranties for transferred rolling stock, rolling stock under order and certain other contractual rights of Vy related to the transferred assets) and certain employees, were transferred to the Issuer in accordance with an arm's length asset purchase agreement dated 14 October 2016 entered into between Vy and the Issuer. The transfer was completed during October 2016.

As consideration for the rolling stock and other rights, assets and liabilities taken over by the Issuer, the Issuer agreed, *inter alia*, to assume Vy's obligations under certain of Vy's outstanding capital markets debt. On 14 October 2016 the Issuer and Vy entered into two identical leaseback contracts, one with duration until December 2017 and the other for the period December 2017 – December 2024, whereby Vy leased back the rolling stock transferred to the Issuer. The current leaseback contract has been terminated and is expected to be replaced at the latest in 2019 with new lease agreements with Vy and

operators for the competitively tendered traffic packages as further discussed in "*Lease agreements*" below.

## **Business of the Issuer**

### *Business and operations*

The Issuer's stated business purpose is to contribute to a comprehensive rolling stock fleet for the railway in Norway and to be the preferred provider of reliable and up to date passenger rolling stock.

In addition, the Issuer will:

- (i) develop plans to meet expected capacity needs identified by railway operators (but not necessarily be able to deliver according to these plans);
- (ii) develop leasing contracts with incentives that will form the basis for rental of rolling stock with all railway operators;
- (iii) contribute to developing a rolling stock strategy to ensure standardisation and optimisation of passenger rolling stock systems;
- (iv) have dialogue with and provide advice to infrastructure and maintenance providers regarding conditions at the interface between rolling stock and infrastructure/maintenance facilities; and
- (v) maintain leading expertise in procurement of passenger rolling stock and systems, and keep track of new technological solutions.

As at the date of this Base Prospectus, all of the Issuer's rolling stock is leased to Vy. See "*Lease agreements*" below for further information.

In the future, the Railway Directorate, being responsible for the tender of passenger rail services after the Reform, will define the rolling stock that shall be used in the individual tenders, and agree the lease agreements with the Issuer prior to launch of each tender. It has been decided that for the first two tenders, the chosen train operator shall use rolling stock from the Issuer for an expected 8-year agreement period (with options for the operator to extend for two additional one-year periods).

Future lease agreements with new operators that win competitive tenders for passenger rail services are expected to be on substantially similar terms as described under "*Future lease agreements*" below. In connection with the railway reform, the Norwegian government has announced three competitions for passenger transport by rail, "*Traffic Package South*" (with operations expected to commence in December 2019), "*Traffic Package North*" (with operations expected to commence in December 2019) and "*Traffic Package West*" (with operations expected to commence in December 2020). So far, it has been decided that the operator that is awarded either traffic package "*South*" or "*North*" will be required to lease rolling stock from the Issuer.

The duration of the lease agreements for the passenger rolling stock leased out by the Issuer to train operators will be back-to-back with the corresponding passenger service tenders. The payment structure under the lease agreements will consist of an agreed monthly payment, and payments are expected to be backed by financial guarantees. Upon any default of a lessee (other than Vy), such lessee's train operating agreement and train leasing obligations are expected to pass to Vy (or another operator).

In the event that the Railway Directorate permits a train operator in the future to lease rolling stock from a supplier other than the Issuer (and that train operator chooses to do so), the Issuer will be able to consider alternative uses or a sale of the relevant rolling stock. The Issuer will in this scenario have recourse under a residual value guarantee by the Kingdom of Norway (see "*Residual value guarantee*" below for further information).

### *Description of rolling stock*

The table below provides certain key information on the rolling stock of the Issuer.

