



Epiroc AB (publ)

(incorporated in Sweden as a public company with limited liability under registration number 556041-2149)

€1,500,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Epiroc AB (publ) (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 1,500,000,000 (or the equivalent in other currencies), subject to increase in compliance with the relevant provisions of the Dealer Agreement (as defined under “*Subscription and Sale*”).

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”) and/or which are to be offered to the public in any member state of the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the “**Official List**”) and trading on its regulated market (the “**Market**”). This Base Prospectus constitutes a “**Prospectus**” for the purposes of the Prospectus Regulation. References in this Base Prospectus to the Notes being “**listed**” (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of MiFID II. The relevant Final Terms (as defined below) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Market (or any other stock exchange).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*” and collectively, the “**Conditions**”) of Notes will be set forth in a Final Terms document (“**Final Terms**”). Each Final Terms, with respect to Notes to be listed on Euronext Dublin, will be delivered to the Central Bank of Ireland and Euronext Dublin. Each Series (as defined under “*Overview of the Programme—Method of Issue*”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**Temporary Global Note**”) or a permanent global note in bearer form (each a “**Permanent Global Note**” and, together with the Temporary Global Note, the “**Global Note**”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). Notes in registered form will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s (as defined under “*Terms and Conditions of the Notes*”) entire holding of Registered Notes (as defined under “*Overview of the Programme—Form of Notes*”) of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depository**”). The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes (as defined under “*Summary of Provisions Relating to the Notes While in Global Form*”) are described in “*Summary of Provisions Relating to the Notes While in Global Form*”.

Tranches of Notes may be rated or unrated. A 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. Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union or the United Kingdom and registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”) will be disclosed in the Final Terms. In general, European or United Kingdom 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 or the United Kingdom and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid as a base prospectus under the Prospectus Regulation for 12 months from its date. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Base Prospectus.

Dealers

Bank of China

Citigroup

Danske Bank

Deutsche Bank

Nordea

SEB

Handelsbanken Capital Markets

Standard Chartered Bank

Arranger for the Programme

Nordea

The date of this Base Prospectus is 27 October 2020.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined under “*Overview of the Programme*”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or 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 as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a regulated market within the United Kingdom or the EEA or offered to the public in the United Kingdom or a member state of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes). 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 requirements.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

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. Subject to certain exceptions, Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “*Subscription and Sale*”.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

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

A determination will be made in relation to each issue 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.

IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs

Regulation. If a jurisdiction requires that any offering of Notes be made by a licensed broker or dealer and the Arranger or any Dealer or any affiliate of the Arranger or applicable Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger or such Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. No representation, warranty or undertaking, express or implied is made by the Arranger or the Dealers or any director, officer, employee, agent or affiliate of any such person, to the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus, and neither the Arranger nor the Dealers accept any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. To the fullest extent permitted by law, neither the Dealers nor the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer on the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Dealers nor the Arranger undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “Stabilisation Manager(s)”) (or any person acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Amounts payable under some of the Notes may be calculated by reference to the Euro Interbank Offered Rate (“EURIBOR”), the London Interbank Offered Rate (“LIBOR”) or the Stockholm Interbank Offered Rate (“STIBOR”), which are provided by the European Money Markets Institute (“EMMI”), the ICE Benchmark Administration Limited (“ICE”) and the Swedish Financial Benchmark Facility AB (“SFB”), respectively. As at the date of this Base Prospectus, ICE and EMMI appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (as amended or supplemented, the “Benchmark Regulation”). As at the date of this Base Prospectus, the SFB does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply such that EMMI and the SFB are not currently required to obtain authorisation or registration.

Eligibility of the Notes for Eurosystem Monetary Policy – The NGN form has been introduced to allow for the possibility of debt instruments to be held in a manner which will allow Eurosystem eligibility. This means that any such Notes are upon issue deposited with one of the international central securities depositories as common safekeeper and does not necessarily mean that such Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (“**Eurosystem Eligible Collateral**”) either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the European Central Bank from time to time. The Issuer does not give any representation, warranty, confirmation or guarantee to any investor that such Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in any such Notes should make their own conclusions and seek their own advice with respect to whether or not any such Notes constitute Eurosystem Eligible Collateral.

Because the Global Notes and the Global Certificates 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 or Global Certificates. Such Global Notes or Global Certificates will be deposited with (in the case of a CGN or a Note not to be held under the NSS) a Common Depositary or (in the case of a NGN or a Note to be held under the NSS) Euroclear and Clearstream, Luxembourg as the Common Safekeeper. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes or Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, 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 or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to (in the case of a CGN or a Note that is not to be held under the NSS) a Common Depositary or (in the case of a NGN or a Note that is to be held under the NSS) Euroclear and Clearstream, Luxembourg as the Common Safekeeper for distribution to their account holders. A holder of a beneficial interest in a Global Note or a Global Certificate 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 or the Global Registered Notes.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “EUR”, “€” and “euro” are to the lawful currency of the participating member states in the third stage of the Economic and Monetary Union of the Treaty establishing the European community, to “Sterling” are to pounds sterling, to “SEK” and “Swedish Krona” are to the currency of Sweden and to “U.S.\$” and “U.S. dollars” are to United States dollars.

Certain financial information set forth in this Base Prospectus has been rounded. Accordingly, in certain instances, figures shown as totals may not be exact arithmetic aggregations of the figures that precede them.

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

- changes in the competitive environment in which the Group (as defined under “*Description of the Issuer*”) and its customers operate;
- changes in mineral commodity prices affecting the demand for the Group’s products;
- the Group’s ability to integrate any future expansion of its operations;
- the Group’s ability to realise the benefits it expects from existing and future investments;
- failure or breach of the Group’s operations or information systems;
- the Group’s ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed development projects;
- the Group’s ability to obtain external financing or maintain sufficient capital to fund its existing and future operations;

- changes in political, social, legal or general economic conditions in the markets in which the Group and its customers operate;
- failure to comply with regulations applicable to the Group’s business; or
- fluctuations in the currency exchange rates in the markets in which the Group operates.

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

The Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. 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:

- (a) 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 in this Base Prospectus or any applicable supplement;
- (b) 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;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

BASE PROSPECTUS SUPPLEMENT – If at any time the Issuer shall be required to prepare a base prospectus supplement pursuant to the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a prospectus supplement as required by the Prospectus Regulation.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (1) the audited financial statements of the Issuer for the financial year ended 31 December 2019 (the “**2019 Financial Statements**”) and the audit report from Deloitte AB in respect of the 2019 Financial Statements, as set out on pages 67–125 (inclusive) of the Issuer’s annual report for 2019:

<https://www.epirocgroup.com/content/dam/corporate/cision/reports/english/Epiroc%20Annual%20and%20Sustainability%20Report%202019.pdf>

- (2) the audited financial statements of the Issuer for the financial year ended 31 December 2018 (the “**2018 Financial Statements**”) and the audit report from Deloitte AB in respect of the 2018 Financial Statements, as set out on pages 69–125 (inclusive) of the Issuer’s annual report for 2018:

<https://www.epirocgroup.com/content/dam/corporate/cision/reports/english/Epiroc%20Annual%20Report%202018.pdf>

- (3) the interim consolidated report of the Issuer in respect of the nine months ended 30 September 2020 (the “**2020 Interim Financial Statements**”):

https://www.epirocgroup.com/content/dam/corporate/cision/reports/english/20201022_epiroc_interim_report_q3_2020.pdf

- (4) the terms and conditions set forth in the Base Prospectus dated 21 November 2018 (the “**2018 Conditions**”) in relation to the Programme as set out on pages 23–46 (inclusive):

<https://www.epirocgroup.com/content/dam/epiroc/corporate/documents/debt/Epiroc%20EMTN%20Base%20Prospectus.pdf>

save, that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, from the Issuer’s website at www.epirocgroup.com. For the avoidance of doubt, any information incorporated by reference in the information incorporated by reference above shall not be incorporated in or to form part of, this Base Prospectus. Non-incorporated parts are either not relevant for an investor or are covered elsewhere in this Base Prospectus.

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OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Epiroc AB (publ).
Legal Entity Identifier of the Issuer (LEI):	5493004Q73OEYW1SPE91
Website of the Issuer:	www.epirocgroup.com
Description:	Euro Medium Term Note Programme.
Size:	Up to EUR 1,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	Nordea Bank Abp.
Dealers:	Bank of China Limited, London Branch Citigroup Global Markets Limited Citigroup Global Markets Europe AG Danske Bank A/S Deutsche Bank Aktiengesellschaft Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ) Standard Chartered Bank Svenska Handelsbanken AB (publ)
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “ Permanent Dealers ” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “ Dealers ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent:	Citibank, N.A., London Branch.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes may be issued in bearer form (“ Bearer Notes ”) or in registered form (“ Registered Notes ”) only. Each Tranche of Bearer Notes will be represented on issue by a Temporary Global Note if (i) Definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined under “— <i>Selling Restrictions</i> ” below), otherwise such Tranche will be represented by a Permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire

holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as Global Certificates.

- Clearing Systems:** Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).
- Initial Delivery of Notes:** On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to the Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depository. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
- Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
- Maturities:** The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
- Specified Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the United Kingdom or the EEA or offered to the public in the United Kingdom or a member state of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and 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 of the Financial Services and Markets Act 2000 (“FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).
- Fixed Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
- Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:
- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined under “*Terms and Conditions of the Notes*”), as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date (as defined under “*Terms and Conditions of the Notes*”) of the first Tranche of the Notes of the relevant Series or
 - (ii) on the basis of the reference rate set out in the applicable Final Terms
- Interest Periods will be specified in the relevant Final Terms.
- Zero Coupon Notes:** Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
- Interest Periods and Interest Rates:** The length of the Interest Periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest

accrual periods permits the Notes to bear interest at different rates in the same Interest Period. All such information will be set out in the relevant Final Terms.

- Optional Redemption:** The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
- Status of Notes:** The Notes will constitute unsubordinated and unsecured obligations of the Issuer all as described in Condition 3 (*Status*).
- Certain Covenants:** The terms of the Notes will contain a negative pledge provision as well as a limitation on sale and leaseback transactions as further described in Condition 4 (*Certain Covenants*).
- Cross Default:** The terms of the Notes will contain a cross default provision as further described in Condition 10 (*Events of Default*).
- Ratings:** Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.
- A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.
- Early Redemption:** Except as provided in “—*Optional Redemption*” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See Condition 6 (*Redemption, Purchase and Options*).
- Withholding Tax:** All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Sweden unless the withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in Condition 8 (*Taxation*).
- Governing Law:** English.
- Listing and Admission to Trading:** Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the Market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
- Selling Restrictions:** There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, the EEA (including Sweden) and Japan. See “*Subscription and Sale*”.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (“**TEFRA D**”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the Code) (“**TEFRA C**”) or (ii) the Notes are issued other than in compliance with the TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in Notes issued under the Programme, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in any Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment.

The risk factors presented herein have been divided into six categories based on their nature. These categories are:

- *risks related to Epiroc’s business and industry;*
- *legal, regulatory and compliance risks;*
- *risks related to Epiroc’s financing;*
- *risks related to the structure of a particular issue of Notes;*
- *risks related to all Notes issued under the Programme; and*
- *risks related to the market generally.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus including any document incorporated by reference herein, and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.

Investors should consider carefully whether an investment in Notes issued under the Programme is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Risks Related to Epiroc’s Business and Industry

Demand for Epiroc’s equipment and services is affected by the cyclicity of its customers’ businesses and general economic conditions.

Demand for Epiroc’s equipment and services is affected by changes in customers’ investment plans and production levels. Customers’ investment plans could change materially due to an economic depression or downturn or in the case of an economic downturn affecting a particular industry, country or region. In addition, changes in the political situation in a specific region or country, or political decisions affecting an industry or country, could materially impact investment in equipment and, therefore, impact demand for Epiroc’s equipment and services. Furthermore, economic conditions may be affected by other types of events that are beyond Epiroc’s control, such as natural disasters and epidemics (such as the outbreak of coronavirus disease (“COVID-19”)). As COVID-19 has developed into a global pandemic, it has affected and is expected to continue to affect Epiroc’s operations, such as the production and supply of equipment and aftermarket services, as well as customers and suppliers due to restrictions from governments and other authorities. The demand for Epiroc’s equipment and services is also significantly dependent on the replacement needs of existing production capacity, new competing technologies, competitive pressures and other economic factors in customer industries.

Epiroc may be affected by an economic depression or downturn in the markets in which it or its customers operate. Hence, adverse developments involving global or regional political, economic and financial factors of the type mentioned above and other events that are beyond Epiroc’s control could have a material adverse effect on Epiroc’s business, results of operations and financial condition.

Mineral commodity prices have historically been volatile and may affect the demand for Epiroc's equipment and services.

Demand for Epiroc's equipment and services from its mining customers is highly dependent on such customer's investments (expenditures) in production, development and excavation. Historically significant reductions in mineral commodity prices have caused mining expenditure to decline. Although Epiroc's revenue in equipment and services has remained relatively stable during the past three years, there is a risk that a sustained fall in mineral commodity prices may cause a substantial reduction in mining capital expenditure in the future, which could have an adverse effect on Epiroc's revenues. While aftermarket sales in the form of services and spare parts have historically been more resilient to macroeconomic changes than equipment sale and hence more stable over time, low cost supply of spare parts, new and improved equipment, changing customer needs and other trends in the market may adversely impact Epiroc's position on the aftermarket and consequently reduce Epiroc's ability to offset a decline in equipment sales. Negative developments in mineral commodity prices may cause demand for Epiroc's services and equipment to decline, which could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc's manufacturing and production facilities may get damaged, destroyed or closed.

Epiroc has a global manufacturing strategy based on internally manufacturing its core components and sourcing of other components from suppliers. The core component manufacturing is concentrated in certain facilities and if these facilities are destroyed or closed for any reason or if the equipment in the facilities is significantly damaged or there are other severe interruptions in production, Epiroc is likely to face interruptions and delays in its ability to manufacture and distribute its equipment. Epiroc holds property and business interruption insurances in amounts Epiroc believes to be appropriate, however, there is a risk that Epiroc may not be able to fully recover losses resulting from such interruption or delay. Such circumstances, to the extent Epiroc is unable to find an alternative manufacturing and production facility or repair the damaged facility or equipment in a timely and cost-efficient manner, could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc relies on third party suppliers.

Epiroc's manufacturing philosophy is that those core components that are critical for the performance of the equipment Epiroc produces should be manufactured in-house. For non-critical components, Epiroc leverages the capacity and competence of its suppliers and cooperates with them to continuously achieve product and process improvements. On equipment, approximately 75 per cent of the product cost consists of purchased components and approximately 25 per cent consists of internally manufactured core components, assembly costs and overhead. Epiroc's equipment consist of components and raw materials from several different suppliers. To be able to manufacture, sell and deliver its equipment, Epiroc is dependent on deliveries from its suppliers in accordance with agreed requirements, such as quantity, quality and time of delivery. Suppliers' incorrect deliveries or failure to fulfil agreed deliveries could cause delays or failures in Epiroc's deliveries, which in turn may cause reduced sales, claims for compensation and a decline in customer confidence.

Epiroc has several long-lasting relationships with suppliers. If a supplier is unable or unwilling to continue to make deliveries to Epiroc, or should a supplier terminate its operations, Epiroc may not be able to identify and develop a relationship with a new supplier who can satisfy Epiroc's standards in terms of delivery schedule and quality in a timely and efficient manner. In addition, Epiroc may be required to replace a supplier if its equipment do not meet Epiroc's requirements with respect to quality, price or other standards. The loss of, or a substantial decrease in the availability of, equipment from Epiroc's suppliers, or the loss of key suppliers, could have a material adverse effect on Epiroc's business, results of operations and financial condition.

In addition, supply interruptions could arise from shortages of raw materials, labour disputes (involving Epiroc's employees or consultants as well as the employees or consultants of Epiroc's partners), weather conditions affecting equipment or shipments, transportation disruptions or other factors beyond Epiroc's control. In addition, a steep ramp up of customer demand may impact Epiroc's suppliers' ability to meet the increased demand, in particular if Epiroc fails to provide its suppliers with sufficient information and the right conditions in order to manage swift changes in volumes. A failure by suppliers to continue to supply Epiroc with components and raw materials, in sufficient quantities, in a timely manner or on commercially reasonable terms could put pressure on Epiroc's operating margins and could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc is exposed to fluctuations in prices of certain raw materials and components used in its production.

Epiroc's results of operations are affected by component and raw material prices, some of which are volatile and subject to fluctuations arising from changes in supply and demand, economic conditions, labour costs, competition, market speculation, government regulation and trade policies. Epiroc is primarily dependent on steel, hydraulics, electronics, machining, welding and drivetrain for its manufacturing and Epiroc's financial exposure is, therefore, mainly related to fluctuations in prices of such components and materials. Epiroc has a limited ability to control the timing and amount of changes to prices that it pays for components and raw materials and Epiroc may be unable to pass on price increases to its customers in a timely manner, or at all. Epiroc may contractually hedge risks related to the effect of fluctuations in raw material prices on the end product, but there can be no assurance that Epiroc will be successful in negotiating these terms

on satisfactory levels, or at all. An inability or a delay in passing price increases to its customers could have an adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc is dependent on the efficiency of its distribution centres and its customer centres' sales and service organisation.