Description	Name	Type	# of Trains	Manufacturing Year	Manufacturer	Year of Upgrade	Top Speed (km/h)	Number of Seats	Total Passenger Capacity
Electric train sets	Class 69	Local	43	1975-1994	Strømmens Værksted	2009-2011	130	265-303	300-500
Electric train sets	Class 70	Long-Distance	16	1991-1996	ABB Strømmen	-	160	233-238	430-440
Electric train sets	Class 72	Local	36	2002-2006	Ansaldobreda	-	160	310	600
Electric train sets	Class 73	Regional / Long-Distance	14/6	1999-2001	Adtranz	Ongoing	210	204 / 249	320
Electric train sets	A / B								
Electric train sets	Class 74	Regional	36	2012-2016	Stadler	-	200	240	570
Electric train sets	Class 75	Local	69	2012-2018	Stadler	-	200	277-295	630
Wagons	Class 3 Flåm	Local	13	1962-1972	Strømmens Værksted	-	160	52-96	N/A
Wagons	Class 5	Long-Distance	56	1977-1981	Bombardier	2011-2013	160	40-68	N/A
Wagons	Class 7	Long-Distance	59	1982-1985	Adtranz	2008-2011	160	36-68	N/A
Wagons	Class WLAB 2	Night Train	20	1986-1987	Strømmens Værksted	2006	150	Sleeping Beds: 30	Coupees: 15
Diesel Train Sets	Class 92	Long-Distance / Local	14	1984-1985	Durewag	2005-2006	140	143-145	200
Diesel Train Sets	Class 93	Long-Distance / Local	15	2000-2002	Bombardier	-	140	87	180
Locomotives	Class El 18	Electric	22	1996-1997	Adtranz	-	160	N/A	N/A
Locomotives	Class Di 4	Diesel	5	1981	Henschel	2009	140	N/A	N/A

### *Lease agreements*

#### Existing lease agreement

All of the Issuer's rolling stock is currently leased to Vy. When the Issuer in October 2016 acquired most of Vy's passenger rolling stock, the rolling stock was simultaneously leased back to Vy pursuant to a leaseback agreement with duration until December 2017. At the same time a second, identical, lease agreement was entered into covering the period from December 2017, with duration until December 2024.

The second lease agreement has been terminated by the Issuer and the parties are currently negotiating a new agreement. Such new agreement is expected to be on substantially similar terms as the lease agreement to be entered into in connection with the simultaneous conclusion of a traffic agreement for "Traffic Package South" (see "Future lease agreements" below for further details).

Under the terms of the current Vy contract, Vy shall pay a monthly lease to the Issuer. The leasing rate has been agreed for the term of the contract. The monthly lease rate is calculated on the basis of the Issuer's costs (depreciation based on the book value of fixed assets, finance cost (calculated using an interest rate of 3.5% per annum, with adjustment rights, as described below), administrative costs and certain one-time costs). The agreed lease rate factor in expected inflation and a general cost increase of

2% annually, as well as a 5% return on equity. There are specific adjustment rights in respect of the monthly lease rate if the funding cost of the Issuer exceeds 3.5% per annum.

Vy is responsible for the maintenance of the rolling stock in accordance with an agreed maintenance programme and to keep the rolling stock in normal operating condition in accordance with applicable laws and regulations, as well as for modifications requested by Vy and approved by the Issuer. As part of this, the Issuer shall, *inter alia*, cover any costs relating to any modifications that are necessary to keep the rolling stock operating in accordance with applicable laws, regulations and requirements from relevant authorities. Any claims under a warranty from the supplier of the rolling stock shall be handled by the Issuer, but Vy is responsible for notifying the Issuer of any potential claims. If an incident occurs which results in the total loss of a leased unit, Vy will no longer be required to pay the lease for such unit.

Both the Issuer and Vy can, with 12 months' notice commencing on the next annual change of timetables (this occurs on the second Sunday of December each year), reduce the scope of the agreement or terminate the agreement, i.e. in order to make the rolling stock available to the train operators that win the tenders for the traffic packages. Vy is responsible for redelivering the rolling stock to the Issuer in normal operating condition, in accordance with the maintenance program and applicable law and regulations.

#### Future lease agreements

The Issuer is expected to enter into a lease contract for rolling stock with Vy in December 2019 (see "*Existing lease agreement*" above), and with the first new operator on or about December 2019 in connection with the simultaneous conclusion of a traffic agreement for "*Traffic Package South*" between the Railway Directorate and the new operator. Vy and any other operator leasing rolling stock on the terms of the new leasing contract is hereinafter referred to as the "**Lessee**".

The leasing contract is expected to have the following content:

The duration of the leasing contract will be back-to-back with the traffic agreement. If the traffic period expires or is extended beyond the original agreed traffic period, the leasing period will be shortened or extended accordingly.

The Lessee shall pay a monthly lease to the Issuer. The monthly rate will be calculated on the basis of the current leasing price for each individual train leased for "*Traffic Package South*", with deduction for insurance premiums that the Lessee has paid according to the Lessee's duty to procure and renew an "all risk"-injury insurance policy for trains for which the Lessee has accepted risk. The total leasing price is calculated on the basis of the Issuer's stipulated capital related costs (including, *inter alia*, interest expenses for foreign capital, required rate of return on equity capital and depreciation) for the leased rolling stock, and the stipulated operational costs (including, *inter alia*, administrative costs, maintenance costs, modification program costs and insurance costs) for the leased rolling stock included in the leasing agreement.

The stipulated operating costs shall be regulated on a yearly basis, based on a price index (50% based on the Norwegian consumer price index adjusted for tax changes and excluding energy goods (KPI-JAE) and 50% based on Statistics Norway's index of labour costs for the transportation and storage sectors, in each case as per 15 October of the previous year). The first price adjustment will be in effect from the first day of the operating year of 2020.

The stipulated capital related costs related to the leasing objects shall be adjusted if the Issuer's cost of capital changes due to subsequent changes in market conditions and the level of interest rates. At the initial pricing, the interest expense for foreign capital is assumed to be 3.5% per annum. An average interest expense increase or decrease of more than 0.2% shall result in an equivalent increase or decrease of the stipulated capital related costs. The leasing price may also be adjusted if the Issuer has altered costs due to impositions from public authorities or government fees and duties. Changes in the general tax level will not lead to any adjustment to the leasing price.

The stock of individual trains may in the contract period be changed by the Issuer, temporarily or permanently, in accordance with provisions set forth in the leasing contract. The Issuer will also have a unilateral right to change the leasing price. Such changes, however, require pre-approval from the Railway Directorate.

During the contract period, the Issuer will have the right to make modifications, changes and upgrades on any stock according to and with the restrictions set forth in the leasing contract. Such modifications, changes and upgrades will normally entitle the Issuer, subject to pre-approval from the Railway Directorate, to unilaterally adjust the leasing price of each individual train.

During the contract period, the Lessee will have the right to lease and use derived additional benefits, such as land based IT system, special tools and critical components, and technical documentation for each individual train. The Lessee shall not pay an additional leasing price for such derived benefits.

The Lessee will be responsible for maintaining the rolling stock in accordance with applicable laws and regulations in connection with the Lessee's operation and use of the individual trains. However, new regulations that entail more stringent requirements for the physical design of the rolling stock will be the Issuer's risk. In addition, the Lessee will be responsible for keeping the rolling stock prepared for use and in good condition.

Future contracts with other operators that win competitive tenders for passenger rail services are expected to be on substantially similar terms as those described above.

#### *Procurement of rolling stock*

The Issuer continuously evaluates the need to replace and/or upgrade existing rolling stock *inter alia* on the basis of remaining economic life. Procurement of rolling stock will be made in the Norwegian and international market in accordance with applicable public procurement rules.

The Issuer is currently party to a train purchase agreement with Stadler Bussnang AG. The agreement was originally entered into in 2008 between Vy and Stadler Bussnang AG, with an option to purchase up to 150 regional and local train sets. The agreement was transferred to the Issuer from Vy on 31 July 2017. As of 31 December 2018, 150 train sets have been ordered and are expected to be delivered by December 2022. Of these train sets, 105 train sets have been received as of 31 December 2018. The Issuer expects to place variation orders with respect to two of the train sets under order for upgrade to combined diesel and electric propulsion.

#### *Residual value guarantee*

The Norwegian Parliament in the national budget for 2019 agreed that the MOT in 2019 could provide a residual value guarantee for book value of rolling stock included in the government's purchase of passenger rail transport of up to NOK 7,103 million, as well as additional residual value guarantees for upgrades to, and new investments in, rolling stock up to NOK 3,007 million. The residual value guarantee covers up to 75% of the book value of the relevant rolling stock.