Epiroc distributes its equipment and services directly to the end customers, and to a lesser extent, distributes to the end customers through distributors, customer centres and rental companies. Epiroc has a large service organisation that focuses on spare parts supply, service, support solutions and training. The customer centres in each market are typically responsible for contacts with the end customers as well as the delivery of service to them. As the occurrence of downtime in the customers' operations are often associated with large costs, the quality and availability of Epiroc's equipment service is important to its customers. Should Epiroc's sales and service organisation not be able to successfully sell and deliver equipment and perform services, or be subject to disruptions or be closed or destroyed, there could be a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc may experience difficulties in completing acquisitions, integrating acquired businesses and achieving anticipated synergies, as well as in completing divestments.

Acquisitions play an important role in Epiroc's growth strategy. Epiroc regularly identifies and evaluates acquisition opportunities, and Epiroc intends to in the future acquire additional businesses that it expects to complement or augment its existing operations. There is a risk that suitable acquisition candidates are not identified in the future and that Epiroc will not be able to finance such acquisitions on commercially attractive terms. Further, there is a risk that acquisitions that Epiroc has already made, or future acquisitions it may make, may not be integrated successfully into Epiroc's operations and may not achieve desired financial objectives.

In agreeing to acquire entities, Epiroc generally makes certain assessments and assumptions on, among other things, future revenues and earnings, based on Epiroc's investigation of the respective businesses and other information available. Epiroc's assessment of, or assumptions regarding, opportunities and risks associated with acquisitions may prove to be incorrect and liabilities, contingencies or other risks previously not known to Epiroc may arise. In addition, Epiroc may be limited in its ability to acquire companies depending on the concentration of ownership in specific markets and Epiroc's relative market position. Such unanticipated risks, liabilities, contingencies, losses or issues, if realised, could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc may also wish to divest operations and facilities that no longer fit into Epiroc's operations or strategy. There is a risk that Epiroc will not be able to divest such operations or facilities, or that such divestments cannot be carried out on terms favourable to Epiroc.

Epiroc operates in highly competitive markets.

The markets for Epiroc's equipment and aftermarket are highly competitive in terms of pricing, product design and service quality, product innovation, customer service and terms of customer financing. Epiroc faces strong competition from a number of large, global competitors and also from regional and local competitors. Companies operating with lower costs and margins are competing on the global market, for example by providing basic products and low cost standard spare parts. If Epiroc is not successful in competing against such competitors and does not anticipate and respond to changes in evolving market demands, including demand for new equipment, Epiroc may not be able to compete successfully in its markets, which could have a material adverse effect on Epiroc's business, results of operations and financial condition. See also "*—Epiroc may fail to develop, launch and market new equipment or respond to technological development and customer demand*" below.

Additionally, Epiroc's competitors could increase production capacity and marketing efforts, which could lead to an increased supply of equipment in the markets in which Epiroc operates, thereby exposing Epiroc to pricing pressure. Furthermore, there is a risk that companies that are currently providing basic products and low cost standard spare parts start to develop products and spare parts with higher quality, which to a higher extent would compete with Epiroc. Such developments could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc may fail to develop, launch and market new equipment or respond to technological development and customer demand.

Several of the markets in which Epiroc operates are characterised by technological advances and changes in customer preferences. There is an increasing demand among customers for safe and sustainable solutions that lead to higher productivity and lower total costs, and there are several other current trends in the market. One strong trend is automation. By installing automation or autonomous technology on, for example, drill rigs, mining and construction companies can operate or monitor multiple rigs from a remote location. This saves money for the customers and provides a safe, comfortable work environment for the operators. Digitalization is also a strong trend. This includes connectivity and the monitoring of the equipment, traffic management and providing a data-driven service. Automated machines can be connected to a traffic management system, with the operators monitoring an entire fleet of equipment as well as personnel

resources and giving instructions to the machines on what tasks to perform as well as monitoring the need for, and scheduling, service and maintenance. Another trend in the market is electrification. With electric vehicles and battery-electric equipment instead of diesel-powered machines, it is possible to eliminate emissions from diesel engines and thereby improve the working environment for personnel, assure a compliance with the increasingly stricter rules on emissions at production sites, and support the industries' goal to reduce CO₂ emissions. Electric motors also offer high efficiency and lower temperatures and require less maintenance compared to their diesel equivalents. This supports increased productivity and lower costs. Besides the lower running costs of the machines and the creation of a safer and healthier work environment in mines, there are considerable savings to be made in underground ventilation and cooling. Another trend in the market is the development of sustainable equipment that consume less resources, such as energy, water, steel, and that require less human effort, over the entire life cycle of the product, such as battery-powered and more fuel efficient equipment.

The concept of 'Intelligent mining and infrastructure' is an important part of Epiroc's strategy and Epiroc's long-term growth and profitability is dependent on its ability to develop and successfully launch and market new equipment and solutions that are safe, sustainable and that lead to higher productivity. Epiroc's results of operations and market share may suffer if Epiroc is unable to successfully introduce new equipment and solutions in a timely manner or if any new or enhanced equipment or services are introduced by its competitors that its customers find more advanced and/or better suited to their needs. There is a risk that Epiroc will not be able to keep pace with product development and technological advances, including also shifts in technology in the markets in which it operates, or meet customer demands, which could have a material adverse effect on Epiroc's business, results of operations and financial condition. For example, COVID-19 has affected and is expected to continue to adversely affect Epiroc's employees' ability to function in an ordinary manner due to, among others, restrictions on travel and in-person meetings that have resulted in some delays in research and development projects conducted with partners and in delays in field tests and related reviews. Product development efforts are also affected by national and regional legislation on matters such as emissions, noise, vibrations and recycling. This may increase the risk of competition in markets where such legislation is sometimes less strict.

Epiroc's competitors may continue to consolidate.

In recent years, there has been consolidation among Epiroc's competitors in the markets in which it operates. This consolidation may continue, which could cause Epiroc's markets to become more competitive as greater economies of scale are achieved by competitors. This trend could result in fewer manufacturers, as the remaining manufactures may need to become larger to compete effectively. Epiroc may fail to effectively participate in the industry consolidation for a variety of reasons, including antitrust restrictions which limit the degree to which a large market participant, such as Epiroc, can acquire additional competitors. Industry consolidation may result in Epiroc losing its market positions. In addition, industry consolidation could make it more difficult for Epiroc to maintain operating margins and could also increase competition for its acquisition targets and result in higher purchase price multiples. These and other changes in the markets in which Epiroc operates could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc could experience a failure in or breach of its operational or information security systems and may encounter problems relating to storage and processing of personal data.

Epiroc is dependent on technical systems for collecting, processing and communicating information securely, monitoring its production and inventory and efficiently tracking its operational and financial performance on a real-time basis. Serious errors or longer periods of downtime in business critical information systems can cause delivery problems, inventory management issues or limit Epiroc's ability to receive and process orders or invoice customers. Material interruptions, errors or downtime affecting Epiroc's key software and systems could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Changes in business critical systems may require considerable resources and could also affect work processes within Epiroc. Further, the implementation of new systems could be costlier than anticipated, it could be delayed with negative consequences, or it could cause business interruptions. In addition, information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication of cyber-attacks. A failure in, or a breach of, Epiroc's operational or information security systems, or those of its third party service providers, as a result of cyber-attacks or information security breaches could disrupt Epiroc's business, could cause the disclosure or misuse of confidential or proprietary information, damage its reputation, increase its costs and cause losses. As a result, cyber security and the continued development and enhancement of the controls and processes designed to protect Epiroc's systems, computers, software, data and networks from attack, damage or unauthorised access remain a priority for Epiroc. Cyber threats continue to evolve, and Epiroc may be required to engage additional resources to continue to enhance its information security measures and to investigate and remediate any information security vulnerabilities.

Epiroc is also exposed to the risk that the customer data, including personal data, it processes could be wrongfully accessed, distributed or used, whether by employees or third parties, or otherwise lost, disclosed or processed in breach of data protection laws and regulations. If Epiroc or any of the third-party service providers on which it relies fails to process, store or protect such customer data in a secure and lawful manner, or if any such theft or loss of personal data were otherwise to occur, Epiroc could face liability under data protection laws and regulations. This could also result in damage to Epiroc's

brands and reputation as well as the loss of existing or new business, any of which could have a material adverse effect on Epiroc's business, results of operations and financial condition. Additionally, the rules and regulations regarding processing of personal data are becoming increasingly rigid. For example, Epiroc is subject to the General Data Protection Regulation (Regulation (EU) 2016/679) as Epiroc processes different types of personal data, and non-compliance with applicable data protection legislation could, for example, result in sanctions from the relevant authorities and damages having to be paid to affected registered persons. In addition to increased compliance costs and the threat of more severe sanctions in the event of non-compliance, the regulatory changes may prevent Epiroc from analysing customer needs and behaviours, which could affect Epiroc's ability to develop new equipment in line with customer demands and maintaining a well-functioning service organisation. Such a development could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Epiroc may not be able to attract and retain key personnel or skilled employees.

The success of Epiroc's business and its growth strategy depend in large part on the ability to attract and retain key management and operating personnel. Epiroc's future growth and ultimately its success depends on its ability to hire and retain qualified personnel with the level of expertise and knowledge of its equipment or industry necessary to conduct Epiroc's operations. As described in "*—Epiroc may fail to develop, launch and market new equipment or respond to technological development and customer demand*" above, given that Epiroc constantly needs to introduce new or enhanced equipment and solutions, it is important that it is able to attract people with expertise in its product and application areas, particularly its research and development functions. If Epiroc fails to monitor its need for additional employees or if it fails to continue to attract and retain highly qualified management and other skilled employees on acceptable terms it may not be able to sustain or further develop parts of its business, which could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Work stoppages or strikes could adversely affect Epiroc's business.

Many of Epiroc's employees are covered by collective bargaining agreements, including the employees in Sweden where Epiroc has a lot of operations. There is a risk that Epiroc will encounter strikes or other disturbances occasioned by its unionised labour force, or that, upon the expiration of existing agreements, it will not be able to reach new collective bargaining agreements on satisfactory terms or without work stoppages, strikes or similar industrial actions. Unsatisfactory terms on any bargaining agreements could cause Epiroc's labour costs to increase, which would affect its profit margins negatively. In addition, Epiroc is required to consult and seek the advice of the relevant employee organisation in respect of a broad range of matters, which could delay or prevent the completion of certain corporate transactions. There is a risk that Epiroc may experience lengthier consultations or even strikes, work stoppages or other industrial actions in the future. Any industrial action could disrupt its operations, possibly for a significant period of time, and result in increased wages and benefits or otherwise have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is dependent on Atlas Copco as a supplier for certain functions over a transitional period.

Epiroc and Atlas Copco have entered into agreements whereby Atlas Copco will provide services to Epiroc, and Epiroc will provide services to Atlas Copco, in a number of areas over a transitional period. These services include, *inter alia*, human resources, information technology ("IT"), finance and rental of facilities. Atlas Copco's or Epiroc's lack of fulfilment of their commitments in relation to each other, potential disagreements in regard to transitional services or other disturbances in the Atlas Copco-Epiroc relationship could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Legal, Regulatory and Compliance Risks

Epiroc's governance, internal controls and compliance processes may not prevent regulatory penalties, reputational harm and fraud.

Epiroc operates in a global environment, and it has activities in multiple jurisdictions. As a result, Epiroc must comply with a broad range of regulatory requirements at a time of increased enforcement activity worldwide in areas such as competition law, trade sanctions and anti-corruption. There is corruption in several of the jurisdictions in which Epiroc operates. Epiroc faces the risk of corruption and other illegal acts by its employees as well as violations at subsidiaries and other companies in which Epiroc has an interest, or by other owners of such companies. Epiroc has governance and compliance processes and policies in place, however, these processes and policies may fail to prevent breaches of law and governance standards at Epiroc and there is a risk that there will be acts of corruption and other illegal acts involving employees of Epiroc.

Effective internal controls are also necessary for Epiroc to provide reliable financial reports and effectively prevent and detect fraud. Inadequate internal controls could result in Epiroc becoming more vulnerable in relation to fraudulent acts committed by employees or other persons. Deficiencies in internal control could also cause investors and other third parties to lose confidence in Epiroc's reported financial information, which could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is also obliged to adhere to certain trade and other sanctions adopted by both national and international bodies. There is a risk that individual employees, either by mistake or intentionally, act in breach of the applicable legal framework and Epiroc's internal policies and processes regarding trade compliance. Epiroc's failure to comply with applicable sanctions, laws and regulations could subject it to, inter alia, fines, administrative sanctions, loss of operating licenses and reputational harm. If any such risk were to materialise, it could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is subject to regulatory and other risks associated with international operations.

Epiroc manufactures and sells its equipment globally. Changes in regulatory requirements, tariffs and other trade barriers, price or exchange controls or other governmental policies in the countries in which Epiroc conducts business exposes Epiroc to various risks, such as (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation or in ownership or other disputes, being more difficult to obtain, (ii) a higher degree of discretion on the part of governmental authorities, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations and decrees, or (v) relative inexperience of the judiciary and courts in such matters. Also, the protection of intellectual property rights may be less developed and less strictly enforced in some of the countries that Epiroc operates. There is a risk that Epiroc's licenses, applications or other legal arrangements or the effectiveness of the enforcement thereof may be adversely affected by the actions of government authorities or others. In addition, the uncertainty of the legal environment in certain regions could limit Epiroc's ability to enforce its rights under contracts or otherwise.

Epiroc also has operations in emerging markets. Epiroc's business operations in emerging markets may be subject to various political, economic and social conditions which may include nationalisation of assets, social, political, geopolitical or economic instability, volatility in currency exchange rates and in gross domestic product or restrictions on repatriation of profits and transfers of cash, any of which could have a material adverse effect on Epiroc's business, results of operations and financial condition. Operations in emerging markets may also present risks that are not encountered in countries with well-established economic and political systems, including economic instability, which could make it difficult for Epiroc to anticipate future business conditions in these markets. In addition, new, smaller competitors continuously appear in developing markets, which may negatively affect Epiroc.

The factors described above could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is subject to risks related to environmental compliance.

Like most industrial companies, Epiroc affects the environment in its production processes through the use of natural resources and the generation of emissions and wastes in the distribution of, as well as in the use and final disposal of, its equipment. Compliance with environmental requirements is a significant factor in Epiroc's operations, and substantial resources are required to maintain compliance with applicable environmental laws and regulations and to manage environmental risks. Epiroc is subject to a variety of environmental laws and regulations, in particular in relation to air emissions, waste management and the protection of natural resources. These laws and regulations, the violations of which can lead to substantial fines, injunctions, criminal penalties, loss or withdrawal of permits or temporary or permanent shutdowns of businesses, have generally become stricter in recent years and may in the future become more stringent and the cost of complying with future changes may be substantial. In addition, Epiroc could also become subject to liabilities and claims relating to personal injury and property damage.

Epiroc carries out manufacturing business and is thus exposed to risks relating to pollution and contamination on land or water and similar environmental risks. In general, Epiroc will be responsible for the remediation of any environmental contaminations on Epiroc's premises (both owned and leased), caused by Epiroc's operations, which, depending on the type and magnitude of the contaminations, may be costly.

Substantial environmental costs and liabilities are inherent in industrial operations and there is a risk that substantial costs and liabilities may be incurred in the future or that the adoption of increasingly strict environmental laws, regulations and enforcement policies may result in increased costs and liabilities in the future. Any such costs and/or liabilities could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is subject to risks related to health and safety laws and regulations.

Epiroc is subject to a broad range of health and safety laws and regulations in the jurisdictions in which it operates. Health and safety laws and regulations are becoming increasingly stringent and the protection standards to which Epiroc must adhere are becoming more rigorous. The cost of complying with, and the liabilities and the potential sanctions imposed pursuant to, applicable health and safety laws and regulations could be significant on a Group level. Non-compliance could result in civil and criminal sanctions, loss or suspension of permits, temporary or permanent closure of operations, lawsuits and other claims by third parties (including liability for personal injury and property damage). Increased compliance costs,

or a failure to adhere to increasingly demanding safety and health standards, could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Given the nature of Epiroc's business, industrial accidents and other incidents, such as explosions, fires, poor air quality, contamination, gas leaks, accidents during shipping of dangerous goods and other incidents that may lead to personal injuries and fatalities, have occurred in the past and may occur in the future. In particular, service technicians working in the field are exposed to health risks and may encounter unsafe working conditions while performing their tasks. Service technicians and others may suffer from accidents or incidents from time to time. Additionally, Epiroc's equipment may be involved in accidents or other incidents. Accidents, incidents or other disruptions affecting employees', customers' and others' health and safety may result in serious personal injury, death, damage to property, civil and criminal liability and substantial harm to Epiroc's reputation, all of which could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Reputational harm suffered by Epiroc could adversely affect Epiroc's business, financial condition and results of operations.