Within the limitations described above, the Railway Directorate has confirmed that if the relevant rolling stock is no longer used for publicly procured passenger rail transport, the guarantee will cover up to 75% of any resulting losses. The guarantee is *inter alia* subject to certain reporting obligations on the Issuer, and the Issuer is obliged to seek cost efficient solutions in connection with the procurement of rolling stock, to secure revenue potential and to assist in limiting the increase in public procurement needs. The Issuer shall further assist Bane NOR (being the state enterprise responsible for rail infrastructure) with the identification of necessary infrastructure and with plans for phasing in and operating the relevant rolling stock.

#### *Assets and liabilities*

The rolling stock previously owned by Vy was spun off and transferred to the Issuer by an acquisition completed on 14 October 2016. On the same date, 32 of Vy's employees were transferred to the Issuer.

The total consideration paid for the rolling stock by the Issuer was NOK 8,558 million. The rolling stock transferred to the Issuer consisted of 396 units, including 236 train sets, 135 wagons, 3 heating units and 22 locomotives. In addition to the trains, a pension liability of NOK 10 million for the aforementioned employees was also transferred with corresponding compensation from Vy. The total consideration for the transfers was deferred and constituted a debt owed by the Issuer to Vy.

The debt to Vy was settled in December 2016 by way of the Issuer taking over Vy's obligations under certain of Vy's outstanding capital markets debt, following a successful noteholder consent solicitation process.

Norske tog currently has six notes issues outstanding under an existing EMTN programme, all transferred from Vy, and four notes issues outstanding under the Programme:

<b>Amount</b>	<b>Maturity</b>	<b>ISIN</b>
NOK 300,000,000	12 February 2021	NO0010703457
NOK 350,000,000	24 January 2022	NO0010635360
NOK 500,000,000	18 February 2026	NO0010703556
NOK 1 150,000,000	20 January 2027	NO0010635428
CHF 250,000,000	14 February 2020	CH0123575091
CHF125,000,000	2 May 2023	CH0210891989
NOK 750,000,000	12 June 2028	NO0010823792
NOK 300,000,000	26 November 2021	NO0010837263
NOK 550,000,000	26 February 2024	NO0010837271
NOK 650,000,000	26 November 2025	NO0010837289

In addition, the Issuer has a multicurrency revolving credit facility of NOK 2,000 million that expires in October 2022.

In connection with the consent solicitation the Issuer obtained a stand-alone credit rating from S&P Financial Services LLC ("**S&P**"). As at the date of this Base Prospectus, the Issuer has been assigned a rating of A+ (stable outlook) by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

As of 31 December 2018, 150 train sets have been ordered under the contract with Stadler Bussnang AG and are expected to be delivered by December 2022.

The Issuer has defined a long term need for a considerable addition of new trains in order to meet the expected capacity increase set out in the National Transport Plan 2018-2029 (Meld. St. 33 (2016-2017)), as the passenger traffic is expected to increase as well as expected increase in frequency of train departures for both freight and passenger traffic.

For further information about the assets and liabilities of the Issuer, please see the Issuer's audited financial statements for the year ended 31 December 2018, incorporated by reference in this Base Prospectus.

#### *Government support and state aid*

##### General overview

The Issuer is wholly owned by the Norwegian state represented by the MOT. It was established as a wholly owned subsidiary of Vy by a transfer of rights, assets and obligations from Vy, followed by a demerger of Vy whereby the shares in the Issuer were transferred to the direct ownership of the Norwegian state. At the time of the transfer of rights, assets and obligations to the Issuer, Vy was wholly owned by the Norwegian state. Vy remains wholly owned by the Norwegian state at the date of this Base Prospectus.

The Issuer is dependent on capital contributions or other support from the Norwegian state in order to complete its planned investment program for new rolling stock.

The Issuer's operating revenue is wholly generated from leasing out its trains to licensed operators of passenger rail services in Norway, which again will derive parts of their income from public purchases of passenger rail services by the MOT. As at the date of this Base Prospectus, Vy is the only licensed passenger rail operator in Norway, and public purchases from Vy take place under a Public Procurement

Agreement valid for the period December 2018 to December 2022. From December 2019, the Issuer will lease out trains to Go-Ahead Norge AS for the purpose of providing railway services in connection with traffic package 1.