Maintaining Epiroc's reputation is a key factor in establishing and maintaining its customer relationships as well as ensuring a successful business. If customers start to lose confidence in the safety and quality of the equipment sold or provided by Epiroc, in the ethical and legal behaviour of Epiroc or any of its partners, such as suppliers, sub-contractors and joint venture partners, Epiroc's reputation and business results could be negatively affected. In addition, if the quality of the equipment and services offered by Epiroc deteriorates, including timing of delivery or quality and availability of equipment, whether due to a mistake by Epiroc or a third party, Epiroc's reputation and business results could be damaged.

Additionally, Epiroc is dependent on partners and relies on its partners and customers to comply with applicable employment, environmental and other laws, regulations and standards of practice so as not to negatively impact Epiroc's reputation. Epiroc operates in countries where the risk, according to Amnesty International, is high of human rights abuse, including child labour, forced or compulsory labour. Epiroc encounters customers, for instance in the mining industry, who are exposed to problems concerning environmental and human rights issues. Failure by Epiroc or any of its partners or customers to comply with ethical, social, product, labour, health and safety, environmental or other standards, or related political considerations, could damage Epiroc's reputation and potentially lead to various adverse actions from its customers, including boycotts as well as termination of contracts and claims for damages.

Any reputational damage suffered by Epiroc could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc may be exposed to product liability and warranty claims.

Epiroc's manufacturing and sale of equipment poses the potential for warranty claims and product liability. In addition, Epiroc also relies on its customers and other third parties to use its equipment according to the equipment's design and product manuals. Epiroc's brand name and image could be harmed due to a third party's incorrect use of Epiroc's equipment.

Epiroc believes that Epiroc's insurance coverage for product liability is adequate, however, there is a risk that the amount of such insurance may not be sufficient to satisfy claims made against Epiroc in the future. Product liability or warranty claims could result in significant litigation costs, and a successful claim brought against Epiroc in excess of available insurance coverage, or any claim that results in significantly adverse publicity, could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc may be unable to protect its intellectual property.

Epiroc's intellectual property is important to Epiroc's business, in particular Epiroc's portfolio of trademarks and patents (comprising both patents held by Epiroc and patents licensed from external parties). There is a risk that Epiroc's actions to protect its trademarks and inventions are not or will not be sufficient to protect its intellectual property. There is a risk that Epiroc's competitors may seek to benefit from Epiroc's inventions, trademarks and logos when they manufacture and market their equipment and thereby infringing or challenging Epiroc's intellectual property rights. In addition, existing laws in some countries in which Epiroc operates may offer only limited protection of Epiroc's intellectual property rights, if at all. If Epiroc is not successful in protecting its intellectual property rights or such protection is not available, for whatever reason, it could have a material adverse effect on Epiroc's business, results of operations and financial condition.

Moreover, Epiroc's strategy for protecting its intellectual property rights in relation to third parties or employees may be deficient in certain instances, for example if Epiroc fails to impose sufficiently rigid non-disclosure commitments on its business partners, employees or other parties in a timely manner, or if Epiroc's employees and consultants involved in the creation of intellectual property are not covered by sufficient provisions for the transferring of such intellectual property to Epiroc. The occurrence of such an event may negatively impair Epiroc's ability to protect its intellectual property rights

and may also increase the risk of competitors copying Epiroc's equipment. Such a development could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Complaints and litigation could damage Epiroc's brand and reputation and divert management resources.

From time to time, Epiroc may be the subject to complaints and litigation from its customers, employees, suppliers and other third parties, alleging product injury, health, environmental, safety, data protection, antitrust or operational concerns, nuisance, negligence or failure to comply with applicable laws and regulations. Moreover, Epiroc (or any of its senior executives, managers, employees or related parties) may be subject to criminal investigations or other investigations by authorities. Disputes, claims, inquiries and proceedings of these types can prove time consuming, disrupt normal operations, involve considerable cost, adversely affect Epiroc's reputation and result in administrative and/or legal sanctions and measures. If Epiroc were to be found liable under any such disputes, claims, inquiries and proceedings, it could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc's insurance policies may provide insufficient protection.

Epiroc's insurance programme covers, *inter alia*, property and business interruptions insurance, general liability insurance, product liability insurance, cargo insurance, cyber insurance, financial lines insurance, business travel insurance and specialty risk insurance, to the extent and for amounts considered to be in line with industry practice. However, Epiroc is not fully insured against all possible risks and insurance coverage for all types of risks may not be available, at a reasonable cost or at all. Hence, if there were to occur an accident causing damage that is not sufficiently mitigated contractually (e.g., through indemnification or limitation of liability clauses) and the damage would be in excess of the applicable insurance limits or not covered by insurance, this could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc's tax burden could increase due to changes in tax laws or regulations or their application or interpretation, or as a result of tax audits and potential reassessments.

Due to the international nature of its business, Epiroc is subject to the tax laws and regulations of several jurisdictions, including with regard to transfer pricing rules. Pursuant to such rules, related enterprises must conduct any inter-company transactions on an arm's length basis and must provide sufficient documentation thereof, subject to the applicable rules of the relevant jurisdiction. Tax authorities may challenge Epiroc's compliance with applicable transfer pricing rules. In addition, Epiroc faces the risk of increased taxes due to the implementation of new tax rules or regulations. National tax authorities are scrutinizing and challenging companies' transfer pricing policies more frequently, and Epiroc is regularly subject to local tax investigations initiated by local tax authorities and faces the risk that tax authorities or other regulators have different interpretations of tax legislation than Epiroc. Changes in tax laws or regulations or their interpretation or application could significantly increase Epiroc's tax burden.

In the separation of Epiroc's business from Atlas Copco, Epiroc and its tax advisors made certain assessments in regard to tax effects pertaining to the carve-out. There is a risk that national tax authorities or regulators challenge Epiroc's and its tax advisors' interpretation of the relevant tax laws and regulations. Should such a risk materialise, this could result in supplementary taxation and fines for Epiroc, which could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is subject to risks related to competition and antitrust laws and inspections.

Epiroc is active in a large number of jurisdictions and its operations are subject to a wide range of competition and antitrust laws, rules and regulations. In general, these laws are designed to preserve free and open competition in the marketplace in order to enhance competitiveness and economic efficiency. There is a risk that Epiroc's employees engage in discussions, transactions or in any other way interact with competitors or customers in breach of applicable competition and antitrust laws, any of which actions could cause Epiroc to incur civil or criminal liability, reputational damages and could result in loss of customer confidence. Epiroc may become subject to inspections, investigations and/or proceedings by national and supranational competition and antitrust authorities for alleged infringements of competition or antitrust laws. Fines and damages claims for competition and antitrust infringements can be significant and, if successfully levied or successfully claimed, could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Risks Related to Epiroc's Financing

Epiroc could encounter difficulties in repaying its debts and financing its operations.

Epiroc's ability to finance its operations depends on a number of factors, such as the availability of cash flows from operations and access to additional debt and equity financing, and there can be no assurance that such funds will be available. As at September 30, 2020, Epiroc's cash and cash equivalents amounted to SEK 14,250 million. In addition, adverse developments in the credit markets, as well as other future adverse developments, such as a deterioration of the overall financial markets and a worsening of general economic conditions, may negatively impact Epiroc's ability to

borrow additional funds as well as the cost and other terms of funding. For example, global financial markets have experienced, and may continue to experience, significant volatility and liquidity disruptions due to COVID-19, which may adversely affect Epiroc's funding costs and access to funding. Increases in market interest rates would increase Epiroc's net interest cost. The failure to obtain sufficient funding for operations or the increased costs or unfavourable terms of financing could have a material adverse effect on Epiroc's business, results of operations and financial condition. Further, difficulties that Epiroc may encounter in financing its capital investments may prevent the realisation of its strategic plans and could result in Epiroc having to forego opportunities that may arise in the future. This could, in turn, have a negative impact on Epiroc's competitive position.

Impairment of goodwill or other intangible assets impairments could adversely affect Epiroc.

The recoverability of goodwill and other intangible assets on Epiroc's balance sheet is, to a significant degree, based on Epiroc's management's projections of future cash flows using internal business plans and forecasts. As at September 30, 2020, Epiroc's intangible assets, including goodwill, were valued at SEK 4,216 million. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually and whenever there is any indication that an asset may be impaired. For other intangible assets, Epiroc estimates the recoverable amount if there are any indications of impairment. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount (*i.e.*, the greater of the fair value less costs to sell and the value in use). Impairments of goodwill or other intangible assets, including as a result of changes in assumptions used to test impairment, could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is exposed to currency fluctuations.

Epiroc operates globally and has sales in more than 150 countries. Consequently, Epiroc records both costs and sales in a variety of currencies. Currency exposure occurs when translating foreign subsidiaries' balance sheets and income statements into the Swedish Krona (translation exposure) and in connection with payments in foreign currency (transaction exposure).

In connection with the preparation of Epiroc's consolidated financial statements, the results of operations and financial position of each of its subsidiaries, which are initially prepared in each subsidiary's functional currency, are translated into Swedish Krona. The main currencies, besides the Swedish Krona, in which Epiroc has assets are U.S. dollar, Chinese yuan renminbi, Indian rupee and Australian dollar. Fluctuations in exchange rates against the Swedish Krona will give rise to differences, and Epiroc records these differences relating to translation adjustments in other comprehensive income. A weakening of the Swedish Krona will result in translation profits being recorded and, conversely, a strengthening of the Swedish Krona will result in translation losses being recorded. Epiroc has not hedged any of its translation exposure.

Epiroc is also subject to currency transaction exposure whenever one of its subsidiaries enters into a transaction using a currency other than its operating currency. Epiroc's sales in each respective market primarily take place in the local currency. Epiroc's main transaction exposures are in Canadian dollar, Chilean peso, Russian rouble and South African rand. This currency transaction exposure arises in two distinct ways. Operational transaction exposure occurs when Epiroc generates revenues or costs in currencies other than those in which it incurs expenses ("**Operational Transaction Exposure**"). Operational Transaction Exposure affects Epiroc's cost of sales, and, thus, operating profits and margins. Currency transaction exposure also occurs when the relevant exchange rates move between the date of the transaction and the date of final payment for that transaction ("**Transaction Exposure**"). Epiroc records gains and losses related to Transaction Exposure in the gross profit line item of its consolidated income statement. Epiroc seeks to respond to exchange rate movements by maintaining readiness to adjust operations (price and cost) to compensate for adverse currency movements, but it may also decide from time to time to hedge some of its transaction exposure at Group-level. There can be no assurance that Epiroc will be able to adjust its operations to limit Epiroc's exposure or that any hedging measures will shield Epiroc from significant currency risk exposures.

As a result of the above, currency fluctuations may have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is exposed to credit risk and other risks related to its borrowings.

Epiroc's equipment and services are sold to customers in industries that typically experience fluctuations in demand based on economic or political conditions, commodity prices and other factors beyond Epiroc's control. See also "*—Demand for Epiroc's equipment and services is affected by the cyclical nature of its customers' businesses and general economic conditions*" above. Epiroc may experience a loss of revenue if a significant number of customers are unable to pay amounts due to Epiroc on a timely basis, which could have a material adverse effect on Epiroc's business, financial condition and results of operations. Epiroc has customers in more than 150 countries and the monitoring of commercial credit risks is primarily done at the divisional or business unit level. Although Epiroc has operational credit risk policies in place, Epiroc may be unable to correctly evaluate the financial condition of each customer and to accurately determine the ability of such customer to repay. Some of Epiroc's customers could experience financial difficulties and have difficulty in making timely

payments to the Group, or the Group may fail to analyse the credit risk of such customers, which could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc is also exposed to various risks related to its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Disruptions occurring in the financial or commodity markets or the adverse business development of a counterparty could lead to sudden changes in a counterparty's liquidity or solvency, and if Epiroc is unable to predict changes in a counterparty's creditworthiness or ability to perform its obligations, this could cause Epiroc to suffer a loss of revenue, which, in turn, could have a material adverse effect on Epiroc's business, financial condition and results of operations. Epiroc also holds derivative financial instruments (including currency and interest rate swaps) to help limit and control foreign exchange and interest rate risks related to borrowings. Such financial instruments involve risks, in particular, if the interest or exchange rate development differs from expectations. The projections and assumptions made by Epiroc's risk management team at the time when such financial instruments are entered into could prove to be incorrect and the transactions could fail to limit the risks as intended or increase Epiroc's costs. This could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Risks Related to the Structure of a Particular Issue of Notes

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

Notes subject to optional redemption by the Issuer.

The Issuer may issue Notes which are subject to optional redemption by the Issuer. An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The Issuer may issue Notes at a substantial discount or premium. The market values of securities issued at a substantial discount (such as Zero Coupon Notes (as defined under "Terms and Conditions of the Notes")) or premium to their nominal 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.

Discontinuation or reformation of certain base rates described herein as "benchmarks", including LIBOR and EURIBOR.

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**benchmarks**") are the subject of ongoing national and international regulatory scrutiny. This has resulted in regulatory reform and changes to existing benchmarks, with further changes anticipated. These reforms and changes may affect the manner of administration of benchmarks, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced its intention to no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR in its current form cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Conditions, or result in other consequences.

The "Terms and Conditions of the Notes" set out below provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate (as defined under "Terms and Conditions of the Notes") or an Alternative Rate (as defined under "Terms and Conditions of the Notes") following the Issuer's consultation with an Independent Adviser (as defined under "Terms and Conditions of the Notes") 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 (as defined under “*Terms and Conditions of the Notes*”) 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 (as defined under “*Terms and Conditions of the Notes*”). In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Fixed/Floating Rate Notes.

The Issuer may issue Fixed/Floating Rate Notes which may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion of the interest basis may affect the secondary market in, and the market value of, such Notes where the change of interest basis results in a lower interest return for Noteholders. Where the relevant Notes convert from a fixed rate to a floating rate, the spread on the relevant Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the relevant Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on the relevant Notes and could affect the market value of an investment in the relevant Notes.

The application of the net proceeds of Green Bonds as described and defined in “Use of Proceeds” may not meet investor expectations or be suitable for an investor’s investment criteria.

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer’s intention to apply the proceeds of those Notes for projects that promote climate-friendly and other environmental purposes (“**Eligible Green Projects**”). A prospective investor should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for itself the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary.

No assurance is given by the Issuer, the Arranger or the Dealers that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental impact of any project or uses, the subject of or related to, the relevant Eligible Green Project.

The definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a “sustainable”, “green” or equivalently-labelled project or a loan that may finance such project, is currently under development. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the “**Taxonomy Regulation**”). Within the framework of the Taxonomy Regulation, the Technical Expert Group on Sustainable Finance (“**TEG**”) has been asked to develop recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation. On 9 March 2020, the TEG published its final report on the EU taxonomy. The report contains recommendations relating to the overarching design of the EU taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the EU taxonomy. On 15 April 2020, the Council adopted by written procedure its position at first reading with respect to the Taxonomy Regulation. The European Parliament will have to vote on the text pursuant to the “early second reading agreement” procedure. On this basis, the European Commission will be tasked to establish the actual classification by defining technical screening criteria, in the form of delegated acts, for each relevant environmental objective and sector respectively. The TEG’s recommendations are designed to support the European Commission in the development of the delegated act on climate change mitigation and climate change adaptation under the Taxonomy Regulation. The taxonomy for climate change mitigation and climate change adaptation should be established by the end of 2020 in order to ensure its full application by end of 2021. Further development of the EU Taxonomy will take place via a new Platform on Sustainable Finance, which is expected to be operating by autumn 2020.

There can be no assurance by the Issuer, the Arranger and the Dealers that the use of proceeds of Notes identified in the relevant Final Terms will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own governing rules or investment portfolio mandates. Each prospective investor should have regard to the factors described in this Base Prospectus and the relevant Final Terms and seek advice from their independent financial adviser or other professional adviser regarding the use of proceeds of any Note issue and its purchase of the Notes before deciding to invest.

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds. For the avoidance of doubt, any such opinion or certification is not incorporated in this Base Prospectus. Any such opinion or certification is not a recommendation by the Issuer, the Arranger, the Dealers or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

In the event that any Notes are listed or admitted to trading on a dedicated “green” or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, 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. No representation or assurance is given or made by the Issuer, the Arranger, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or 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 issued as Green Bonds towards Eligible Green Projects and to report on the use of proceeds or Eligible Green Projects as described in this Base Prospectus, the Issuer’s Green Framework and the applicable Final Terms, there is no contractual obligation to do so. There can be no assurance that any such Eligible Green Projects will be available or capable of being implemented in the manner anticipated in the relevant Final Terms or, accordingly, that the Issuer will be able to use the proceeds for such Eligible Green Projects as intended. In addition, there can be no assurance that Eligible Green Projects will be completed as expected or achieve the impacts or outcomes (environmental or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of any Notes issued as Green Bonds or to report on the use of proceeds or Eligible Green Projects as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds or the failure of the Notes issued as Green Bonds to meet investors’ expectations requirements regarding any “green” or similar labels will constitute an event of default or breach of contract with respect to any of the Notes issued as Green Bonds.

A failure of the Notes issued as Green Bonds to meet investor expectations or requirements as to their “green”, “sustainable” or equivalent characteristics, including the failure to apply proceeds for Eligible Green Projects, the failure to provide, or the withdrawal of, a third party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid or the failure by the Issuer to report on the use of proceeds or Eligible Green Projects as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in “green” or other equivalently-labelled assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor’s investment criteria or mandate).

Risks Related to All Notes Issued Under the Programme

Set out below is a brief description of certain risks relating to all Notes issued under the Programme.

The Notes will be effectively subordinated to any of the Issuer’s future secured indebtedness.

The Notes are (subject to Condition 4 (*Certain Covenants*)) unsecured and unsubordinated obligations of the Issuer. The Notes will be effectively subordinated to any of the Issuer’s future secured indebtedness. Holders of the Issuer’s secured indebtedness would have claims that are superior to the claims of Noteholders to the extent of the value of the assets securing such other indebtedness. In the event of a bankruptcy, liquidation or dissolution of the Issuer, the assets that serve as collateral for any secured indebtedness of the Issuer would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes. Other than as set out in Condition 4 (*Certain Covenants*), the Conditions do not prohibit the Issuer from incurring and securing future indebtedness.

Modification, waivers and substitution.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions (as defined in the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”)) on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than three-quarters of the nominal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer will be entitled to rely upon:

- (i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer given by way of Electronic Consents (as defined under “*Summary of Provisions Relating to the Notes While in Global Form*”) communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-quarters of the nominal amount of the Notes of the relevant Series for the time being outstanding; and
- (ii) where Electronic Consent is not being sought, consent or instructions given in writing directly to the Issuer by accountholders in the clearing systems with entitlements to such global note or certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries).

A Written Resolution or an Electronic Consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Agency Agreement, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. 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.

Notes where denominations involve integral multiples.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive bearer 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.

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Change of law.

The Conditions are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

Risks Related to the Market Generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

There is no active trading market for the Notes and the nature of any trading market that may develop may not be favourable.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop (for example, because the Issuer makes a large allocation to a limited number of investors), it may not be liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. There is no assurance as to the liquidity of the trading market for the Notes. Even if an active trading market for the Notes develops, the Notes may trade at a discount from their initial offering price. Factors that could cause the Notes to trade at a discount include:

- (i) an increase in prevailing interest rates;
- (ii) a decline in the Issuer’s creditworthiness;
- (iii) currency volatility;
- (iv) a weakness in the market for similar securities;
- (v) a decline in general economic conditions;
- (vi) actual or anticipated fluctuations in the Group’s operating results; and
- (vii) the Group’s perceived business prospects.

This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities is influenced by economic and market conditions. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

Exchange rate risks.

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined under “*Terms and Conditions of the Notes*”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency-equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency-equivalent market value of the Notes.

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

Interest rate risks.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the relevant rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks.

On 21 November 2019, S&P Global Ratings Europe Limited (“**S&P**”) confirmed the Issuer’s BBB+ long-term issuer credit rating (stable outlook) that was assigned to the Issuer on 5 December 2018. S&P is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”).

Tranches of Notes that may be issued under the Programme can be rated or unrated. The rating(s) may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time. Where a Tranche of Notes issued under the Programme is rated, the applicable rating(s) and certain information with respect to the credit rating agency or agencies will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the Issuer or to Notes already issued.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). ESMA is obliged to maintain on its website, 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.

Inflation risk.

The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced by rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment or as varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to an agency agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 21 November 2018 between the Issuer, Citibank, N.A., London Branch as fiscal agent and the other agents named in it and with the benefit of a deed of covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 21 November 2018 executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1. **Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. **No Exchange of Notes and Transfers of Registered Notes**

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form

of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfer Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date.

3. Status

The Notes and any Coupons relating to them constitute (subject to Condition 4) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and any Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4. Certain Covenants

- (a) **Negative Pledge:** So long as any of the Notes remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its respective Subsidiaries will, create or permit to subsist any Security, except for any Permitted Security, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of the Noteholders.

- (b) **Limitation Upon Sale/Leaseback Transactions:** So long as any of the Notes are outstanding, neither the Issuer nor any of its Subsidiaries may enter into any Sale/Leaseback Transaction without equally and rateably securing the Notes, unless either (a) the Exempted Debt of the Issuer and its Subsidiaries, after giving effect to such transaction, would not exceed 15 per cent of the Consolidated Net Tangible Assets, or (b) the Issuer, within 12 months after such Sale/Leaseback Transaction, applies to the retirement of Debt of the Issuer or its Subsidiaries which is not subordinate to the Notes, an amount equal to the greater of (i) the net proceeds of the sale or transfer of the property or other assets which are the subject of such Sale/Leaseback Transaction and (ii) the fair market value of the property or other assets so leased (in each case as determined by the Issuer). The foregoing restriction shall not apply to any transaction between the Issuer and a Subsidiary of the Issuer pursuant to which such Subsidiary sells or transfer assets to the Issuer.

5. Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

(b) **Interest on Floating Rate Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) *Rate of Interest:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
(y) the Designated Maturity is a period specified hereon and

- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject to Condition 5(i) and as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR or Stockholm time in the case of STIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is STIBOR, the principal Swedish office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is STIBOR, the Swedish inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent

with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is STIBOR, the Swedish inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (e) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the countries of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of 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 Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the

calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(i) **Benchmark Discontinuation:**

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(i)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(i)(iii)) and any Benchmark Amendments (in accordance with Condition 5(i)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(i) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(i).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(i)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(i)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(i) and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (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(i)(v), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(i)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

- (v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(i) will be notified promptly by the Issuer to the Calculation Agent, the Fiscal Agent and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders and the Couponholders.

- (vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(i)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Conditions 5(b)(iii)(B)(y) and (z) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 5(i)(v).

6. Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount).

- (b) **Early Redemption:**

- (i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in

Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent 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 an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed if specified hereon and no greater than the Maximum Redemption Amount to be redeemed if specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

The "Make Whole Redemption Price" will, in respect of any Note, be:

- (A) if "Sterling Make Whole Redemption Amount" is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount of such Note to be redeemed and (ii) the principal amount of such Note to be redeemed multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent, at which the Gross Redemption Yield on such Note at the Reference Date is equal to the Gross Redemption Yield at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin (if any); or
- (B) if "Non-Sterling Make Whole Redemption Amount" is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount of such Note to be redeemed and (ii) the principal amount of such Note to be redeemed multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent, at which the yield to maturity on such Note on the Reference Date is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin (if any),

all as determined by the Determination Agent.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered

Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption at the Option of Noteholders (Change of Control):** If Change of Control Put Option is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a “**Change of Control Put Option**”) (unless prior to the giving of the relevant Change of Control Put Event Notice the Issuer has given notice of redemption under Condition 6(c) or 6(d) above) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A “**Change of Control Put Event**” will be deemed to occur if:

- (i) any person or any persons acting in concert gains (A) more than 50 per cent of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent of the voting rights normally exercisable at a general meeting of the Issuer (each such event being, a “**Change of Control**”);
- (ii) on the date (the “**Relevant Announcement Date**”) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
- (A) an investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better), from any Rating Agency and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
- (B) a Non-Investment Grade Rating from any Rating Agency and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Ba1 to Ba2 being or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
- (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if, on the Relevant Announcement Date, the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub paragraph (A) will apply; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

If the rating designations employed by any of Moody’s, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of “Change of Control Put Event” above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody’s, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody’s, Fitch or S&P and this Condition 6(f) shall be construed accordingly.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 15 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Change of Control Put Notice**”). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the “**Change of Control Put Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 13 at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(f) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(f), the Issuer may, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

- (g) **Purchases:** The Issuer or any of its Subsidiaries as defined in the Agency Agreement may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. **Payments and Talons**

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.

- (b) **Registered Notes:**
- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and unexchanged Talons:**
- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
 - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Sweden or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with Sweden other than the mere holding of the Note or Coupon or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes and the Coupons by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

9. **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. **Events of Default**

If any of the following events (“**Events of Default**”) occurs and is continuing the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (a) **Non-Payment:** default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Notes which default is not remedied within 30 days after written notice of such default shall have been given to the Issuer and the Fiscal Agent at its specified office by any Noteholder or
- (c) **Cross-Default:** (A) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of acceleration thereof following default by the Issuer or any Material Subsidiary, or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds EUR 50,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) or
- (d) **Insolvency:** any of the Issuer or any of its Material Subsidiaries becomes insolvent or unable to pay its debts as they fall due, or stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its Indebtedness, makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the Indebtedness of the Issuer or any of its Material Subsidiaries or
- (e) **Winding-up:** (A) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries, or (B) the Issuer ceases or threatens to cease to carry on all or substantially all of its business or
- (f) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or
- (g) **Analogous Events:** any event occurs that under the laws of Sweden has an analogous effect to any of the events referred to in paragraphs (d) or (e) above.

11. Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 25 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The consent or approval of the Noteholders and the Couponholders shall not be required in the case of amendments to the Conditions pursuant to Condition 5(i) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 5(i), where the Issuer has delivered to the Fiscal Agent a certificate pursuant to Condition 5(i)(v).

- (b) **Modification of Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

12. Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**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 Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the 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 and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate

or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged)

- (iii) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

“**Alternative Rate**” means an alternative to the Reference Rate which the Issuer determines in accordance with Condition 5(i)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

“**Attributable Debt**” means, with respect to any Sale/Leaseback Transaction, the lesser of (a) the fair market value of the property or other assets subject to such transaction and (b) the present value (discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with IFRS) of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rent(s) during the term of the lease.

“**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

“**Benchmark Amendments**” has the meaning given to it in Condition 5(i)(iv).

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”) and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).

“**Consolidated Net Tangible Assets**” shall mean the aggregate amount of the Issuer’s consolidated total assets, after deducting therefrom: (a) all liabilities due within one year and (b) all formation expenses, intangible rights, goodwill on consolidation, trade names, trademarks, patents, and other like intangible assets, as shown on the Issuer’s audited consolidated balance sheet contained in its latest annual report to its shareholders.

“**DA Selected Bond**” means the selected government security or securities agreed between the Issuer and an investment bank or financial institution of international standing determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable) 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.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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 specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” 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 **D₁** is greater than 29, in which case **D₂** will be 30

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” 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 **D₂** will be 30

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30 and

- (viii) if “**Actual/Actual-ICMA**” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“**Debt**” means any indebtedness of any person for money borrowed, whether incurred, assumed or guaranteed, other than trade credit in the ordinary course of business.

“**Determination Agent**” means an investment bank or financial institution of international standing selected by the Issuer.

“**EURIBOR**” means, in respect of any Specified Currency and any specified period, the interest rate benchmark known as the Euro 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-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Exempted Debt**” means the sums, without duplication, of the following items to the extent such items are outstanding as of the date Exempted Debt is being determined; (i) Debt of the Issuer and its Subsidiaries incurred after the date of initial issuance of the Notes and secured by Liens created, incurred, assumed or suffered to exist (other than any Permitted Security) and (ii) Attributable Debt of the Issuer and its Subsidiaries in respect of Sale/Leaseback Transactions entered into after the initial issuance of the Notes (other than permitted Sale/Leaseback Transactions).

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

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

“**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 5, 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 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international standing determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable).

“**Group**” means the Issuer and its Subsidiaries for the time being.

“**Indebtedness**” means any indebtedness of any person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(i)(i).

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on

the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, (ii) the day falling two Business Days in Stockholm prior to the first day of such Interest Accrual Period if the Specified Currency is SEK, (iii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling, SEK nor euro or (iv) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“Investment Grade Rating” means a rating of at least BBB- (or equivalent thereof) in the case of S&P and a rating of at least Baa3 (or equivalent thereof) in the case of Moody’s or the equivalent rating in the case of any other Rating Agency.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“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 ICE 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 the historic LIBOR rules can be obtained from the designated distributor).

“Lien” means, with respect to any Property, any mortgage, lien, pledge, charge, assignment by way of security or subject to a proviso for redemption, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security in respect of such Property. For the purposes of the Notes, the Issuer and its Subsidiaries shall be deemed to own, subject to a lien, any Property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such Property.

“Material Subsidiaries” means at any relevant time a Subsidiary of the Issuer:

- (i) whose total assets or gross revenues (or, where the Subsidiary in question prepares consolidated financial statements, whose total consolidated assets or gross consolidated revenues, as the case may be) represents not less than 10 per cent of the total consolidated assets or the gross consolidated revenues of the Issuer and its Subsidiaries, all as calculated by reference to the then latest audited financial statements (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated financial statements of the Issuer; or
- (ii) to which is transferred all or substantially all of the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Material Subsidiary.

a **“Negative Rating Event”** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period.

“Original Reference Rate” means the originally-specified Reference Rate used to determine the Rate of Interest (or any component part thereof) on the Notes.

“Permitted Security” means:

- (i) Liens on the Property of an entity existing at the time such Property was acquired by the Issuer or a Subsidiary (whether by merger, consolidation, purchase of assets or otherwise) or existing at the time the entity became a Subsidiary; provided, however; that that such Liens (i) are not created, incurred or assumed in connection with, or contemplation of, such Property being acquired by the Issuer or such Subsidiary and (ii) do not extend to any other Property of the Issuer or any Subsidiary;
- (ii) Liens arising in relation to any Project Finance Debt;
- (iii) Liens to secure the purchase of, or created in connection with the financing of, all or any part of the purchase price or cost of the acquisition, purchase, construction, development, extension or improvement by the Issuer or any of its Subsidiaries (in each case, whether alone or in association with others) of, or of any right or interest in or in respect of, any Property, or to secure any Debt incurred prior to, at the time of or within 12 months after the completion of such acquisition, purchase, construction, development, extension or improvement for the purpose of financing or refinancing all or any part of such purchase price or cost; provided that (i) the Lien relates only to (a) that Property (including without limitation any Property forming part of or connected with the same project or development), or products from that Property, or revenue or profit from that Property or such products or (b) any right or interest in or in respect of that Property, or products from that Property, or revenue or profit from that Property or such products and (ii) the Lien secures no more than the purchase price or other consideration (including, without limitation, royalties) paid for, or cost of acquisition, purchase, construction, development, extension or improvement, of that Property or any right or interest in or in respect of that Property, including any financing or refinancing costs associated with such purchase price or cost;
- (iv) Liens imposed or required by statute or operation of law (but not through any act or omission to act on the part of the Issuer or any of its Subsidiaries); and
- (v) any extension, renewal, refunding or replacement (or successive extensions, renewals, refundings or replacements), as a whole or in part, of any Lien referred to in clauses (i) to (iv), inclusive, for amounts not exceeding the principal amount of indebtedness secured by such Lien so extended, renewed or replaced (plus improvements thereon or additions or accessions thereto as permitted in the foregoing clauses (i) through (iv)).

“Project Finance Debt” means any indebtedness incurred in relation to any asset solely for purposes of financing the whole or any part of the acquisition, creation, construction, improvement or development of such asset where the financial institutions to which such indebtedness is owed have recourse solely to the applicable project borrower (where such project borrower is formed solely or principally for the purpose of the relevant project) and/or to such asset (or any derivative asset thereof) or any other similar non-recourse indebtedness which is properly regarded as project finance debt.

“Property” of any person means all types of real, personal, tangible, intangible or mixed property (including any related contractual rights) owned by such person whether or not included in the most recent consolidated balance sheet of such person under IFRS.

“Quotation Time” shall be as set out in the relevant Final Terms.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Rating Agency” means any of Moody’s Investors Service Ltd. (**“Moody’s”**), S&P Global Ratings Europe Limited (**“S&P”**) or Fitch, Inc. (**“Fitch”**), as the case may be, and, in each case, their respective successors or any other rating agency (each a **“Substitute Rating Agency”**) of equivalent international standing specified by the Issuer.

“Redemption Margin” shall be as set out in the relevant Final Terms.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Swedish inter-bank market, in each case selected by the Issuer or as specified hereon.

“Reference Bond” shall be as set out in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond.

“Reference Bond Price” means, with respect to any Reference Date, (i) 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 (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations.

“Reference Bond Rate” means, with respect to any Reference Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming the price for the Reference Bond (expressed as a percentage of its principal amount) is equal to the Reference Bond Price for such Reference Date.

“Reference Date” means the date which is two business days prior to the despatch of the notice of redemption under Condition 6(d) or such other date as may be specified in the relevant Final Terms.

“Reference Government Bond Dealer” means each of five banks selected by the Issuer which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues.

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any Reference Date, 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 principal amount) quoted in writing to the Determination Agent by each Reference Government Bond Dealer at the Quotation Time on the Reference Date.

“Reference Rate” means the rate specified as such hereon.

“Relevant Potential Change of Control Announcement” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

“Relevant Date”, in respect of any Note or Coupon, means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Indebtedness” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

“Relevant Nominating Body” means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (ii) 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 Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

“Sale/Leaseback Transaction” means any arrangement with any person that provides for the leasing by the Issuer or a Subsidiary, for an initial term of three years or more, of any Property or other asset, whether now owned or hereafter acquired, which is to be sold or transferred by the Issuer after the date of the initial issuance of the Notes to such person for a sale price of EUR 50,000,000 (or the equivalent thereof or more).