The Issuer finally benefits from a residual value guarantee from the Norwegian state represented by the Norwegian Railway Directorate, securing the Issuer a minimum recovery of 75% of book value of any rolling stock sold by the Issuer.

#### Establishment and future capitalisation of the Issuer

The Issuer was originally capitalised by a transfer of rights, assets and liabilities from Vy, followed by a demerger whereby the shares in the Issuer were transferred to the MOT. The demerger was completed on arm's length terms and in accordance with the requirements in the Norwegian limited liability companies act, and was approved by the auditor of Vy. The initial capitalisation of the Issuer is in the Issuer's opinion not state aid, as defined under the provisions of the Agreement on the European Economic Area ("**EEA Agreement**").

In the Issuer's assessment, the future cash contributions through direct financial support from the Norwegian state to fund investments etc., will be compatible. i.e. legal state aid, in accordance with the said provisions. The agreements between the Issuer and the MOT are concluded on the basis of and in accordance with the framework provided under (a) NOU (*Official Norwegian Report*) 1987:5 and (b) St. meld. Nr. 54 (*Report to Stortinget*) (1988-89) (together the "**original policy framework**"), which set out the relevant framework for the procurement by the Government of public transport rail services, by means of agreements. The original policy framework is improved, supplemented or expanded to include new policy considerations and reflect new market conditions but it remains unaltered as regards its core principles and continues to provide the main platform upon which public railway transport services agreements are concluded and approved in Norway. Given that the original policy framework was established prior to the coming into force of the EEA Agreement it would most probably be considered to constitute existing State aid for the purposes of the EEA Agreement, which would remain valid until ordered revised for the future by the EFTA Surveillance Authority.

The Issuer considers that any financial support received from the Norwegian state would be considered 'public service compensation' (in accordance with Regulation (EC) No 1370/2007) and thus compatible with the EEA Agreement and exempt from any requirement for prior notification. In addition to the foregoing, the Issuer considers that financial support received from the Norwegian state could also be considered compatible state aid: (a) in accordance with Article 49 of the EEA Agreement directly (however, reliance on Art. 49 would have required prior notification to the EFTA Surveillance Authority); or (b) in accordance with the rules on Services of general economic interest under Commission Decision 2012/21/EU (which is exempt from the obligation for prior notification).

#### Public purchases of rail services

The compensation paid to the operators by the Norwegian state is in the Issuer's opinion compatible with the provisions of the EEA Agreement regarding state aid, assuming that the public purchases are essentially concluded on the basis of and in accordance with the original policy framework (see above) and are subjected to public tender if other operators than Vy shall be offered the support. Given that the original policy framework was established prior to the coming into force of the EEA Agreement it would most probably be considered to constitute existing State aid for the purposes of the EEA Agreement, which would remain valid until appropriately revised for the future by the EFTA Surveillance Authority.

#### Residual value guarantee

The residual value guarantee issued by the Railway Directorate covering 75% of the book value of the Issuer's passenger trains is a continuation of the same guarantee that was made available to Vy. It is furthermore a continuation of a long standing and well publicised practice that was also applied to Vy while it owned the Issuer's rolling stock. The Issuer considers that the support provided by the residual value guarantee is most probably part of the existing state aid scheme supporting the Norwegian railway sector described above, and thus compatible with the EEA Agreement and exempt from prior notification. The Issuer considers that any financial support received from the Norwegian state would be considered 'public service compensation' (in accordance with Regulation (EC) No 1370/2007) and thus compatible with the EEA Agreement and exempt from any requirement for prior notification. In addition to the

foregoing, the Issuer considers that financial support received from the Norwegian state could also be considered compatible state aid: (a) in accordance with Article 49 of the EEA Agreement directly (however, reliance on Art. 49 would have required prior notification to the EFTA Surveillance Authority); or (b) in accordance with the rules on Services of general economic interest under Commission Decision 2012/21/EU (which is exempt from the obligation for prior notification).

### **Ownership and Corporate Governance**

The Issuer is wholly owned by the Kingdom of Norway, represented by the MOT.