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Specified Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“**STIBOR**” means, in respect of any Specified Currency and any specified period, the interest rate benchmark known as the Stockholm 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 Swedish Bankers’ Association (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 STIBOR rates can be obtained from the designated distributor).

“**Subsidiary**” means, in relation to any company or corporation, a company or corporation:

- (i) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (ii) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation;
- (iii) more than half of the votes of which is controlled by the first mentioned company or corporation; or
- (iv) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

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

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

13. **Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “**Issue Date**” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

15. **Notices**

Notices required to be given to the holders of Registered Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bearer Notes pursuant to the Conditions shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed and/or admitted to trading, notices required to be given to the holders of the Notes pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other

relevant authority on which the Notes are listed/and or admitted to trading. If any such publication is not practicable, notice required to be given pursuant to the Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16. **Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it on written demand against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's other obligations and shall give rise to a separate and independent cause of action.

17. **Contracts (Rights of Third Parties) Act 1999**

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

18. **Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Service of Process:** The Issuer irrevocably appoints Epiroc UK & Ireland Limited of Swallowdale Lane, Hemel Hempstead, Hertfordshire, HP2 7EA as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 15. Nothing shall affect the right to serve process in any manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper 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 satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a Common Depository or, if the Global Certificate is not held under the NSS, or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to a Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with a Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative 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 or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. Exchange

3.1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (a) if the relevant Final Terms indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “*Overview of the Programme—Selling Restrictions*”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays,

statutory or otherwise) or announces an intention permanently to cease business or in fact does so or if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 **Global Certificates**

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (a) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if principal in respect of any Notes is not paid when due; or
- (c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(a) or 3.3(b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 **Delivery of Notes**

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.5 **Exchange Date**

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4. **Amendment to Conditions**

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

4.1 **Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

4.2 **Prescription**

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 12 (*Definitions*)).

4.3 **Meetings**

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global 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 holder of a Permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 **Cancellation**

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

4.5 **Purchase**

Notes represented by a Permanent Global Note 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.

4.6 **Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note 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 account holders with a clearing system in respect of the Notes will be governed

by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal 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 nominal amount of Notes in respect of which the option is exercised and at the same time, where the Permanent Global Note is a CGN, presenting the Permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 **NGN Nominal Amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 **Notices**

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global 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 that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, except that so long as the Notes are listed on Euronext Dublin's regulated market and the rules of that exchange so require, notices shall also be published either on the website of Euronext Dublin (www.ise.ie) or in a leading newspaper having general circulation in London (which is expected to be the Financial Times) and in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

5. **Electronic Consent and Written Resolution**

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant Alternative Clearing System (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective.

Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

General

If “general corporate purposes” is specified in the “Reasons for the Offer” section in Part B of the applicable Final Terms, the net proceeds of the issue of each Tranche of Notes will be used by the Issuer for general corporate purposes, including repayment of debt.

Green Bonds

If “Green Bonds” is specified in the “Reasons for the Offer” section in Part B of the applicable Final Terms, the net proceeds of the issue of each Tranche of Notes will be used to finance or refinance Eligible Green Projects that meet the eligibility requirements set out in the Issuer’s Green Bond Framework that will be available on the Issuer’s website.

If, in respect of any particular issue there is a particular identified use of proceeds other than as described above, this will be stated in the relevant section of the Final Terms.

DESCRIPTION OF THE ISSUER

Overview

The Issuer is a public limited liability company incorporated under the Swedish companies act with the corporate registration number 556041-2149. Its registered office is Sickla Industriväg 19, SE-131 54 Nacka, Sweden (telephone number: +46 10 755 01 00). The Issuer was incorporated on 24 March 1942 and registered with the Swedish Corporate Registration Office (Sw. *Bolagsverket*) on 22 April 1942. The Issuer's current name was registered on 19 May 2017. The Issuer is the ultimate parent company of numerous subsidiaries in Sweden as well as outside of Sweden. References in this business description to “**Epiroc**” and the “**Group**” are to the Issuer and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means the Issuer or a division only.

Epiroc is a global provider of solutions for rock drilling and excavation, demolition and recycling, with a wide range of equipment, service offerings and related spare parts and consumables. Epiroc's products and services are sold in approximately 150 countries with principal product development and manufacturing units located in Sweden, the United States, China, Canada, India, South Africa and Germany. Epiroc's headquarters is located in Stockholm, Sweden, and the Group had 13,902 employees as at 30 September 2020.

Epiroc primarily operates in selected niches of the global mining and infrastructure equipment and services industries. Epiroc focuses on applications where there is a need for performance-critical equipment and services, with significant aftermarket requirements over the equipment lifecycle and where customers focus on productivity and total cost of ownership. Epiroc strives to develop and enhance its strong customer relationships through collaboration and commitment to innovation, safety and sustainability.

The aftermarket business represents approximately two-thirds of Epiroc's revenues and is based on customers' operating expenditures on consumables, maintenance, refurbishments and overhaul. Epiroc's aftermarket offering includes a substantial installed base of equipment primarily working in harsh environments. Epiroc's management believes that Epiroc's broad offering together with a global service network gives Epiroc a key competitive advantage.

Epiroc provides a range of products primarily used in hard rock applications. Mining applications include production and development work for both underground and open-pit mines and for mineral exploration. Epiroc provides rock drilling equipment, equipment for mechanical rock excavation and rock reinforcement, rock drilling tools, hydraulic attachments and tools, loading and haulage equipment, ventilation systems, exploration drilling equipment, solutions for automation, rig control and telematics, as well as related spare parts and services. Infrastructure applications include blasthole drilling for tunneling, road, railway and dam construction, aggregate production and other construction work, demolition of buildings, bridges and industrial plants as well as other drilling applications. For infrastructure applications, Epiroc provides rock drilling equipment, equipment for mechanical rock excavation and rock reinforcement, rock drilling tools, hydraulic attachments and tools, ventilation systems, solutions for automation, rig control and telematics, as well as related spare parts and services.

The equipment is primarily sold directly to the end user through Epiroc's extensive global sales network and to a lesser extent through distributors and to equipment rental companies. In addition, Epiroc has a large global service organisation supplying services and spare parts. Equipment sales are often bundled with contracts that include services, spare parts and consumables, in order to ensure availability as well as optimise customer productivity and total cost of ownership.

Epiroc has two reporting segments – Equipment & Service and Tools & Attachments. Equipment & Service provides a wide range of equipment for mining and rock excavation and related services and spare parts. Tools & Attachments mainly provide rock drilling tools and hydraulic attachments that are attached to larger machines that are used for drilling, demolition and recycling as well as for rock excavation. Furthermore, Tools & Attachments also provide related services and spare parts for the tools sold by the segment. In addition, Epiroc reports Common Group Functions that include functions that serve all operating segments or the Group as a whole, but it is not considered a segment. Common Group Functions include Payment Solutions, offering financing to customers to facilitate sales of operating segments, Group management and common functions, as well as eliminations. Payment Solutions also has a rental fleet generating operating lease payments, which are reported as revenue.

For the nine months ended 30 September 2020, Equipment & Service accounted for 74 per cent of revenues and Tools & Attachments accounted for 26 per cent of revenues. For the same period, Epiroc's sales in North America accounted for 22 per cent of revenues, South America accounted for 13 per cent of revenues, Europe accounted for 24 per cent, Africa and the Middle East accounted for 14 per cent and Asia and Australia accounted for 27 per cent of revenues.

On 21 November 2019, S&P Global Ratings Europe Limited (“**S&P**”) confirmed the Issuer's BBB+ long-term issuer credit rating (stable outlook) that was assigned to the Issuer on 5 December 2018.

History

Epiroc was spun off from Atlas Copco and listed on Nasdaq OMX Stockholm in 2018. Epiroc has a long history as a part of Atlas Copco as set out in the historical overview below:

Year	Event
1873	Andre Oscar Wallenberg and associates founded the company Atlas in Stockholm, Sweden, producing equipment for the Swedish railway network.
1905	First rock drill produced, soon followed by Cyklop, a lightweight, handheld rock drill, which was produced well into the 1930s.
1920	Atlas Copco AB was listed on the Stockholm Stock Exchange.
1936	The Swedish Method was introduced, meaning that lighter and mobile equipment was used. This meant that drilling could be conducted by one man with one machine compared to the previous method that required more labour. The groundbreaking method revolutionised the drilling industry and laid the ground for the company's international activity.
1951	Manufacturing company "Växlar och Signaler" (eng. "railways maintenance and repair") in Örebro, Sweden, was acquired. Örebro is today Epiroc's largest manufacturing site.
1963	Rig-mounted hydraulic breaker patented by Krupp Berco Bautechnik, a company Atlas Copco acquired in 2002, changing the demolition industry.
1988	Rock drilling tools specialist Secoroc in Fagersta, Sweden, was acquired.
1992	Final assembly of machines and production of rock drills moved from Stockholm to Örebro, Sweden.
1995	Production of surface crawlers moved from Bremen, Germany, to Örebro, Sweden.
1997	Move of rock drills central functions from Sickla to Örebro, Sweden, following the production move in 1992.
1998	A computerised rig control system was introduced.
2002	Krupp Berco Bautechnik, a manufacturer of hydraulic breakers, was acquired.
2004	Ingersoll-Rand Drilling Solutions, a manufacturer of large blasthole drill rigs, was acquired.
2004	Production of loaders and mining trucks were moved from Portland, Oregon, United States, to Örebro, Sweden.
2005	The first almost silent surface drill was launched, enabling work around the clock in densely populated areas.
2009	Global financial crisis leading to low customer demand and employee reductions.
2011	Research and development ("R&D") centre opened in Nanjing, China.
2016	Battery-electric equipment for underground mining was introduced.
2017	Atlas Copco announced a split of the group to form Epiroc.
2018	The formal decision to separate Epiroc from Atlas Copco was taken at the AGM of Atlas Copco and Epiroc shares were listed on 18 June 2018.
2020	Epiroc creates a more efficient working structure with five divisions.

Vision and Mission and Strategy

Epiroc's vision is to be the customers' first choice and to continue to be a leading global productivity partner and to deliver profitable growth. Epiroc's strategy is to focus on attractive niches and outperform in these niches. Epiroc's strategy is focused on five areas in order to achieve the Group's mission: innovation and expertise, safety and sustainability, presence and penetration, operational and service excellence and people and leadership.

A talented workforce is essential to execute on Epiroc's strategy. Epiroc has a long-term view on its recruiting to make sure that the Group has the right expertise and leadership competences. Epiroc encourages employees to try different positions, take on new challenges and continuously develop both through on-the-job training, personal education and

courses. Epiroc strives to attract and develop hard working, curious, passionate and dedicated employees and leaders that are focused on results. Ensuring that Epiroc has the right leaders also involves activities such as succession planning. Furthermore, Epiroc strives to have a diversified workforce in terms of nationality, gender, age, experience and education and has a goal to double the number of women in operational roles by 2030.

Key Strengths and Competitive Advantages

Epiroc's management believes Epiroc has a number of key strengths, including the following:

- it is a leading productivity partner in attractive niches;
- it has a high proportion of recurring business;
- it is driving the future in intelligent mining and infrastructure;
- it has a strong and proven operating model; and
- it provides value creation for stakeholders.

Financial Goals and Dividend Policy

Epiroc's goal is to provide superior value creation through a combination of strong operating performance, efficient use of capital, and stable and rising dividends to its shareholders. This will be achieved through agile adaption to cyclical capital equipment demand, combined with a resilient and growing aftermarket business.

- **Growth:** Epiroc's goal is to achieve an annual revenue growth of eight percent over a business cycle, and to grow faster than the market. Growth will be organic and supported by selective acquisitions.⁽¹⁾
- **Profitability:** Epiroc's goal is to have an industry-best operating margin, with strong resilience over the cycle.⁽²⁾
- **Capital efficiency:** Epiroc's goal is to improve capital efficiency and resilience. Investments and acquisitions shall create value.⁽³⁾
- **Capital structure:** Epiroc is to have an efficient capital structure and have the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating.
- **Dividend policy:** Epiroc's goal is to provide long-term stable and rising dividends to its shareholders. The dividend should correspond to 50 per cent of net profit over the cycle.

(1) For evaluation, and supported by third party suppliers, Epiroc follows the development of investments made by customers in the mining and infrastructure industry and compares these investments with Epiroc's revenues from equipment over time. The Issuer also follows the development of competitors' revenues and compares these with the Issuer's revenues.

(2) For evaluation purposes, Epiroc's operating margin is compared with operating margins of other mining and construction equipment companies, such as Caterpillar, Komatsu, Metso, Sandvik and Weir.

(3) This means that the return on capital employed from investments and acquisitions shall exceed the capital costs. For evaluation, Epiroc follows and monitors, *inter alia*, the working capital in the operations, as well as the development of the operating margin and capital turnover ratio for capital employed for investments and acquisitions.

These financial goals are not guarantees of future financial performance. Epiroc's actual results of operations could differ materially from those expressed or implied by these goals as a result of many factors, including but not limited to described under "Risk Factors". Any goals discussed herein are goals only and are not, and should not viewed as, forecasts, projections, estimates or views of Epiroc's future performance.

Business Operations

Reporting Segments

As of 2 March 2020, Epiroc has two reporting segments – Equipment & Service and Tools & Attachments. Between them there are five divisions.

Equipment & Service

The Equipment & Service segment is organised into four divisions, Surface, Underground, Parts & Services and Technology & Digital, which provide a wide range of mining and rock excavation equipment and related services and spare parts.

Epiroc's Equipment & Service segment provides rock drilling equipment, equipment for mechanical rock excavation, rock reinforcement, loading and haulage, ventilation systems, drilling equipment for exploration, water, oil and gas as well as related spare parts and service for the mining and infrastructure industries.

The following table sets forth revenue and operating profit data for the Equipment & Service segment for the periods indicated:

	For the nine months ended 30 September		For the year ended 31 December	
	2020	2019	2019	2018
	(SEK in millions)			
Revenues.....	19,472	22,151	29,891	28,540
Operating profit	4,673	5,591	7,474	6,751

The Equipment & Service segment generated revenues of SEK 19,472 million for the nine months ended 30 September 2020, corresponding to 74 per cent of Epiroc's revenues. As at 30 September 2020, the Equipment & Service segment had seven production facilities at six different locations in Europe, North America, Asia and Australia. During the periods under review, Epiroc's presence in targeted market and customer segments has been enhanced by adding resources to service and sales. Epiroc has also made investments in its innovation centres, automation centres and manufacturing facilities. In 2019, Epiroc completed the acquisition of Noland Drilling Equipment, a U.S. distributor of water well drilling equipment and related parts, services and consumables.

Equipment

The Equipment & Service segment's main product groups are rock drilling equipment, equipment for mechanical rock excavation, rock reinforcement, loading and haulage, ventilation systems and drilling equipment for exploration, water, oil and gas. The Equipment & Services segment's offering includes solutions for automation, rig control and telematics.

- *Underground Drill Rigs.* Epiroc manufactures a wide range of drill rigs for underground mining and infrastructure applications, such as face drill rigs for blast hole drilling in underground mining and tunneling and production drill rigs for underground production drilling.
- *Rock Reinforcement.* The offering consists of rock reinforcement equipment for underground mining and tunneling, including a comprehensive range of rigs for rock bolting, cable bolting as well as grouting equipment.
- *Mechanical Rock Excavation Equipment.* The offering includes equipment for raiseboring, boxhole boring, and down reaming as well as mechanical rock excavation equipment (mobile miner) for continuous rock excavation in mining and tunneling.
- *Loaders & Trucks.* The product offering includes electric loaders, diesel loaders and continuous loaders as well as diesel trucks for underground applications.
- *Ventilation.* The offering includes ventilation solutions for tunneling and underground mining operations, including system design and installation.
- *Surface Drill Rigs.* Epiroc manufactures a wide range of drill rigs for blast-hole drilling in surface mining and infrastructure applications.
- *Equipment for Other Applications.* Epiroc offers equipment for other applications related to rock excavation, such as exploration drilling, dimension stone industry, and drilling for water, and for oil and gas.

For the nine months ended 30 September 2020, the Equipment & Service segment had equipment revenues of SEK 7,975 million.

Service and Spare Parts

Service and spare parts is an integral part of the Equipment & Service segment's offering and the segment provides a wide range of services and spare parts for the mining and infrastructure industries. The service organisation focuses on spare parts supply, service, support solutions and training. Epiroc's service offering spans from complete service contracts that essentially takes care of the entire equipment operation to pay-as-you-go solutions. Epiroc offers a wide range of service agreements and service products, e.g. remanufacturing and midlife services, solutions that extend the life of a component or a complete machine as well as upgrades and conversion kits that add additional features or improvements to specific equipment.

For the nine months ended 30 September 2020, the Equipment & Service segment had service revenues of SEK 11,497 million. A large part of the service employees are technicians working on site. Other service employees work

in workshops or with service marketing and sales or administrative related tasks. There are three distribution centres in China, Sweden and the United States, which are responsible for spare parts distribution globally. The service organisation has service hubs where employees with certain competences are placed in proximity to Epiroc's production facilities.

Epiroc's service offering enables customers to be more productive by ensuring high availability of the equipment. Epiroc's service technicians are specialised and have deep knowledge about the equipment and their applications. Depending on contract, Epiroc's service personnel can be more or less permanently stationed in connection to a production facility (e.g., a mine) and work with a fleet of equipment both proactively and reactively to sustain high levels of productivity for the customer.

In addition, Epiroc provides a wide range of spare parts for the equipment sold by Epiroc, as well as a range of universal spare parts that are considered as standard in the industry. Since much of the operations performed by the equipment is demanding, the use of spare parts is common and some parts can even be changed on daily intervals. Spare parts can either be changed over pre-defined cycles (predicative maintenance), or changed when needed (reactive maintenance). Epiroc's Certiq system (telematics) facilitates predictive maintenance which enables customers to be more productive and avoid down-time. The Certiq system proactively scans the equipment (rig control) and sends a signal to the operator and Epiroc when it is time to plan for service or change parts.

Furthermore, the service organisation helps customers with training and support solutions. This offering includes operator training for how to use Epiroc's equipment, support in training of technicians, and automation solutions to create new ways of using the equipment through cutting-edge technology. This offering bridges the difference between customers who need Epiroc service personnel constantly on site and customers who prefer to take care of the equipment themselves, as well as helping customers taking the next steps in terms of digital solutions and increased productivity.

Tools & Attachments

The Tools & Attachments segment has one division with the same name, which provides rock drilling tools and hydraulic attachments and parts that are attached to machines and used mainly for drilling, demolition and recycling as well as for rock excavation. The Tools & Attachments segment also provides related services and spare parts.

The Group's Tools & Attachments segment provides rock drilling tools and hydraulic attachments that are attached to machines and used mainly for drilling, deconstruction and recycling as well as for rock excavation. The Tools & Attachments segment also provides related service and spare parts. The segment also serves the mining and infrastructure industries and similar types of applications and customers as the Equipment & Service segment. The rock drilling tools and some of the hydraulic attachments and tools can be attached to the equipment provided by the Equipment & Service segment, but can also be attached to other manufacturers' equipment.

The following table sets forth revenue and operating profit data for the Tools & Attachments segment for the periods indicated:

	For the nine months ended 30 September		For the year ended 31 December	
	2020	2019	2019	2018
	(SEK in millions)			
Revenues	6,736	8,296	10,799	9,519
Operating profit	734	957	1,252	1,239

The Tools & Attachments segment generated revenues of SEK 6,736 million for the nine months ended 30 September 2020, corresponding to 26 per cent of Epiroc's revenues. As at 30 September 2020, the Tools & Attachments segment had 15 production facilities at 15 different locations in Europe, North America, Africa, Asia and Australia. During the periods under review, Epiroc's presence in targeted market and customer segments has been enhanced by selected acquisitions and by adding resources to service and sales. Epiroc has also made investments in product development and in manufacturing facilities. Epiroc has carried out actions to optimize its product portfolio and exit noncore areas with the aim of increasing focus and efficiency. During 2019, Epiroc acquired Fordia Group Inc., a Canadian manufacturer of exploration drilling tools, as well as Innovative Mining Products (Proprietary) Limited, a South African manufacturer of rock reinforcement products for underground mining. In addition, Epiroc divested its geotechnical consumables product line, which consists mainly of large down-the-hole hammers and related drill bits and casing advancement systems. Epiroc also divested a handheld drilling consumables manufacturing facility situated in Ockelbo, Sweden.

The Tools & Attachments segment's offering includes products that are used in underground, surface and exploration mining as well as underground and surface infrastructure and quarrying. The segment's offering also includes a wide range of hydraulic attachments that are attached to excavators and other carriers. Applications include rock breaking and excavation, demolition of buildings, concrete and steel structures, and asphalt, separation of material, recycling and waste handling.

The product offering of the segment includes the following:

- rock drilling tools, such as drill bits, rods, tubes, shank adapters, couplings and grinding equipment, for underground as well as surface drilling;
- raiseboring rock drilling tools including drill strings, reamers, stems, cutters and pilot bits;
- rotary drilling tools and pipes for rotary blast hole drilling;
- down-the-hole drilling tools, such as down-the-hole hammers, bits, pipes, and accessories, for all rock types and applications;
- exploration drilling tools, such as wireline and conventional core drilling tools as well as reverse circulation drill strings for exploration drilling;
- rock bolting systems for efficient rock support in mining and infrastructure applications;
- hydraulic breakers for concrete and asphalt demolition work, and for rock breaking and scaling;
- concrete busters and cutters for demolition of concrete structures;
- drum cutters used in rock excavation, demolition and trenching;
- bucket crusher for on-site crushing of all types of material;
- hydraulic excavator magnets for demolition sites, scrap yards and recycling facilities; and
- hydraulic shears and pulverisers for demolition of concrete and steel structures.

Payment Solutions

The Group has an in-house customer finance operation to support equipment sales called Payment Solutions. Payment Solutions is a group function with the aim of facilitating sales of Epiroc's operating segments. Financing can range from single equipment purchases of smaller equipment used by small family-owned firms to larger projects where financing can cover equipment and service for an entire mine or an infrastructure project. The level of financing of a project is dependent on the size of the project, the company's relation to Epiroc, the underlying project's security and other risk factors. As at 31 December 2019, the portfolio of Payment Solutions amounted to approximately SEK 2 billion including approximately SEK 600 million related to operational leases.

Payment Solutions is reported under Common Group Functions together with Group management and common functions, as well as eliminations in the Financial Statements and the 2020 Interim Financial Statements incorporated by reference into this Base Prospectus.

Customers

Epiroc's customers can be separated into the following industries: mining and infrastructure. The mining customers are provided products and services for underground and surface mining, and for exploration. The infrastructure customers are provided products and services for underground and surface infrastructure, urban development and quarrying.

Epiroc's customers consist of mining companies, construction companies, drill and blast contractors in the mining and infrastructure industries, quarrying companies and quarrying contractors. In 2019, Epiroc's ten largest customers accounted for 17 per cent of the Group's revenues. These all have multiple worksites that buy equipment, spare parts and service, as well as consumables from Epiroc. None of the ten largest customers is dominating.

For the nine months ended 30 September 2020, mining accounted for approximately 77 per cent of orders received and infrastructure and other accounted for approximately 23 per cent. The mining orders in 2019 can be split into the following minerals: copper represented 16 per cent; iron 7 per cent; zinc 2 per cent; nickel and lead 9 per cent; gold 19 per cent; platinum 6 per cent; coal 3 per cent and other minerals 14 per cent.

Competitors

Epiroc's main competitor in most of its product areas is Sandvik AB (publ). Other competitors include Caterpillar Inc. in the market for underground loading and haulage and open pit mining equipment, Furukawa Co., Ltd. in surface drilling equipment, Boart Longyear Limited for exploration drilling equipment and rock drilling tools, and Komatsu Ltd. in the market for underground and open pit mining equipment and hydraulic attachments. The Group also competes with several players operating locally, regionally and in certain niche areas. The competitive landscape for rock drilling tools as well as

for hydraulic attachments is more fragmented than the market for equipment, with several smaller or local companies focused on individual product lines.

Research and Development

Process

A key factor for Epiroc's success is its ability to develop new innovative products that serve the customers' needs and increase their productivity. The Group's sales organisation therefore has a continuous interaction with customers in order to understand their needs. The R&D activities are decentralised in order to leverage specific product knowledge and Epiroc has customer centres and employees in more than 60 countries that capture the demand and the competitive situation in the market where they operate. Epiroc collaborates with a number of equipment and service providers, technology companies and universities to drive further innovation, including Ericsson, ABB, Combitech, Orica and Dassault Systems.

Organisation

The R&D activities are integrated into Epiroc's different divisions. Within the R&D organisations, there are employees that are specialised both by product and by category, for example automation, digitalisation, electrification, hydraulics or electronics. There is a R&D council in place to coordinate the R&D work in the Group. Epiroc has its principal R&D units located in Sweden, the United States, China, Canada, India, South Africa and Germany and as at 31 December 2019, approximately 7 per cent of the employees worked with R&D.

Current Trends

A significant share of Epiroc's current R&D expenditures is focused around four trends: automation, connectivity, interoperability between machines and battery powered equipment. These trends aim to solve the needs of the future where mines are getting deeper, ore grades are deteriorating and mining companies look to improve productivity, safety and reduce environmental impact. It is the Group's assessment that Epiroc has a good position in relation to its competitors regarding these trends and that the Group can benefit from them based on its application knowledge and presence in the market.

Production

Production Process

Epiroc in-house production mainly consists of assembly. The Group continuously evaluates its production processes to determine which processes should be conducted in-house and which ones could be outsourced to business partners. As a general rule, components that are critical for equipment performance, such as rock drills, are manufactured in-house and non-critical components are outsourced to business partners. The manufacturing is primarily based on customer orders, however, manufacturing of some standard, high volume equipment is based on projected demand. In 2019, approximately 75 per cent of Epiroc's product costs are based on purchased components and approximately 25 per cent of the product costs are based on in-house manufacturing and assembly. Due to the fact that a majority of the production is conducted by sub-contractors, the production is flexible. With the aim to increase efficiency in the in-house production, there has been a shift from assembly stations to assembly lines in recent years.

Manufacturing Footprint

As at 30 September 2020, Epiroc's production was concentrated in seven production facilities under the Equipment & Service segment and 15 production facilities under the Tools & Attachments segment. The production is decentralised and there is a common production council to enhance the sharing of process knowledge and best practices within the Group.

Epiroc has consolidated its manufacturing footprint over time. Epiroc continuously evaluates its manufacturing footprint to decide if manufacturing should be moved or consolidated to improve efficiency, flexibility and/or delivery performance. In 2019, the business for handheld rock drilling equipment and tools was restructured, a factory in China was closed and a factory in Sweden was divested. In addition, the geotechnical consumables product line was divested. In 2020, the manufacturing of dimension stone equipment was consolidated to India and the operation in Italy was closed. The production of exploration drilling tools in Canada has also been consolidated, where the production in North Bay has been moved to Montréal.

Purchasing

Epiroc purchases a wide range and large volumes of raw materials and components from external suppliers. The majority of purchases are direct material purchases and some of the largest categories are steel, hydraulics, electronics and drivetrain. Purchasing decisions are often made hand-in-hand with the Group's R&D department, which has a close relationship with suppliers in the development phase of new products. Due to Epiroc's highly specialised products and close collaboration with R&D, supplier relationships tend to be long. Epiroc works strategically to minimise supplier risk in order not to be

dependent on one supplier for a specific component or raw material, especially for critical components the absence of which may hinder the production process. Epiroc works continuously to reduce purchasing costs, however, always with quality in mind.

Epiroc's purchasing organisation is integrated in each division, and has its own organisation for the procurement of direct material, which is organised into different categories. However, there is a central organisation for the sourcing of indirect material and there is a purchasing council in place for coordinating the purchasing process and ensuring that the purchasing work is cost efficient. There is also an enterprise resource planning, or ERP, system in place for visibility of the purchasing behaviour between the divisions and ensuring that suppliers have reasonable terms towards the entire Group.

For the year ended 31 December 2019, Epiroc's direct material purchasing costs amounted to approximately SEK 9.5 billion and the ten largest suppliers accounted for 19 per cent of the Group's total spending on suppliers. Epiroc had a total of approximately 2,700 suppliers in 2019. The largest categories of raw material or components purchased were steel, machining (subassembly) and welding (subassembly) with 10 per cent, 11 per cent and 27 per cent of the total purchasing spend respectively.

Most of Epiroc's purchasing is made in foreign currencies, with U.S. dollar and the euro being the most common currencies. The Group's hedging policy recommends leaving transaction exposures unhedged on an ongoing basis and currency hedging to lower risk is made at the Group level in combination with other Group operations.

Logistics

Epiroc's supply chain strategy is to provide customers around the world with a high availability of products to maximise their equipment uptime and productivity.

Customers are mainly served through Epiroc's customer centres in more than 60 countries. In addition to Epiroc's own network, it uses a number of distributors to provide services in areas where the Group does not have a presence. Epiroc's supply chain is different for equipment and aftermarket (spare parts, tools and attachments) with logistics capabilities adapted to customer requirements.

The majority of equipment, such as large serpent ventilation systems, face drilling rigs weighing 10 tonnes, mine trucks weighing 50 tonnes, and rotary blasthole drill rigs weighing 175 tonnes, is too heavy and bulky for container shipment and is therefore often shipped by sea, road or rail. Transport solutions are arranged via a limited number of freight forwarders and carriers to secure a high frequency of departures at the lowest possible cost while minimising the environmental impact.

A comprehensive range of spare parts and rock drilling tools for Epiroc equipment and attachments are distributed through a global network of distribution centres located close to customers to ensure high availability and short delivery lead times. Rock drilling tools and attachments are produced in more than 10 manufacturing sites around the world.

Intellectual Property Rights

At the end of 2019, Epiroc held approximately 1,400 granted patents and 300 pending patent applications. The sizable patent portfolio is important in protecting core technology and in maintaining the Group's leading position in its markets. The Epiroc patent department is responsible for handling the portfolio and for implementing patent portfolio management decisions taken by the respective divisions. Epiroc also holds a significant portfolio of registered trademarks. At the end of 2019, Epiroc held approximately 1,100 individual trademark rights.

Epiroc is the Group's main brand and is used globally. Epiroc also owns a few additional brands for selected products and markets, which are used as complementary brands to increase presence in the market. Examples of these brands are Fordia, New Concept Mining, Shenyang, GIA and Erkat.

Information Technology

Epiroc has a global IT organisation with approximately 240 employees in over 40 locations. One of the main objectives and strategies of Epiroc IT is to align its operations and objectives with the needs of Epiroc's business in order to support Epiroc's core processes. At an IT governance level, this is accomplished by having business representatives participating in the Epiroc IT board, process councils and programmes. In an IT operational perspective, this is illustrated by having the business engaged in IT programmes and projects and taking on the application ownership.

Epiroc IT Management team functions and Regional IT Managers lead teams of IT employees to support the business. To secure globally consistent alignment, all Regional IT Managers report to Epiroc IT Management. Epiroc IT Management safeguards Epiroc's IT policies and strategies on a global level.

The Epiroc IT Board plans and prioritises project development for business solutions with IT components. In line with IT strategies, the process councils are responsible for the selection process of new applications focusing on the standardisation of the application landscape. For this, a mandatory process has been implemented to support the selection process of new

applications. Furthermore, Epiroc has chosen three strategic vendors, which are the first-hand choices for providing requested applications.

IT Security

Epiroc protects its IT assets, processes and information from a confidentiality and integrity perspective, while ensuring availability in line with business requirements, as well as compliance with applicable laws and regulations. In order to fulfil these requirements, Epiroc has created an IT Security Organisation.

The IT Security Organisation has developed a set of security policies describing the overall requirements for IT and information security within Epiroc. The organisation covers the areas of IT and information security as well as IT risk.

Compliance with IT and information security policies and GDPR is measured and coordinated through the department of Internal Control. Within the department of Internal Control, a dedicated individual directly reports to the head of Internal Control and the Global IT Security Manager on IT security and GDPR compliance.

Safety and Sustainability

Safety and sustainability is an integrated part in all of Epiroc's strategies and activities. Four key topics related to safety and sustainability (safety and well-being, developing people and leaders, responsible and efficient use of resources, and living by the highest ethical standards) have been identified. The Group has set key performance indicators to monitor its performance with respect to these four key topics. In 2020, the Group established long-term sustainability goals that support the Paris Agreement and the UN 2030 Agenda for Sustainable Development. The new sustainability goals for the next decade include halving CO₂ emissions that come from Epiroc's operations, transport and major suppliers, as well as from its customers' use of equipment manufactured by Epiroc.

Sustainability is seen as a competitive advantage and it is a driver of long-term growth. Epiroc's Sustainability Policy covers matters related to health and safety, quality and environment and it is used as a guide when developing equipment and solutions, all designed with the safety of the user in mind and to reduce the environmental footprint. New technology is key in this development. To be a trustworthy partner and provider of sustainable solutions to customers, high standards are adhered to across the entire value chain, including strong commitment to respecting human rights and taking a clear stance against corruption.

Epiroc's Code of Conduct covers the well-being of the employees and a safe and healthy working environment in Epiroc's operations. The aim is to continuously reduce the number of accidents and not to have any fatalities. The Group also recognises labour practices, such as the right to representation by trade unions and collective bargaining as well as non-discrimination. A fundamental belief at Epiroc is that diversity inspires innovation and gives insights that help to create a better understanding of customer needs. Epiroc companies have local diversity policies and guidelines in alignment with Group policy, local laws and regulations, and local ambitions. The Group is committed to promoting equal opportunity in its hiring and promotion processes. A wide range of efforts to attract a diversified workforce are in place globally and the Group aims to increase the number of female employees in the organisation.