The Kingdom of Norway, through its ownership, has a substantial influence over the Issuer by deciding matters submitted for a vote of shareholders, such as approval of the annual financial statements, declarations of annual reserves and dividends, capital increases, amendments to the Issuer's articles of association and election and removal of members of the Issuer's Board of Directors.

Each year the Board of Directors shall present a plan for the business to the Norwegian Minister of Transport and Communications in which the following issues are included:

- A description of the situation of the market and the Issuer, including developments in the Issuer since the last plan was presented;
- The main features of the activities of the Issuer in the coming years;
- The Issuer's investment levels, major investments and funding plans;
- Assessments of economic developments during the planning period; and
- A report on measures and results pertaining to the social mission and social responsibilities of the Issuer.

So far as the Issuer is aware, there are no arrangements currently in place which may at a subsequent date result in a change of control of the Issuer. In the State Ownership Report for 2016, the Norwegian government defined the Issuer as a "category 4" company (on a scale from 1 to 4, where "category 1" includes companies where the state's ownership has purely commercial objectives and "category 4" includes companies where the state's ownership has primarily sector policy purposes). From a general perspective, a reduction in state ownership is more likely to take place in a "category 1" company than in a "category 4" company.

The Board of Directors has approved the introduction of the Norwegian Code of Practice for owner control and Corporate Governance adapted to the current structure of ownership. This Code includes measures to ensure that owner control is not abused.

### **Management and Employees of the Issuer**

#### *Board of Directors of the Issuer*

Set out below are the names and positions of the current members of the Issuer's Board of Directors as well as an indication of any significant principal activities performed by them outside the Issuer.

<b>Name</b>	<b>Position</b>	<b>Significant Outside Activity</b>
Annette Malm Justad	Chairperson	General manager and chairperson, Alama AS; chairperson, Store Norske Spitsbergen Kulkompani AS; general manager and chairperson, Homlungen AS, non-executive board member, Port of London Authority; board member, Pleat AS; board member, Awilco LNG ASA; board member, American Shipping Company ASA; chairperson, Småkraft Utbygging AS; board member, Småkraft AS; board member, iSurvey

Marianne Abeler	Board Member	Board member, Advokatfirmaet Simonsen Vogt Wiig AS; board member, Tromsøbadet Kf; board member, Tromsprodukt AS
Espen Opedal	Board Member	General manager, Tryg Forsikring; board member, Finans Norge; board member, Finans Norge Servicekontor
Vidar Larsen	Board Member	None

The business address for all board members in relation to their directorship with the Issuer is Norske tog AS, Munkedamsveien 62A, N-0270 Oslo, Norway.

#### *Management of the Issuer*

Set out below are the names and positions of the current members of the Issuer's management as well as an indication of any significant principal activities performed by them outside the Issuer.

<b>Name</b>	<b>Position</b>	<b>Significant Outside Activity</b>
Øystein Risan	Chief Executive Officer	None
Kjell-Arthur Abrahamsen	Asset Director	None
Linda Marie Venbakken	Chief Financial Officer	Board member, FornebuBanken
Luca Cuppari	Technical Director	None
Iren Marugg	Legal Director	None

The business address for all members of management in relation to their employment with the Issuer is Norske tog AS, Munkedamsveien 62A, N-0270 Oslo, Norway.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of the Issuer towards the Issuer and their private interests and/or other duties.

#### *Employees*

As at 31 December 2018 the Issuer had a total of 32 employees.

#### **Recent developments**

The Issuer has applied for residual value guarantee for the purchase of new local trains, which will be decided as part of the budget for 2020. Only after receiving a guarantee will the Issuer approach the market with a tender to procure new local trains.

#### **Material contracts**

The Issuer has not entered into any contracts outside of the ordinary course of business that have had or may reasonably be expected to have a material effect on its business or that could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders in respect of Notes being issued.

## Taxation

*The following is a general description of certain Norwegian and Luxembourg tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their tax advisers as to which countries' tax laws could be relevant and the tax laws of Norway and Luxembourg of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

### **Norway**

#### *General*

Norwegian tax legislation does not currently include statutory legislation relating specifically to the Notes. Instead, the tax treatment must be derived from general tax rules and principles applicable to capital income and capital gains. Norwegian tax law is based on substance over form. If the terms of the Notes include conditions that are common to equity instruments, and that the Notes after an overall assessment are considered to have more characteristics of equity instruments rather than debt, the economic reality may overrule the formalities for income tax purposes. Thus, the applicable terms of the Notes may cause the taxation of the Notes to depart from the taxation treatment described in this summary. In the following, it is assumed that the Notes do not qualify as equity instruments for income tax purposes.

#### *Non-resident holders of Notes*

Payments of principal and interest on the Notes to persons who are not tax resident in Norway and have no connection with Norway other than the holding of Notes are, under present Norwegian tax law, not subject to, and may be made without, any withholding or deduction for or on account of any Norwegian taxes, duties, assessments or governmental charges, provided that the Notes have not been used in or attached to any business activity operated through a permanent establishment.

Gains or profits realised on the sale, disposal or redemption of the Notes by persons who are not tax resident in Norway and have no connection with Norway other than the holding of Notes are not, under present Norwegian law, subject to Norwegian taxes or duties, provided that the Notes have not been used in or attached to any business activity operated through a permanent establishment.

No Norwegian issue tax or stamp duty is payable in connection with the issue of the Notes.

#### *Resident holders of Notes*

Any kind of interest payments or similar payments received on the Notes by persons (individuals or companies) tax resident in Norway prior to disposal or redemption is taxable as "ordinary income" subject to the flat rate of 22 per cent. For taxpayers with a statutory obligation to keep accounting records interest is taxed on an accruals basis (i.e. regardless of when the return is actually paid). For other taxpayers accrued interest is as the main rule taxed when the interest is actually paid.

Redemption at the end of the term as well as prior disposal is treated as realisation of the Notes and will trigger a capital gain or loss. Capital gains will be taxable as "ordinary income", subject to the flat rate of 22 per cent. Losses will be deductible in the Noteholder's "ordinary income", at the same tax rate.

Any capital gain or loss is computed as the difference between the amount received by the Noteholder on realisation and the cost price of the Notes. The taxable gain is calculated in Norwegian kroner. The amounts received are converted to Norwegian kroner at the foreign exchange rate at the time of realisation. The cost price is equal to the price for which the Noteholder acquired the Notes, at the foreign exchange rate at the time of acquisition. Costs incurred in connection with the acquisition and realisation of the Notes may be deducted from the Noteholder's taxable income in the year of the realisation.

Any gains or losses derived from foreign currency exchange are taxable or tax deductible in the income year of realisation of the Note.

The value of the Notes at the end of each income year will be included in the computation of the Noteholder's taxable net wealth for municipal and state net wealth tax purposes. Listed bonds are valued at their quoted value on 1 January in the assessment year, while non-listed bonds are valued at their estimated market value on 1 January in the assessment year. The marginal tax rate is currently 0.85 per cent. Limited liability companies and similar entities are not subject to net wealth taxation.

There are currently no Norwegian transfer taxes, stamp duty or similar taxes connected to purchase, disposal or redemption of the Notes. Further, there is no VAT on transfer of the Notes.

### **Luxembourg**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

#### ***Withholding Tax***

##### *(a) Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

##### *(b) Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "**Relibi Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign pass thru payments**") to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that

is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if further notes (as described under Condition 15) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

#### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each a "**participating Member State**"). However, Estonia has since stated that it will no longer be a participating Member State.

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

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

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

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

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## Subscription and Sale

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, DNB Bank ASA, NatWest Markets N.V., NatWest Markets Plc, Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealer agreement dated 6 June 2019 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### Prohibition of Sales to EEA Retail Investors

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

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive (as defined below); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

**provided that** no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

#### **United States of America**

*Regulation S Category 2: TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

#### **United Kingdom**

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

- (1) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
  - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

- (2) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (3) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Kingdom of Norway**

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

- (1) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor; or
- (2) to “professional investors” as defined in Section 7-1 cf. Sections 10-2 to 10-5 in the Norwegian Securities Regulation of 29 June 2007 no. 876; or
- (3) to fewer than 150 natural or legal persons (other than “professional investors” as defined in Section 7-1 in the Norwegian Securities Regulation of 29 June 2007 no. 876), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or
- (4) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007 no. 75.

The Notes shall be registered with the Norwegian Central Securities Depository (the “VPS”) unless (i) the Notes are denominated in NOK and offered and sold outside of Norway to non-Norwegian tax residents only, or (ii) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

Further, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will only be sold in Norway to investors who have sufficient knowledge and experience to understand the risks involved with investing in the Notes.

See also the selling restriction “Prohibition of sales to EEA Retail Investors” above.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the “FIEA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person

resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

### **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the SFA. The Issuer will make a determination in relation to each such issue about the classification of the Notes being offered for purposes of section 309B(1)(a) of the SFA. Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

### **General**

With the exception of the approval by the CSSF of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any

country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

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

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in a supplement to this Base Prospectus.

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## General Information

1. Application has been made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange and admit such Notes to trading on the regulated market of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed on the official list and the regulated market of the Luxembourg Stock Exchange or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 9 March 2018. The update of the Programme was authorised by a Board Resolution passed on 15 May 2019. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Notes.
3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Series will be contained in the Final Terms relating thereto.
4. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of VPS is Fred. Olsens gate 1, N-0107 Oslo, Norway. The address of any alternative clearing system(s) will be specified in the relevant Final Terms.
5. Bearer Notes (other than Temporary Global Notes) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
6. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.
7. There has been no material adverse change in the prospects of the Issuer since 31 December 2018. There has been no significant change in the financial or trading position of the Issuer since 31 December 2018.
8. The consolidated financial statements of the Issuer as at and for the years ended 31 December 2018 and 31 December 2017 have been audited and prepared in accordance with IFRS and IFRIC interpretation as approved by the EU.

The consolidated financial statements of the Issuer as at and for the year ended 31 December 2017 have been audited by independent accountants Deloitte AS, whose regulated address is Dronning Eufemias gate 14, NO-0191 Oslo, Norway. Deloitte AS is a member of the Norwegian Institute of Public Accountants.

The consolidated financial statements of the Issuer as at and for the year ended 31 December 2018 have been audited by independent accountants PricewaterhouseCoopers AS, whose regulated address is P.O. Box 748, Sentrum, NO-0106 Oslo, Norway. PricewaterhouseCoopers AS is a member of the Norwegian Institute of Public Accountants.

9. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents are available free of charge during normal business hours at the specified office of the Principal Paying Agent, the Registrar and any Transfer Agent and at the specified office of the Paying Agent in Luxembourg, namely:
- (a) the Agency Agreement;
  - (b) the Trust Deed;
  - (c) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form or to be held under the New Safekeeping Structure);
  - (d) the constitutive documents of the Issuer;
  - (e) the most recently publicly available audited consolidated financial statements of the Issuer beginning with such financial statements as at and for the financial years ended 31 December 2018 and 31 December 2017;
  - (f) a copy of this Base Prospectus, together with any supplement to this Base Prospectus or further Base Prospectus; and
  - (g) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders.

This Base Prospectus, and in the case of any Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the relevant Final Terms, will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

10. The Trust Deed provides that the Trustee may rely on certificates or reports from the Issuer's auditors and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Issuer's auditors or such other expert in connection therewith contains any limit on liability (monetary or otherwise) of the auditors or such other expert.
11. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
12. The Issuer confirms that information sourced from a third party has been accurately reproduced in this Base Prospectus. So far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their

affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

14. The Legal Entity Identifier (LEI) code of the Issuer is 5493004632KI8NGDEX09.

## REGISTERED OFFICE OF THE ISSUER

Norske tog AS  
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## DEALERS

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## AUDITORS

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## THE TRUSTEE

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London EC2V 7EX

## PRINCIPAL PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon, London Branch  
One Canada Square  
London E14 5AL

## PAYING AGENT AND REGISTRAR

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## LEGAL ADVISERS

*to the Issuer as to English law*

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United Kingdom

*to the Dealers and the Trustee as to English law*

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Norway

**LISTING AGENT**

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