Epiroc believes in the reduction of its environmental footprint by taking a life cycle approach to innovation and focus on resource efficiency. The Group has targets to improve sustainability performance in areas such as energy usage, the use of renewable energy, CO₂, emissions from transport, water usage in water risk areas, and waste that are reused, recycled or recovered. The largest environmental footprint for Epiroc, however, is the energy consumption from use of its products. Therefore, Epiroc's product development projects have targets to reduce energy consumption of the equipment and, in addition, large investments are made in developing battery-powered equipment. The challenge is to continue to meet the customers' needs for equipment and service that increase their productivity and, at the same time, are sustainable.

Employees

Epiroc had 13,902 employees as at 30 September 2020. As at 31 December 2019, Epiroc had 14,268 employees, whereof the Equipment & Service segment had 9,331 employees, the Tools & Attachments segment had 4,668 employees and Common Group Functions had 269 employees. Due to certain cyclicalities in the mining and infrastructure industry, the Group uses temporary workforce in addition to its permanent employees to handle temporary fluctuations in demand. The additional workforce is primarily hired in the Group's manufacturing and assembly plants, but also in R&D. The Group had an additional workforce of 1,108 workers as at 30 September 2020. Of the total number of employees of 14,398 as at 31 December 2019, approximately 22 per cent were located in Sweden.

Insurance

As of 1 June 2018, Epiroc has been covered mainly through an external global insurance programme, which includes property and business interruptions insurance, product liability insurance, cargo insurance, financial lines insurance,

business travel insurance and specialty risk insurance. As of 1 June 2020, Epiroc has taken a larger portion of risk for property damages, business interruptions, general liability and product liability by implementing a re-insurance captive.

In Epiroc's opinion, the insurance policies are sufficient for Epiroc's operations and all of the insurance policies have been entered into on market terms.

Group Structure and Significant Subsidiaries

Epiroc AB (publ) is the ultimate parent company of the Group. The following table sets forth information about Epiroc's most significant directly or indirectly owned subsidiaries. Epiroc's holdings in associated companies are not deemed to be of significant importance to Epiroc's financial position or earnings.

	<u>Country</u>	<u>Shares and voting rights (per cent.)</u>
Epiroc Rock Drills AB	Sweden	100.00
Epiroc Drilling Tools AB	Sweden	100.00
Epiroc Sweden AB	Sweden	100.00
Epiroc Treasury AB.....	Sweden	100.00
Epiroc Financial Solutions AB.....	Sweden	100.00
Epiroc Drilling Solutions LLC	USA	100.00
Epiroc Drilling Tools LLC	USA	100.00
Epiroc USA LLC.....	USA	100.00
Epiroc Financial Solutions USA LLC.....	USA	100.00
Epiroc Canada Inc	Canada	100.00
Epiroc Australia Pty Ltd.....	Australia	100.00
Epiroc Financial Solutions Australia Pty Ltd.....	Australia	100.00
Epiroc Holdings South Africa (Pty) Ltd.....	South Africa	100.00
Epiroc Chile S.A.C.....	Chile	100.00
Epiroc Mining India Ltd.....	India	96.32
Epiroc Trading Co., Ltd.....	China	100.00
Epiroc (Nanjing) Construction and Mining Equipment Ltd.....	China	100.00
Epiroc RUS LLC	Russia	100.00
Epiroc Mexico, S.A. de C.V.....	Mexico	100.00
Epiroc Peru S.A.	Peru	100.00
Epiroc Japan KK.....	Japan	100.00
Epiroc Norge AS	Norway	100.00
Construction Tools GmbH	Germany	100.00

Legal Proceedings

Epiroc conducts operations in several countries and is from time to time involved in disputes, claims and administrative procedures in the ordinary course of business. However, Epiroc has not been involved in any legal or arbitration proceedings, nor any investigations, (including proceedings or investigations that are pending or that Epiroc is aware may arise) during the last twelve months, which recently have had, or may have, significant effect on Epiroc's financial position and profitability.

Material Agreements

Epiroc does not regard any specific agreement to be material to the Issuer's business as a whole.

Recent Developments

On 22 October 2020, Epiroc announced that the Board of Directors had decided to propose a second dividend of SEK 1.20 per share for the fiscal year 2019. The Board of Directors will call for an extraordinary general meeting of shareholders on 27 November 2020 to decide on the proposal. The extraordinary general meeting of shareholders will also decide on a proposal to change the articles of association of Epiroc in order to allow for voting by post and collection of proxy votes already before a general meeting of shareholders.

Board of Directors

According to Epiroc's articles of association, the board of directors shall consist of six to twelve members appointed by the general meeting of shareholders, without deputy members. As at the date of this Base Prospectus, Epiroc's board of directors consists of nine members appointed by the general meeting for the period until the end of the annual general meeting to be held in 2021, as well as one employee representative and two deputy employee representatives.

Under the Swedish Companies Act, the board of directors has ultimate responsibility for the organisation and the group management of the Issuer. All directors, other than the union appointees, are elected by resolution of a general meeting of shareholders.

The business address of the members of the Board of Directors is Sickla Industriväg 19, SE-131 54 Nacka, Sweden.

The following table sets forth certain information on the members of Epiroc's board of directors:

	Year of birth	Board member since	Position	Independent of share-holders	Independent of the Issuer
Ronnie Leten	1956	2017	Chairman	No	No
Johan Forssell.....	1971	2017	Member	No	Yes
Anders Ullberg.....	1946	2017	Member	Yes	Yes
Ulla Litzén	1956	2017	Member	Yes	Yes
Lennart Evrell	1954	2017	Member	Yes	Yes
Jeane Hull.....	1955	2018	Member	Yes	Yes
Astrid Skarheim Onsum.....	1970	2018	Member	Yes	Yes
Helena Hedblom	1973	2020	Member, President and CEO	Yes	No
Sigurd Mareels	1961	2020	Member	Yes	Yes
Kristina Kanestad.....	1966	2018	Employee representative	Yes	No
Gustav El Rachidi	1970	2018	Deputy employee representative	Yes	No
Daniel Rundgren	1973	2019	Deputy employee representative	Yes	No

Ronnie Leten has been the chairman of the board of directors of Epiroc since 2017. Ronnie Leten is also chairman and member of the boards of directors of Telefonaktiebolaget LM Ericsson and Piab AB, and also a member of the board of directors of Aktiebolaget SKF. Previously, he has held the position of President and CEO of Atlas Copco and was a member of the board of directors of IPCO AB. Ronnie Leten holds a M.Sc. in Applied Economics from the University of Hasselt, Belgium.

Johan Forssell has been a member of the board of directors of Epiroc since 2017 and he is also President and CEO and a member of the board of directors of Investor Aktiebolag, and a member of the boards of directors of Atlas Copco, Wärsilä Oyj Abp, Patricia Industries AB, Stockholm School of Economics and EQT AB. Previously, he has held the position of Managing Director, Head of Core Investments, of Investor AB. Johan Forssell holds a M.Sc. in Economics and Business Administration from the Stockholm School of Economics, Sweden.

Anders Ullberg has been a member of the board of directors of Epiroc since 2017 and is also chairman and a member of the boards of directors of Boliden AB and Studsvik AB and a member of the boards of directors of Beijer Alma AB and Valedo Partners. He is also a member of the board of the European Financial Reporting Advisory Group. Previously, he has been chairman of the Swedish Financial Reporting Board and member of the board of directors of Atlas Copco. In addition, he has held the positions of Executive Vice President and CFO and President and CEO of SSAB AB. Anders Ullberg holds a B.Sc. in Economics from the Stockholm School of Economics, Sweden.

Ulla Litzén has been a member of the board of directors of Epiroc since 2017 and is also a member of the boards of directors of Aktiebolaget Electrolux, Husqvarna Aktiebolag and Ratos AB. Previously, she has been a member of the board of directors of NCC Aktiebolag and held the positions of President of W Capital Management AB and Managing Director and member of Group Management of Investor AB. Ulla Litzén holds a B.Sc. in Economics from the Stockholm School of Economics, Sweden, and an MBA from the Massachusetts Institute of Technology (MIT) in the United States.

Lennart Evrell has been a member of the board of directors of Epiroc since 2017 and is also a member of the boards of directors of Svenska Cellulosa Aktiebolaget SCA, ICA gruppen AB and of the Confederation of Swedish Enterprise (Svenskt Näringsliv). Previously, he has held the position of President and CEO of Boliden AB. Lennart Evrell holds a M.Sc. in Engineering from the Royal Institute of Technology (KTH) and a B.Sc. in Business Administration from Uppsala University, both in Sweden.

Jeane Hull has been member of the board of directors of Epiroc since 2018 and is also a member of the boards of directors of Interfor Corporation and Pretium Resources Inc. Previously, she has held the positions of Executive Vice President and Chief Technical Officer of Peabody Energy and Chief Operating Officer for Rio Tinto at the Kennecott Utah Copper Mine in the United States and been a member of the board of directors of Cloud Peak Energy Inc. Jeane Hull holds a B.Sc. in Civil Engineering from South Dakota School of Mines and Technology and an MBA from Nova Southeastern University, both in the United States.

Astrid Skarheim Onsum has been a member of the board of directors of Epiroc since 2018 and is also Head of Wind Energy at Aker Solutions ASA in Norway. Previously, she has held the positions of Chief Digital Officer and Managing Director of the Norwegian engineering business at Aker Solutions. Astrid Skarheim Onsum holds a M.Sc. in Mechanical Engineering from the Norwegian University of Science and Technology in Trondheim, Norway.

Helena Hedblom has been a member of the board of directors and President and CEO of Epiroc since 2020. See “—Group Management” below.

Sigurd Mareels has been a member of the board of directors of Epiroc since 2020 and is also a Senior Partner at McKinsey & Company in Belgium. Sigurd Mareels holds a M.Sc. in Engineering and a PhD in Metallurgy from Ghent University in Belgium.

Kristina Kanestad has been an employee representative (trade union Unionen) in the board of directors of Epiroc since 2018.

Gustav El Rachidi has been a deputy employee representative (trade union Ledarna) in the board of directors of Epiroc since 2018. He is also a member of the board of directors of Västmanlands Tolkservice Ekonomisk förening and a deputy member of the board of directors of Västbergslagens Elförsäljning Aktiebolag.

Daniel Rundgren has been a deputy employee representative (trade union IF Metall) in the board of directors of Epiroc since 2019.

There are no potential conflicts of interest between any duties to the Issuer of the members of the board of directors listed above and/or their private interests and other duties.

Group Management

The following table sets forth certain information on the members of Epiroc’s group management:

	<u>Year of birth</u>	<u>Group management member since</u>	<u>Position</u>
Helena Hedblom	1973	2017	President and CEO
Anders Lindén	1962	2017	Senior Vice President Controlling and Finance (CFO)
Mattias Olsson	1968	2018	Senior Vice President Corporate Communications
Jörgen Ekelöw	1955	2017	Senior Vice President General Counsel
Martin Hjerpe	1976	2019	Senior Vice President M&A and Strategy
Nadim Penser.....	1967	2020	Senior Vice President Human Resources
José Manuel Sánchez	1963	2020	President Surface division
Sami Niiranan	1972	2020	President Underground division
Jess Kindler.....	1975	2020	President Parts & Services division
Jonas Albertson.....	1967	2020	President Technology & Digital division
Goran Popovski	1974	2020	President Tools & Attachments division

Helena Hedblom has been the President and CEO, and a member of the board of directors of Epiroc since 2020. She is also a member of the board of directors of IPCO AB. Previously, she held the position of Senior Executive Vice President Mining and Infrastructure in Epiroc and various management positions in Atlas Copco within research and development, as General Manager, division President and as President of the Atlas Copco Mining and Rock Excavation Technique business area. She was also a member of the board of directors of Föreningen för gruvor, mineral och metallproducenter I Sverige (SveMin). Helena Hedblom holds a M.Sc. in Material Technology from the Royal Institute of Technology Stockholm, Sweden.

Anders Lindén has been the Senior Vice President Controlling and Finance (CFO) of Epiroc since 2017. Previously, he was Vice President Business Control of the Atlas Copco Mining and Rock Excavation Technique business area and Chief Financial Officer of Enlight AB (publ). In addition, he has held various management positions in Atlas Copco within accounting, business control and financial management. Anders Lindén holds a B.Sc. in Economics and Business Administration from the Stockholm School of Economics, Sweden.

Mattias Olsson has been the Senior Vice President Corporate Communications of Epiroc since 2018. Previously, he was Head of Investor Relations at Assa Abloy. In addition, he has held various management positions in Atlas Copco within Market Communications, Business Control and Investor Relations in Sweden and Switzerland. Mattias Olsson holds M.Sc. in Business Administration from the University of Linköping, Sweden.

Jörgen Ekelöw has been the Senior Vice President General Counsel of Epiroc since 2017. Previously, he was General Counsel M&A and Global Projects at Atlas Copco. In addition, he has held various in-house legal positions both in Atlas Copco and in the listed international groups Skanska and Autoliv. Jörgen Ekelöw holds a Master of Law from Lund University, Sweden.

Martin Hjerpe has been the Senior Vice President M&A and Strategy of Epiroc since 2019. Previously, he was a Partner at McKinsey & Company. Martin Hjerpe holds a Master of Science in Engineering Physics from Chalmers University of Technology, Sweden.

Nadim Penser has been the Senior Vice President Human Resources of Epiroc since 2020. Previously, he was Vice President Human Resources for the Mining and Infrastructure business area of Atlas Copco. In addition, he has held various

human resources management positions in Atlas Copco, including Vice President roles for divisions and business areas. Nadim Penser holds a B.Sc. (Hons) in Physics and Electronic Engineering from University of Lancaster, England.

José Manuel Sánchez has been the President Surface division of Epiroc since 2020. Previously, he was President of the Drilling Solutions division of Epiroc. In addition, he has held various management positions in Atlas Copco within global marketing, sales and business development in Spain, China, Sweden and France and acted as General Manager in Mexico and Chile. José Manuel Sánchez holds a M.Sc. in Mining from Universidad Politécnica de Madrid, Spain and Master of Marketing and Sales Management from Cerem International Business School, Spain.

Sami Niiranen has been the President Underground division of Epiroc since 2020. Previously, he was President of the Underground Rock Excavation division of Epiroc. In addition, he has held various management positions in Atlas Copco within marketing in Finland and Sweden and acted as General Manager in Ghana and Finland. Sami Niiranen holds a M.Sc. in Mining from Helsinki University of Technology, Finland.

Jess Kindler has been the President Parts & Services division of Epiroc since 2020. Previously, he was President of the Mining and Rock Excavation Service division of Epiroc. In addition, he has held various management positions in Atlas Copco within marketing, sales and business management in the United States and acted as General Manager in Indonesia. Jess Kindler holds a B.Sc. in Mining Engineering from Colorado School of Mines and an MBA from Wharton Business School, both in the United States.

Jonas Albertson has been the President Technology & Digital division of Epiroc since 2020. He is also Managing Director of Epiroc Rock Drills AB, in Sweden. Previously, he was President of the Rocktec division of Epiroc. In addition, he has held various management positions in Atlas Copco within Service, Technical and Research & Development in Sweden and the United States. Jonas Albertson holds a M.Sc. in Mechanical Engineering from Chalmers University, Sweden.

Goran Popovski has been the President Tools & Attachments division of Epiroc since 2020. Previously, he was President of the Hydraulic Attachment Tools division of Epiroc. Previously, he has held various management positions in Atlas Copco within global marketing and business management in Sweden and Czech Republic. Goran Popovski holds a M.Sc. in International Business from University of Gothenburg, a M.Sc. in International Transport and Logistics Management from University of Gothenburg and Chalmers University of Technology, Sweden, and a B.Sc. in Marketing and International Business from University of St. Kiril and Metodji in Skopje, Republic of Macedonia.

There are no potential conflicts of interest between any duties to the Issuer of the members of the group management listed above and/or their private interests and other duties.

Committees of the Board of Directors

Audit Committee

The board of directors has appointed an audit committee. According to the Swedish Companies Act, a member serving on the audit committee may not be employed by the company and at least one of the members of the committee shall possess competence and experience within accounting or auditing. The audit committee shall consist of at least three members of whom the majority are to be independent in relation to the company and its management. The current audit committee consists of three members: Ulla Litzén (chairman of the audit committee), Anders Ullberg and Ronnie Leten, of which Ulla Litzén and Anders Ullberg are independent in relation the Issuer and its management.

The audit committee is responsible for monitoring the company's financial reporting, risk management and internal control, as well as accounting and auditing. The audit committee also reviews and monitors the auditor's impartiality and independence, other services provided by the Issuer's auditor and assists the company's nomination committee with the proposal for election of auditor.

Remuneration Committee

The board of directors has appointed a remuneration committee. According to the charter for the remuneration committee adopted by the board of directors, the remuneration committee shall consist of three members who may not be employees of the Issuer or any other company within the Group. The chairman of the board shall chair the committee. The other members shall be independent in relation to the Issuer and its management. The current remuneration committee consists of Ronnie Leten (chairman of the remuneration committee), Lennart Evrell and Johan Forssell, of which Lennart Evrell and Johan Forssell are independent in relation to the Issuer and its management.

The remuneration committee's assignment is to propose to the board of directors principles for remuneration and other employment terms for members of group management, including proposal for remuneration to the President and CEO, and to approve remuneration and other employment conditions for the other members of the group management. The remuneration committee shall also handle remuneration matters of principle importance, such as proposals for long-term incentive plans for key employees.

Further, the committee shall prepare the board of directors' decision to propose guidelines for senior executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the group management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the company.

Repurchase Committee

The board of directors has appointed a repurchase committee. The repurchase committee will prepare and execute repurchases of own shares in accordance with the general meeting's authorisation of the board of directors to repurchase own shares. The repurchase committee currently consists of Anders Ullberg (chairman of the repurchase committee) and Ronnie Leten.

Nomination Committee

In accordance with a resolution passed by the general meeting in 2019, the company shall have a nomination committee consisting of one representative of each of the four shareholders, directly registered or ownership grouped, controlling the largest number of votes, which desires to appoint a representative. In addition to these four members, the chairman of the board of directors shall be a member of the nomination committee. The nomination committee shall be formed based on the shareholders, which, as per the last banking day in August the year before the annual general meeting, have been recorded in the share register kept by Euroclear. The current nomination committee consists of Petra Hedengran from Investor AB (chairman of the nomination committee), Mikael Wiberg from Alecta, Jan Andersson from Swedbank Robur funds and Helen Fasth Gillstedt from Handelsbanken funds, together with the chairman of the board of directors, Ronnie Leten.

The instruction for the nomination committee complies with the Swedish Corporate Governance Code (the “CG Code”) with respect to the appointment of committee members. The members of the nomination committee shall be announced not later than six months prior to the annual general meeting.

The nomination committee's main duties are to propose candidates for the positions of chairman and other members of the board of directors, as well as to propose fees and other remuneration for each member of the board of directors.

The nomination committee is also to make proposals on the election and remuneration of the statutory auditor. The nomination committee shall conduct its duties in accordance with the CG Code and thus give particular consideration to the requirements regarding breadth and versatility of the appointed board members' qualifications, experience and background.

Principal Shareholders

The Issuer's authorised and issued share capital is SEK 500,000,000, which consists of 1,213,738,703 shares of which 823,765,854 are A shares and 389,972,849 are B shares. Each A share carries one vote and each B share carries one-tenth of a vote. The Issuer's largest shareholder is Investor AB, which holds approximately 22.7 per cent of the voting rights. To avoid any abuse of such control and to protect the minority shareholders, there are seven independent members on the board of directors. In addition, under the Swedish Companies Act there are several provisions which protect minority shareholders such as the possibility to block resolutions (made in relation to the amendment of the articles of association, a decrease of the registered share capital, mergers and the issue of new shares) and a general provision which entitles shareholders to challenge the resolutions adopted by the board of directors if the resolution does not support the main principle that all shareholders should be treated equally. The A shares rank *pari passu* with the B shares with regard to rights of participation in the Issuer's assets and profits.

The following table sets forth, as at 30 September 2020, the 10 largest shareholders (by voting rights) of the Issuer that are registered directly or as a group with Euroclear Sweden, the Swedish central securities depository, the number of shares held by each such shareholder and the percentage of votes and percentage of capital represented by each shareholder.

Name	As at 30 September 2020		
	Number of shares owned	Percentage of votes	Percentage of capital
	(per cent)		
Investor AB.....	207,757,845	22.7	17.1
Alecta Pensionsförsäkring	70,153,588	4.0	5.8
Vanguard.....	31,876,756	2.4	2.6
BlackRock.....	29,580,546	2.3	2.4
Swedbank Robur Fonder	28,134,108	1.8	2.3
Capital Group.....	27,038,962	1.0	2.2
Norges Bank	26,394,204	1.5	2.2
Handelsbanken Fonder	22,934,409	1.9	1.9
AMF Försäkring & Fonder	17,940,803	0.3	1.5
Baillie Gifford & Co.....	17,413,084	0.4	1.4
Others.....	<u>734,514,398</u>	<u>61.7</u>	<u>60.6</u>
Total	<u>1,213,738,703</u>	<u>100.0</u>	<u>100.0</u>
of which held by the Issuer	<u>8,172,118</u>	<u>0.9</u>	<u>0.7</u>
Total, net of shares held by the Issuer	<u>1,205,566,585</u>	<u>99.1</u>	<u>99.3</u>

TAXATION

The following summaries do not purport to be a comprehensive description of all tax considerations that could be relevant for Noteholders. These summaries are intended as general information only and each prospective Noteholders should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. These summaries are based on tax legislation and published case law in force as of the date of this document. They do not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

Taxation in Sweden

The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not address, inter alia, situations where the Notes are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.

Holders Not Tax Resident in Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a holder of Notes should not be subject to Swedish income tax, provided that such a holder (i) is not resident in Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in Sweden to which the Notes are effectively connected.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other return on Notes) to a private individual (or an estate of a deceased individual) who is resident in Sweden for Swedish tax purposes (see “—Holders Tax Resident in Sweden” below).

Holders Tax Resident in Sweden

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on a Note due to any currency exchange gains or losses.

If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by such legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

The Proposed Financial Transactions Tax (the “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 (the “**Participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the 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.

FATCA

Pursuant to certain provisions of the Code, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Sweden) 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. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes that are characterised as debt (or which are not otherwise characterised as equity and have a defined 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 (the end of such period being the “**Grandfather End Date**”) unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under “*Terms and Conditions of the Notes—Further Issues*”) that are not distinguishable from previously issued Notes are issued after the Grandfather End Date and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Summary of the Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated [●] 2020 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act, as amended 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 under the Securities Act.

Notes in bearer form having a maturity of more than one year 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 United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period 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, an 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.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 EEA or in the United Kingdom. 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 MiFID II;
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; 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 for the Notes.

United Kingdom

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

- (i) 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
- (ii) 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.

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 “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, 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, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms therefore in all cases at its own expense.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[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**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. 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.]

[IMPORTANT - PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom. 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**”)] [MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 United Kingdom or in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom or in the EEA may be unlawful under the PRIIPs Regulation.]

Final Terms dated [●]

Epiroc AB (publ)
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [insert Programme Amount] [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 set forth in the Base Prospectus dated 27 October 2020 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Group (www.epirocgroup.com) and the website of Euronext Dublin (www.ise.ie).] / [Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 21 November 2018 that are incorporated by reference in the Base Prospectus dated [●] [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Prospectus Regulation, including the Conditions incorporated by reference in the Base Prospectus, and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Group (www.epirocgroup.com) and the website of Euronext Dublin (www.ise.ie).]

The following alternative language applies if the Final Terms apply to Notes for which no prospectus is required to be published under Regulation (EU) 2017/1129, as amended:

[NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF NOTES DESCRIBED HEREIN

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 27 October 2020 [and the supplement(s) to it dated [●]] (the “**Base Prospectus**”). These Final Terms contains the final terms of the Notes described herein and must be read in conjunction with the 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 has been published on the website of the Group (www.epirocgroup.com) and the website of Euronext Dublin (www.ise.ie).] / [Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 21 November 2018 that are incorporated by reference in the Base Prospectus dated [●] [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). This Final Terms contains the final terms of the Notes described herein and must be read in conjunction with the 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 has been published on the website of the Group (www.epirocgroup.com) and the website of Euronext Dublin (www.ise.ie).]

- | | | |
|----|--|--|
| 1 | (i) Issuer: | Epiroc AB (publ) |
| 2 | (i) Series Number: | [•] |
| | (ii) Tranche Number: | [•] |
| | (iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [22] below [which is expected to occur on or about [insert date]]]</i> .] |
| 3 | Specified Currency or Currencies: | [•] |
| 4 | Aggregate Nominal Amount: | [•] |
| | (i) Series: | [•] |
| | (ii) Tranche: | [•] |
| 5 | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |
| 6 | (i) Specified Denominations: | [•] |
| | (ii) Calculation Amount: | [•] |
| 7 | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [Specify/Issue Date/Not Applicable] |
| 8 | Maturity Date: | [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] |
| 9 | Interest Basis: | [[•] per cent. Fixed Rate]
[[•] month [LIBOR/EURIBOR/STIBOR] +/- • per cent. Floating Rate]
[Zero Coupon]
(See paragraph [14/15/16] below) |
| 10 | 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. |
| 11 | Change of Interest Basis: | [Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable] |
| 12 | Put/Call Options: | [Investor Put]
[Change of Control Put]
[Issuer Call]
See paragraph [17/18/19] below) |
| 13 | [Date [Board] approval for issuance of Notes obtained: | [•] |

(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual] [Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]
- (vi) [Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
- 15 Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [[●] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) Interest Period Date: [Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iv) First Interest Payment Date: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]

- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [[●]month [LIBOR/EURIBOR/STIBOR]]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - [– ISDA Definitions [2000/2006]]
- (xi) [Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xii) Margin(s): [+/-][] per cent. per annum
- (xiii) Minimum Rate of Interest: [●] per cent. per annum
- (xiv) Maximum Rate of Interest: [●] per cent. per annum
- (xv) Day Count Fraction: [Actual/Actual] [Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]
- 16 Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) [Day Count Fraction in relation to Early Redemption Amounts: [Actual/Actual] [Actual/Actual – ISDA] / [Actual/365 (Fixed)] / [Actual/365 (Sterling)] / [Actual/360] / [30/360] [360/360] [Bond Basis] / [30E/360] [Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]]

PROVISIONS RELATING TO REDEMPTION

- 17 Call Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) (Call) of each Note: [[●] per Calculation Amount[/Sterling Make Whole Redemption Amount/Non-Sterling Make Whole Redemption Amount]] *(include this option where one Optional Redemption Amount (Call) is required)*
- [If the Call Option Notice is dated before the date falling [●] days/months prior to the Maturity Date: [●] per Calculation Amount[/Sterling Make Whole Redemption Amount/Non-Sterling Make Whole Redemption Amount]
- If the Call Option Notice is dated on or after the date falling [●] days/months prior to the Maturity Date: [●] per [Calculation Amount/Sterling Make Whole Redemption Amount/Non-Sterling Make Whole Redemption Amount]] *(include this option where more than one Optional Redemption Amount (Call) is required)*
- (iii) [Reference Bond: [●]]
- (iv) [Quotation Time: [●]]
- (v) [Redemption Margin: [●]]
- (vi) [Reference Date: [●]]
- (vii) If redeemable in part: [Applicable/Not Applicable]
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (viii) Notice period: [●] days
- 18 Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
- (iii) Notice period: [●] days
- 19 Change of Control Put Option [Applicable/Not Applicable]
- 20 Final Redemption Amount of each Note [●][Par] per Calculation Amount
- 21 Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●]/[Par] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22 Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

Registered Notes:

[Regulation S Global Note (U.S.\$/€[●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

23 New Global Note:

[Yes] [No]

24 New Safekeeping Structure:

[Yes] [No]

25 Financial Centre(s):

[Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which subparagraph 15(v) relates]

26 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[No/Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]

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.]

Signed on behalf of Epiroc AB (publ):

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of Euronext Dublin and listed on the official list of Euronext Dublin] with effect from [●].] [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 Euronext Dublin and listed on the official list of Euronext Dublin] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: [[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: [●]]

[Moody's: [●]]

[[Fitch: [●]]

[[Other]: [●]]

[[●] is established in the [EEA/United Kingdom] and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).]

[[●] is established in the [EEA/United Kingdom] and has applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].]

[[●] is established in the [EEA/United Kingdom] and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).]

[[●] is not established in the [EEA/United Kingdom] but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the [EEA/United Kingdom] and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).]

[[●] is not established in the [EEA/United Kingdom] but is certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).]

[[●] is not established in the [EEA/United Kingdom] and is not certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the [EEA/United Kingdom] and registered under the CRA Regulation.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

(Include a brief explanation of the meaning of the rating if this has previously been published by the rating provider)

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer: [●]

[General corporate purposes, see “Use of Proceeds” wording in Base Prospectus/ *(Give details)*]

[Green Bonds: an amount equal to the net proceeds of the issue of the Green Bonds will be allocated to finance [Eligible Green Projects]/[●] *(set out any further required information here)*.

See “Use of Proceeds” in the Base Prospectus[and the Issuer’s Green Framework and related information referred to therein.]]

[See “Use of Proceeds” wording in Base Prospectus – *if reasons for the offer are different from what is disclosed in the Base Prospectus, give details here*]

Estimated net proceeds: [●]

5 [Fixed Rate Notes only – YIELD

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

[FISIN: [●]/Not Applicable]

[CFI Code: [●]/Not Applicable]

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

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (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*] 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.]

Relevant Benchmark[s]:

[LIBOR / EURIBOR / STIBOR] is provided by [administrator legal name]][repeat as necessary]. [As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, the [specify benchmark] does not fall within the scope of Regulation (EU) 2016/1011, as amended] / [Not Applicable]

7 DISTRIBUTION

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated:

(A) Names of Managers: [Not Applicable/*give names*]

(B) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]

(iii) If non-syndicated, name of Dealer: [Not Applicable/*give name*]

(iv) US Selling Restrictions: [Reg. S Compliance Category [1/2];

TEFRA C/ TEFRA D/ TEFRA not applicable]

(v) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

GENERAL INFORMATION

- (1) This Base Prospectus has been approved by the Central Bank of Ireland. Application will be made to Euronext Dublin for Notes issued under the Programme to be admitted to the Official List and to trading on the Market. However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Dublin or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) agree.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Sweden in connection with the update of the Programme. The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 19 November 2018. The update of the Programme was authorised by a resolution of the board of directors of the Issuer and passed on 22 October 2020.
- (3) There has been no significant change in the financial performance or financial position of the Issuer or of the Group since 30 September 2020. Save as disclosed (i) in the interim consolidated report of the Issuer in respect of the nine months ended 30 September 2020 and (ii) under “*Risk Factors—Demand for Epiroc’s equipment and services is affected by the cyclical nature of its customers’ businesses and general economic conditions*”, there has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2019.
- (4) Neither the Issuer nor any of its subsidiaries has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (5) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: “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”.
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN), the Financial Instruments Short Name (FISN), the Classification of Financial Instruments (CFI) Code and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (7) The Legal Entity Identifier (LEI) code for the Issuer is 5493004Q73OEYW1SPE91.
- (8) The website of the Issuer is www.epirocgroup.com. The information on the website of the Issuer does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus.
- (9) The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.
- (10) There are no material contracts entered into other than in the ordinary course of the Issuer’s business, which could result in any member of the Issuer’s Group being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to Noteholders in respect of the Notes being issued.
- (11) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (12) For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will be available at www.epirocgroup.com:
 - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - (ii) the Memorandum and Articles of Association of the Issuer;
 - (iii) the 2019 and 2018 Financial Statements and the 2020 Interim Financial Statements;
 - (iv) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the United Kingdom or the EEA nor offered in the United Kingdom or the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity);

- (v) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Prospectus; and
- (vi) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

This Base Prospectus, the Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of Euronext Dublin at www.ise.ie.

- (13) Copies of the latest annual financial statements of the Issuer and the latest interim financial statements of the Issuer may be obtained, and will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. Although the Issuer publishes both consolidated and non-consolidated accounts, the non-consolidated accounts do not provide significant additional information as compared to the consolidated accounts.
- (14) Deloitte AB of Rehnsgatan 11, Stockholm, 113 79, Sweden, independent auditors, have audited, and rendered unqualified audit report on, the financial statements. Authorised public accountant and FAR member (professional institute for authorised public accountants) Thomas Strömberg has been auditor-in-charge for the Issuer since January 2018. The most recent auditor election was at the 2019 annual general meeting, when Deloitte AB was re-elected for the period until the next annual general meeting, with Thomas Strömberg as auditor-in-charge. Deloitte AB has audited and rendered unqualified audit reports on the accounts of the Issuer for the three years ended 31 December 2019.
- (15) 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 other 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 its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

- (16) The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
- (17) The Irish Listing Agent is Walkers Listing Services Limited and the address of its registered office is 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Market.

REGISTERED OFFICE OF THE ISSUER

Epiroc AB (publ)
Sickla Industriväg 19
13104 Nacka
Sweden

ARRANGER

Nordea Bank Abp
Satamaradankatu 5
00020 Nordea
Helsinki
Finland

DEALERS

Bank of China Limited, London Branch
1 Lothbury
London EC2R 7DB
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt am Main
Germany

Danske Bank A/S
2-12 Holmens Kanal
DK-1092 Copenhagen K
Denmark

Deutsche Bank Aktiengesellschaft
Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

Nordea Bank Abp
Satamaradankatu 5
00020 Nordea
Helsinki
Finland

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

Svenska Handelsbanken AB (publ)
Blasieholmstorg 11
SE-106 70 Stockholm
Sweden

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD
United Kingdom

FISCAL AGENT, PAYING AGENT AND TRANSFER AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG
Reuterweg 16
Frankfurt Am Main, 60 323
Germany

IRISH LISTING AGENT

Walkers Listing Services Limited

5th Floor, The Exchange
George's Dock, IFSC
Dublin 1, D01 W3P9
Ireland

AUDITORS

To the Issuer

Deloitte AB
Rehngatan 11
Stockholm, 113 79
Sweden

LEGAL ADVISERS

To the Issuer

in respect of English law

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

in respect of Swedish law

White & Case Advokat AB
Biblioteksgatan 12
Stockholm 114 85
Sweden

To the Dealers

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom