

PROSPECTUS



TELIA COMPANY AB (publ)

(incorporated as a company with limited liability in Sweden)

€12,000,000,000

Euro Medium Term Note Programme

Under this €12,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Telia Company AB (publ) (the "**Issuer**" or "**Telia Company**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €12,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes may be issued on a continuing basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Prospectus (the "**Prospectus**") to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

This Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

In accordance with Article 6(4) of the Luxembourg Law on Prospectuses dated 16 July 2019, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for Notes (other than Swedish Registered Notes, as defined below) issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The CSSF has neither reviewed nor approved any information in this Base Prospectus relating to Swedish Registered Notes.

References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

This Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "EEA") and, accordingly, ceases to be valid from 8 May 2021. For these purposes, references(s) to the EEA include(s) the United Kingdom. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in final terms (the "**Final Terms**") which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Programme provides that Notes may be listed and/or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes of each Tranche (except (i) Notes which are to be cleared through the Swedish Central Securities Depository & Clearing Organisation, Euroclear Sweden AB and which are in registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) ("**Swedish Registered Notes**" and "**Euroclear Sweden**" respectively) and (ii) Notes which are to be cleared through Verdipapirsentralen ASA, the Norwegian central securities depository ("**VPS**") and which are in uncertificated and dematerialised book entry form ("**VPS Notes**")) will initially be represented by either a temporary global Note or, if so specified in the applicable Final Terms, a

permanent global Note, which will be deposited on the issue date thereof with a common depositary, or common safekeeper, as the case may be, on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), and/or any other agreed clearing system. A temporary global Note will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined under "*Form of the Notes*"), all as further described in "*Form of the Notes*" below. Swedish Registered Notes and VPS Notes will be issued in uncertificated and dematerialised book entry form as more fully described in "*Form of the Notes*" below.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Prospectus or a new Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer has been rated BBB+ for long term borrowings and A-2 for short-term borrowings by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and Baa1 for long term borrowings by Moody's Investors Service España, S.A ("**Moody's**"). The Programme has been rated (P)Baa1 by Moody's and BBB+ by Standard & Poor's. Each of Moody's and Standard & Poor's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Moody's and Standard & Poor's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's and Standard & Poor's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable under the Notes may be calculated by reference to one or more "benchmarks" (the "**Programme Benchmarks**") for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmarks Regulation**"), as specified in the applicable Final Terms. As at the date of this Prospectus: (i) the administrators of LIBOR and EURIBOR are included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation; and (ii) the administrators of NIBOR and STIBOR are not included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that neither Norske Finansielle Referanser AS (as administrator of NIBOR) nor the Swedish Financial Benchmark Facility (as administrator of STIBOR) is currently required to obtain authorisation or registration (or, if located outside the European Union and United Kingdom, recognition, endorsement or equivalence).

Arranger
Citigroup

Dealers

Barclays
BofA Securities
Crédit Agricole CIB
NatWest Markets

BNP PARIBAS
Citigroup
Goldman Sachs International
SEB

The date of this Prospectus is 7 May 2020

IMPORTANT INFORMATION

This Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "Documents Incorporated by Reference"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or 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.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, inter alia, the documents deemed incorporated herein by reference when deciding whether or not to purchase any Notes.

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction,

except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the EEA (including, for these purposes, the United Kingdom), the United Kingdom, Japan and Belgium (see "Subscription and Sale" below).

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 (the "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 Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, 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. 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.*

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, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. 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, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.*

A determination will be made in relation to each issue about whether, for the purpose of the 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. The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;*
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;*
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;*

- (iv) *understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and*
- (v) *is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale" below).*

*All references in this document to "**U.S. dollars**" refer to the currency of the United States of America, those to "**Swedish Kronor**", "**SwKr**" and "**SEK**" refer to the currency of Sweden, those to "**Sterling**" and "**£**" refer to pounds sterling, those to "**NOK**" refer to the currency of the Kingdom of Norway and those to "**EUR**", "**€**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.*

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising 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 of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplement to the Prospectus or a new Prospectus will be published.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" below shall have the same meanings in this overview.

Issuer: Telia Company AB (publ)

Issuer Legal Entity Identifier (LEI): 213800FSR9RNDUOTXO25

Description: Euro Medium Term Note Programme

Arranger: Citigroup Global Markets Limited

Dealers: Barclays Bank Ireland PLC
Barclays Bank PLC
BNP Paribas
BofA Securities Europe SA
Citigroup Global Markets Europe AG
Citigroup Global Markets Limited
Crédit Agricole Corporate and Investment Bank
Goldman Sachs International
Merrill Lynch International
NatWest Markets Plc
Skandinaviska Enskilda Banken AB (publ)

and any other Dealers appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes, in each case, in accordance with the Programme Agreement.

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of a particular Series of Notes and certain market risks.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and*

Sale", below) including the following restrictions applicable at the date of this Prospectus.

Notes with a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent in any other currency, see "*Subscription and Sale*" below.

Under the Prospectus Regulation, prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions stated therein.

Issuing and Principal Paying Agent:	Citibank, N.A., London Branch (for Notes other than Swedish Registered Notes and VPS Notes).
VPS Agent:	Nordea Bank Abp, filial i Norge (for VPS Notes only).
VPS Trustee:	Nordic Trustee AS (for VPS Notes only).
Programme Size:	€12,000,000,000 (or its equivalent in other currencies calculated as described under " <i>Additional Information Relating to the Programme</i> ") outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms, 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 Issuer or the relevant Specified Currency. See also " <i>Notes with a maturity of less than one year</i> " above.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Final Terms. The price

and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Form of Notes:

Each Tranche of Notes (except Swedish Registered Notes and VPS Notes) will initially be represented by a temporary global Note (or if so specified in the applicable Final Terms, a permanent global Note) which will be deposited on the relevant Issue Date with, in the case of global Notes which are not intended to be issued in new global note ("NGN") form (as specified in the applicable Final Terms) a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system or, in the case of global Notes which are intended to be issued in NGN form, a common safekeeper for Euroclear and Clearstream, Luxembourg. A temporary global Note will be exchangeable, upon request, as described therein for either a permanent global Note or definitive Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations.

The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes upon the occurrence of an Exchange Event, as described in "*Form of the Notes*" below.

Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system, as appropriate.

Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form. See "*Form of the Notes*" below.

VPS Notes will be issued in uncertificated and dematerialised book entry form, with the legal title thereto being evidenced by book entries in the records of VPS. See "*Form of the Notes*" below.

Fixed Rate Notes:.....

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption.

Interest will be calculated on the basis of such Day Count

Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

- (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 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or
- (ii) on the basis of the reference rate set out in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both, each of which, if relevant, will be specified in the applicable Final Terms.

If "Benchmark Replacement" is specified as being applicable in the applicable Final Terms, Condition 4(b)(ii)(C) will apply such that, on the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with Condition 4(b)(ii)(C).

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to their nominal amount and will not bear interest other than in the case of late payment.

Redemption: The applicable Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default), or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms. Notes other than Zero Coupon Notes will be redeemed at

their principal amount on maturity.

Denomination of Notes: Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such 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 Specified Currency (see "Notes with a maturity of less than one year" above) and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within Sweden, subject as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Cross Default: The terms of the Notes will contain a cross-default provision as further described in Condition 9.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves and equally with all other outstanding unsecured and unsubordinated obligations (if any) of the Issuer, except as mandatorily preferred by law.

Rating: Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the applicable Final Terms.

Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) will be disclosed in the Final Terms.

The Programme has been rated as follows:

Moody's Investors Service España, S.A. ("**Moody's**):
(P)Baa1

S&P Global Ratings Europe Limited ("**Standard & Poor's**"): BBB+

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Approval, Listing and Admission to Trading:.....

Application has been made to the CSSF to approve this document as a base prospectus. Application has been made to the Luxembourg Stock Exchange for Notes (other than Swedish Registered Notes) issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Notes (other than Swedish Registered Notes) may be listed and/or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

No application has been made to list the Swedish Registered Notes on the Luxembourg Stock Exchange or any other stock exchange.

Governing Law:

The Notes (other than (i) the registration of VPS Notes in VPS and (ii) the Swedish Registered Notes) and any non-contractual obligations arising out of or in connection with the Notes (other than (i) the registration of VPS Notes in VPS and (ii) the Swedish Registered Notes) will be governed by, and construed in accordance with, English law. The registration of VPS Notes in VPS will be governed by, and construed in accordance with, Norwegian law. The Swedish Registered Notes and any non-contractual obligations arising out of or in connection with the Swedish Registered Notes will be governed by, and construed in accordance with, Swedish law.

VPS Notes must comply with the Norwegian Securities Register Act of 5 July 2002 no. 64, as amended from time to time, and regulations of VPS and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

From 1 January 2020, the Norwegian Securities Register Act has been repealed and replaced by the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6, which implements Regulation (EU) No. 909/2014 ("CSDR") into Norwegian law. However, transitional rules have been passed to allow VPS to operate under the old rules in the Norwegian Securities Register Act until such time as VPS has been authorised as a Central Securities Depository under the Norwegian Central Securities Depositories Act and CSDR.

Selling Restrictions:

There are selling restrictions in relation to the United States, the EEA (including, for these purposes, the United Kingdom), the United Kingdom, Japan and Belgium, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*" below.

RISK FACTORS

In purchasing Notes, investors assume the risk that Telia Company may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in Telia Company becoming unable to make all payments due. However, it is not possible to identify all such factors or to determine which factors are most likely to occur, as Telia Company may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside Telia Company's control. Telia Company has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.

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

References in this Prospectus to "Telia Company" shall be construed as references to the Issuer.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

1. FACTORS THAT MAY AFFECT TELIA COMPANY'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Telia Company operates in a broad range of geographical product and service markets in the highly competitive and regulated telecommunications industry. As a result, Telia Company is subject to a variety of risks and uncertainties. Telia Company has defined risk as anything that could have a material adverse effect on the achievement of Telia Company's goals. Risks can be threats, uncertainties or lost opportunities relating to Telia Company's current or future operations or activities. Set forth below is a description of some of the factors that may affect its business, brand perception, financial position and results of operations.

(i) Strategic risks

Investments in business transformation and future growth

Telia Company is currently investing in business transformation and future growth through, for example, initiatives to increase competitiveness and reduce cost as well as to improve capacity and access. In order to attract new customers, Telia Company has previously engaged in start-up operations and may decide to do so also in the future, which would require additional investments and expenditure in the build-up phase. Further, Telia Company normally has to pay fees to acquire new telecom licences and spectrum permits or to renew or maintain existing ones.

Success in business transformation and growth will depend on a variety of factors beyond Telia Company's control, including global economic conditions (in which regard, please see "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under Notes issued under the Programme – Operational and societal risks – Impact of Covid-19*" and "*Telia Company AB (publ) – Recent Developments*"), the cost of acquiring, renewing or maintaining telecom licences and spectrum permits, the cost of new technology, availability of new and attractive services, the costs associated with providing these services, the timing of their introduction, the market demand and prices for such services, and competition. Failing to realise synergies from such acquisitions or to reach the targets set for business transformation, customer attraction and future growth may negatively impact Telia Company's results of operations.

(ii) Financial risks

Associated companies and joint operations

Telia Company conducts some of its activities through associated companies, the most significant being Turkcell in Turkey, in which Telia Company has neither full ownership nor a controlling interest (though it still has significant influence over the conduct of these businesses).

Telia Company also has holdings in Latvijas Mobilais Telefons SIA and SIA Lattelecom, the leading Latvian mobile and fixed operators. In turn, these associated companies own holdings in numerous other companies. Under the governing documents for certain of these associated companies, Telia Company's partners have control over or share control of key matters such as the approval of business plans and budgets, as well as protective rights in matters such as the timing, amount and approval of dividends, changes in the ownership structure and other shareholder related matters.

The risk of actions outside Telia Company's or its associated companies' control and adverse to their interests is inherent in associated companies and jointly controlled entities.

The financial performance of these associated companies may have a significant impact on Telia Company's short- and long-term results.

Impairment losses and restructuring charges

Factors generally affecting the telecom markets as well as changes in the economic, regulatory, business or political environment may negatively change management's expectation of future cash flows attributable to certain assets. Telia Company may then be required to recognise asset impairment losses, including but not limited to goodwill and fair value adjustments recorded in connection with historical or future acquisitions.

Significant adverse changes in the economic, regulatory, business or political environment, as well as in Telia Company's business plans, and any consequential impairment losses or restructuring charges, may affect Telia Company's financial position and results of operations.

Competition and price pressure

Telia Company's industry is undergoing an historical transformation and Telia Company is subject to new and substantially increasing competition and price pressure. Transition to new business models in the information and communication technology ("ICT") industry may lead to structural changes and different competitive dynamics.

Failure to anticipate and respond to industry dynamics, and to drive a change agenda to meet mature and developing demands in the marketplace, may affect Telia Company's customer relationships, service offerings and position in the value chain. Competition from a variety of sources, including current market participants, new entrants and new products and services, may also adversely affect Telia Company's results.

(iii) Operational and societal risks

Security and network quality

Telia Company's ability to deliver high-quality, secure services and networks is fundamental to its customers and critical for its commercial success. Cyber-attacks aimed directly at Telia Company and its customers are becoming more sophisticated and threaten the loss of data or damage to its equipment or infrastructure.

Failure to meet Telia Company's customers' quality requirements and expectations may have an adverse impact on customer retention and may also result in missed opportunities to grow and stay ahead of its competition. If protective measures fail to prevent or contain a major continuity or security incident Telia Company might incur regulatory fines, contract penalties, significant financial loss, damage to its reputation and loss of market share. Please also see "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under Notes issued under the Programme – Operational and societal risks – Impact of Covid-19*" in respect of additional demand for network capacity as a result of the outbreak of Covid-19.

Impact of Covid-19

The outbreak of Covid-19 has had a significant impact on global financial markets and also has an impact on Telia Company's business and its operations.

For example, in the first quarter of 2020, Telia Company was impacted by Covid-19 through lower revenues from pay TV due to lowered prices, both in the TV and Media segment and in other segments, as a consequence of sport cancellations as well as lower advertising revenues. As a result of cancelled and postponed sports events and seasons due to Covid-19, film and programme right assets have been impaired. Current travel restrictions in society have already resulted in a slight decline in roaming revenues and ongoing restrictions are expected to impact roaming revenues negatively going forwards. The overall decline in the economy has already led to and may result in a further negative impact on service revenue and growth. The ongoing adverse economic environment may result in an increased number of customers with bad debts, or even bankruptcies, leading to financial loss. Please see further "*Telia Company AB (publ) – Recent developments*".

People's safety is key and a majority of Telia Company's staff is working from home except for staff in business-critical functions. Ensuring business continuity, even with an increased number of employees on sick-leave, is a prioritised task and is being mitigated. The increased need for network capacity in society, in general, may lead to service disruptions and a degradation in service quality. Covid-19's impact on the global transportation and production systems puts further strain on Telia Company's supply chain, which may have an impact on planned infrastructure deliveries and spare parts supply. Any of these factors may adversely affect Telia Company's financial position and results of operations.

Customer privacy

Ensuring the privacy of its customers' data is vital for Telia Company's business. Vast amounts of data are generated in and through Telia Company's services and networks and Telia Company has a responsibility to protect this data from misuse, loss, unauthorised disclosure or damage. New ways of connecting and data-driven business models increase the complexity of understanding and retaining control over how data is collected and used.

Actual or perceived issues related to data network integrity, data security and customer privacy might adversely impact the privacy rights of users, which may lead to an unfavourable perception of how Telia Company handles these matters, which in turn may adversely impact its business. Not meeting national and EU legislation may give rise to significant financial penalties.

Freedom of expression and surveillance privacy

Freedom of expression and privacy of users from surveillance pose significant challenges to be addressed by the whole telecoms industry. Risks relate to how national laws and regulations on surveillance of communications or shutdown of networks can extend to such a degree that human rights may be violated. Furthermore, telecoms companies risk being complicit (or being perceived to be complicit) in violations involving extensive and problematic government requests. Telia Company

may be legally required to comply with such requests and, like other operators, only have limited ability to investigate, challenge or reject such (often strictly confidential) requests.

Actual or perceived failure in respecting freedom of expression and privacy may first and foremost damage rights holders by limiting their freedom of expression and surveillance privacy. Actual or perceived failure may also damage the perception of Telia Company, leading to exclusion from procurement or institutional investment processes. Network shutdowns and blocking limits core business, which may negatively affect revenues.

Protection of children

Children and young people are active users of Telia Company's services. However, children are particularly vulnerable to online threats such as cyber bullying and inappropriate content. Telia Company's services may also be used for distributing or accessing child sexual abuse material (CSAM).

Telia Company may indirectly be complicit in violating children's rights if products and services (including network filters) are not properly assessed. Actual or perceived failure to create a safe online experience for children and young people may negatively affect brand perception, resulting in loss of business.

Ability to recruit and retain skilled employees

People are at the core of everything that Telia Company does and their talents enable Telia Company to execute on its strategy. The demand and competition for talents in the ICT sector is becoming increasingly challenging. In order to secure the right talent Telia Company needs to attract, recruit, and retain highly skilled employees.

Failure to recruit and retain necessary skilled employees may impact Telia Company's ability to develop new or high growth business areas and thereby deliver on its strategy.

Corruption and unethical business practices

Some of the countries in which Telia Company operates are ranked as having high levels of corruption. The telecommunications industry is particularly susceptible to a range of corrupt practices as it requires government approvals and necessitates large investments. Key areas where the threat of corruption is significant include the licensing process, market regulation and price setting, the supply chain, and third-party management and customer services.

Actual or perceived corruption or unethical business practices may damage the perception of Telia Company and result in financial penalties and debarment from procurement and institutional investment processes. They may significantly impact financial results. Ongoing disposal processes may in themselves pose risks of corruption, fraud and unethical business practices. Corruption is also linked to higher risks of human rights violations.

Responsible sourcing

Telia Company relies on a vast number of suppliers and sub-suppliers, many of which are located in countries or industries with challenges in upholding ethical business practices, human and labour rights, health and safety and environmental protection. Despite efforts to conduct due diligence and onsite audits, suppliers and sub-suppliers may be in violation of Telia Company's supplier requirements and/or national and international laws, regulations and conventions.

Any failure or perceived failure of Telia Company's suppliers to adhere to these rules and regulations may damage customers' or other stakeholders' perception of Telia Company. Violations of such laws and regulations puts suppliers and sub-suppliers at risk of needing to limit or terminate their operations, which may negatively affect how Telia Company is able to deliver its services. Severe violations may lead to Telia Company needing to seek new suppliers, which may negatively impact sourcing costs and delivery times.

Environment and climate change

Telia Company's own operations and its value chain generate negative environmental impacts, particularly greenhouse gas emissions and electronic waste. There is increasing pressure from customers, policy-makers and others to manage these negative impacts through, for example, increased resource efficiency, using renewable energy and adopting circular business models. Failure to effectively manage any such negative impacts may have an adverse effect on, among other things, Telia Company's reputation. Climate change mitigation and adaptation measures are becoming increasingly important to implement as the world is not on a trajectory to sufficiently limit activities that exacerbate climate change, and the effects of climate change such as more extreme weather are becoming increasingly impactful. Natural resource scarcity has increased industry competition, particularly over rare minerals used in consumer and network hardware.

Natural resource scarcity may lead to increases in the cost of network equipment and other hardware such as mobile devices. Increasing energy prices and greenhouse gas emissions taxation may lead to higher operational expenses. Climate change adaptation and mitigation activities, such as additional capacity and redundancy to ensure network quality because of more extreme weather may drive the need for additional investments.

(iv) Legal and regulatory risks

Regulation and licenses

Telia Company operates in a highly regulated industry, and regulations impose significant limits on Telia Company's flexibility to manage its business. In a number of countries, Telia Company entities are designated as a party with significant market power in one or several telecom submarkets. As a result, Telia Company is required to provide certain services on regulated terms and prices, which may differ (potentially in a way that is adverse to Telia Company) from the terms on which it would otherwise have provided those services. Effects from regulatory intervention may be both retroactive and prospective.

Changes in regulation or government policy affecting Telia Company's business activities, as well as decisions by regulatory authorities or courts, including granting, amending or revoking of telecom licences and spectrum permits, may adversely affect Telia Company's ability to carry out business and, in turn, its results of operations.

Legal, governmental and administrative proceedings

A number of investigations have been conducted in recent years in respect of Telia Company's operations in Eurasia by authorities in Sweden, the Netherlands and the United States. Please see "*Telia Company AB (publ) – Investigations in relation to investments in Uzbekistan*".

There is always a risk that actions may be taken by the police, prosecution or regulatory authorities in other jurisdictions against Telia Company's operations or transactions, or against third parties, whether they be Swedish or non-Swedish individuals or legal entities, and that this might directly or indirectly harm Telia Company's business, results of operations, financial position, cash flows or brand reputation.

(v) Actions by the largest shareholder

As of 31 December 2019, the Swedish State held 38.4 per cent. of Telia Company's outstanding shares. Accordingly, the Swedish State, acting alone, may have the power to influence any matters submitted for a vote of shareholders. The interests of the Swedish State in deciding these matters could be different from the interests of Telia Company's other shareholders or from the interests of Noteholders.

(vi) Financial risk management

Telia Company is exposed to financial risks such as credit risk, liquidity risk, currency risk, interest rate risk, financing risk and pension obligation risk. Financial risk management is centralised in the Group Treasury unit and is described more fully in "*Telia Company AB (publ) – Financial risk management*". Failure to effectively manage and hedge these financial risks could have a negative impact on Telia Company's financial position and results of operations. Please also see "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under Notes issued under the Programme – Operational and societal risks – Impact of Covid-19*" and "*Telia Company AB (publ) – Recent Developments*" in respect of the impact of Covid-19 on financial risks.

2. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

(i) 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

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those 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 the reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the 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 Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes issued at a substantial discount or premium

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

The regulation and reform of "benchmarks" could adversely affect the value of any Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including Programme Benchmarks) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the United Kingdom). It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing any Programme Benchmark, in particular, if the methodology or other terms of the relevant Programme Benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant Programme Benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR or any other Programme Benchmark will continue to be supported going forwards. This may cause the relevant Programme Benchmark to perform differently than it has done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to

administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a Programme Benchmark.

If "Benchmark Replacement" is specified as being "Applicable" in the applicable Final Terms, the Terms and Conditions of Notes provide for certain fallback arrangements in the event that an Original Reference Rate (as defined in the Terms and Conditions) and/or any page on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Terms and Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions), with the application of an adjustment spread (if any such adjustment spread is determined), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner.

An adjustment spread, if determined, could be positive, negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine an adjustment spread and, even if an adjustment spread is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, the Rate of Interest on Notes which reference the Original Reference Rate will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the Original Reference Rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the Original Reference Rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser (where appointed) and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

If "Benchmark Replacement" is specified as being "Not Applicable" in the applicable Final Terms, investors should be aware that, if an Original Reference Rate were discontinued or otherwise unavailable, the Rate of Interest on Notes which reference the Original Reference Rate will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the Original Reference Rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the Original Reference Rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes as mentioned above. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference the Original Reference Rate.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to invest an amount equal to the net proceeds from an offer of those Notes into one or more Eligible Green Projects (as defined under the Issuer's Green Bond Framework available on its website – see further, "*Telia Company AB (publ) – Sustainability*"). Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

In particular no assurance is given by the Issuer that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects.

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

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future

applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. 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. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

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

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

(ii) Risks related to all Notes

Set out below is a description of material risks relating to all Notes:

Meetings

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution, and including those Noteholders who voted in a manner contrary to the majority.

Change of law

Except for the provisions relating to registration of VPS Notes in VPS and for Swedish Registered Notes, the conditions of the Notes are based on English law in effect as at the date of this Prospectus. The registration of VPS Notes in VPS shall be governed by, and construed in accordance with, Norwegian law and the Swedish Registered Notes shall be governed by, and construed in accordance with, Swedish law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice, Norwegian law and administrative practice or Swedish law and administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors holding less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

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 in excess of the minimum Specified Denomination 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 would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, 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 Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form 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.

(iii) Risks related to the market

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. 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. This is particularly the case 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 typically would have a more limited secondary market and more price volatility than conventional debt securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. 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 (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) 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 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

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings 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 rating agency at any time.

In general, European (including United Kingdom) 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 or the United Kingdom 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 and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU and non-UK 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). If the status of the rating agency rating the Notes changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

ADDITIONAL INFORMATION RELATING TO THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency subject as set out herein. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and (except in the case of Swedish Registered Notes) will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or otherwise deemed to apply to, the Notes, as completed by the applicable Final Terms attached to, endorsed on, or otherwise deemed to apply to, such Notes, as more fully described under "*Form of the Notes*" below. In the case of Swedish Registered Notes, the applicable terms thereof are those set out in the Terms and Conditions of the Notes appearing in this Prospectus as completed by the applicable Final Terms.

This Prospectus will only be valid for listing Notes on the Luxembourg Stock Exchange in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €12,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation; and
- (b) the euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes, described under "*Form of the Notes*") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated by reference in, and form part of, this Prospectus:

(a) Annual and Sustainability Report 2018

The Issuer's annual and sustainability report for the year ended 31 December 2018 (the "**2018 Annual Report**") (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/reports/2018/annual-report/telia-company--annual-and-sustainability-report-2018.pdf>), which contains, amongst other things, the audited consolidated annual financial statements of the Issuer and auditors report for the financial year ended 31 December 2018 which appear on pages 87 to 178, 225 to 228 and 232 to 236 of the 2018 Annual Report, including the information set out at the following pages in particular:

Consolidated Statements of Comprehensive Income.....	87
Consolidated Statements of Financial Position.....	88
Consolidated Statements of Cash Flows.....	89
Consolidated Statements of Changes in Equity	90
Notes to Consolidated Financial Statements.....	91-178
Auditors' Report.....	225-228
Alternative Performance Measurements.....	232-234
Definitions	235-236

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of Commission Delegated Regulation (EU) No 2019/980 (the "**Delegated Regulation**").

(b) Annual and Sustainability Report 2019

The Issuer's annual and sustainability report for the year ended 31 December 2019 (the "**2019 Annual Report**") (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/reports/2019/telia-company--annual-and-sustainability-report-2019.pdf>), which contains, amongst other things, the audited consolidated annual financial statements of the Issuer and auditors report for the financial year ended 31 December 2019 which appear on pages 86 to 181, 227 to 230 and 234 to 239 of the 2019 Annual Report, including the information set out at the following pages in particular:

Consolidated Statements of Comprehensive Income.....	86
Consolidated Statements of Financial Position.....	87
Consolidated Statements of Cash Flows.....	88
Consolidated Statements of Changes in Equity	89
Notes to Consolidated Financial Statements.....	90-181
Auditors' Report.....	227-230
Alternative Performance Measurements.....	234-237
Definitions	238-239

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Delegated Regulation.

- (c) The following unaudited interim financial statements and sections of the Issuer's Interim Report for the three months ended 31 March 2020 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/reports/2020/q1/telia-company-q1-2020-eng.pdf>):

Condensed Consolidated Statements of Comprehensive Income	17
Condensed Consolidated Statements of Financial Position	18
Condensed Consolidated Statements of Cash Flows	19
Condensed Consolidated Statements of Changes in Equity	20
Notes	21-35

- (d) the terms and conditions contained in the prospectus dated 6 May 2009 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2009.pdf>) on pages 33 to 52;
- (e) the terms and conditions contained in the prospectus dated 6 May 2010 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2010.pdf>) on pages 33 to 52;
- (f) the terms and conditions contained in the prospectus dated 6 May 2011 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2011.pdf>) on pages 34 to 54 inclusive;
- (g) the terms and conditions contained in the prospectus dated 3 May 2012 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2012.pdf>) on pages 47 to 76 inclusive;
- (h) the terms and conditions contained in the prospectus dated 26 April 2013 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2013.pdf>) on pages 40 to 69 inclusive;
- (i) the terms and conditions contained in the prospectus dated 7 May 2014 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2014.pdf>) on pages 42 to 71 inclusive;
- (j) the terms and conditions contained in the prospectus dated 7 May 2015 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2015.pdf>) on pages 42 to 71 inclusive;
- (k) the terms and conditions contained in the prospectus dated 10 May 2016 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2016.pdf>) on pages 41 to 70 inclusive;
- (l) the terms and conditions contained in the prospectus dated 10 May 2017 (which can be accessed at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/emtn-program/emtn-program-prospectus-2017.pdf>) on pages 41 to 70 inclusive;

[company/documents/investors/emtn-program/emtn-program-prospectus-2017.pdf](https://www.teliacompany.com/globalassets/teliacompany/documents/investors/emtn-program/emtn-program-prospectus-2017.pdf)) on pages 41 to 71 inclusive;

- (m) the terms and conditions contained in the prospectus dated 4 May 2018 (which can be accessed at <https://www.teliacompany.com/globalassets/teliacompany/documents/investors/emtn-program/emtn-program-prospectus-2018.pdf>) on pages 41 to 71 inclusive; and
- (n) the terms and conditions contained in the prospectus dated 8 May 2019 (which can be accessed at <https://www.teliacompany.com/globalassets/teliacompany/documents/investors/other-information/emtn-prospectus-2019.pdf>) on pages 49 to 91 inclusive.

In respect of the Issuer's Interim Report referred to in (c) above and the prospectuses referred to in (d) to (n) above, any non-incorporated parts of such document are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Following the publication of this Prospectus a supplement to the Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

In accordance with Article 21(7) of the Prospectus Regulation, the hyperlinks to the documents incorporated by reference into this Prospectus shall remain available for at least 10 years from the date of this Prospectus.

FORM OF THE NOTES

Each Tranche of Notes (except Swedish Registered Notes and VPS Notes) will initially be represented by a temporary global Note (or, if so specified in the applicable Final Terms, a permanent global Note) without interest coupons or talons, which, in either case, will:

- (i) if the global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"); and
- (ii) if the global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section "*Form of the Notes*" to Euroclear, Clearstream, Luxembourg and/or Euroclear Sweden and/or VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

On and after the date (the "**Exchange Date**") which is 40 days after the date on which any temporary global Note is issued (the "**Distribution Compliance Period**"), interests in such temporary global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a permanent global Note of the same Series or (ii) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification, exchange of the temporary global Note for an interest in a permanent global Note or for definitive Notes is improperly withheld or refused. Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Payments of principal and interest (if any) on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent global Note if the permanent global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and

talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event as described therein. A Permanent Global Note representing Notes having denominations consisting of a minimum Specified Denomination and integral multiples of a smaller amount there above may only be exchanged for definitive Notes upon an Exchange Event.

"**Exchange Event**" means (i) an Event of Default has occurred and is continuing, or (ii) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Agent.

Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all global Notes (other than Temporary Global Notes), definitive Notes, interest coupons and talons where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in "*Terms and Conditions of the Notes — Events of Default*". In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, such global Note will become void at 8.00 pm (London time) on such day. At the same time, holders of interests in such global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 8 May 2019 executed by the Issuer.

Each Tranche of Swedish Registered Notes will be issued in uncertificated and dematerialised registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479). The holder of a Swedish Registered Note will be the person evidenced as such by a book entry in the records of Euroclear Sweden. Where a nominee is so evidenced it shall be treated as the holder of the relevant Swedish Registered Note.

The VPS Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VPS Notes will be evidenced by book entries in the records of VPS. Issues of VPS Notes will be constituted by the VPS Trustee Agreement and are subject to the VPS Agency Agreement (each as defined under "*Terms and Conditions of the Notes*"). On the issue of VPS Notes, the Issuer will send a letter to the VPS Trustee (as defined under "*Terms and Conditions of the Notes*"), with a copy sent to

the VPS Agent (as defined under "*Terms and Conditions of the Notes*") (the "**VPS Letter**"), which will set out the terms of the relevant issue of VPS Notes in the form of the applicable Final Terms.

Following notification to the VPS Agent of the terms relating to the relevant VPS Notes by (or on behalf of) the Issuer and of the subscribers and their VPS account details by the relevant Dealer, the VPS Agent, acting on behalf of the Issuer, will credit each subscribing account holder with VPS with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in VPS will take place two Oslo business days after the date of the relevant transaction. Transfers of interests in the relevant VPS Notes will take place in accordance with the rules and procedures for the time being of VPS.

VPS Notes will not be exchangeable for any physical note or document of title other than statements of account made by VPS.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[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 (the "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 Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, 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 Regulation (EU) 2017/1129. 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.]

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. [*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, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[Date]

TELIA COMPANY AB (publ)
Legal Entity Identifier (LEI): [213800FSR9RNDUOTXO25/[]]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €12,000,000,000
Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 7 May 2020 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") (the "Prospectus"). 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 Prospectus in order to obtain all the relevant information. The Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated [6 May 2009 / 6 May 2010 / 6 May 2011 / 3 May 2012 / 26 April 2013 / 7 May 2014 / 7 May 2015 / 10 May 2016 / 10 May 2017 / 4 May 2018 / 8 May 2019] which are incorporated by reference in the Prospectus dated 7 May 2020. 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 Prospectus dated 7 May 2020 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Prospectus**") including the Conditions incorporated by reference in the Prospectus in order to obtain all the relevant information. The Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing Final Terms.]

1. (i) Series Number: []
- (ii) Tranche Number: []
- (iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [] below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
 - Series: []
 - Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5. (i) Specified Denominations: []

(Note – in the case of Notes other than VPS Notes, where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:

"€100,000 and integral multiples of €1,000 in

excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above €199,000.")

(Note – in the case of VPS Notes, the following sample wording should be followed:

"€100,000 and integral multiples of €1,000 in excess thereof.")

- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (i) Issue Date: []
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
7. Maturity Date: [Fixed rate — specify date/Floating rate — Interest Payment Date falling in or nearest to [specify month and year]]
8. Interest Basis: [[] per cent. Fixed Rate]
[[[] month
[LIBOR/EURIBOR/STIBOR/NIBOR]] +/- []
per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
9. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount
10. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there][Not Applicable]
11. Put/Call Options: [Investor Put]
[Issuer Call]
[Change of Control Put]
[Not Applicable]
(further particulars specified below)]
12. [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13. Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[s] of Interest: [] per cent. per annum payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []]
(Applicable to Notes in definitive form.) [Not Applicable]
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (vi) Determination Date(s): [[] in each year] [Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
- 14. Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent or, as the case may be, the VPS [])

Calculation Agent):

(vi) Screen Rate Determination:

— Reference Rate: Reference Rate: [] month
[LIBOR/EURIBOR/STIBOR/NIBOR]

— Interest Determination Date(s): []

(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, the second Stockholm business day prior to the start of each Interest Period if STIBOR and the second Oslo business day prior to the start of each Interest Period if NIBOR)

— Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(vii) ISDA Determination:

— Floating Rate Option: []

— Designated Maturity: []

— Reset Date: []

(In the case of a LIBOR, EURIBOR, STIBOR or NIBOR based option, the first day of the Interest Period)

(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR, EURIBOR, STIBOR and/or NIBOR, which, depending on market circumstances, may not be available at the relevant time)

(viii) Margin(s): [+/-] [] per cent. per annum

(ix) Minimum Interest Rate: [] per cent. per annum

(x) Maximum Interest Rate: [] per cent. per annum

(xi) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]

- [Actual/365 (Fixed)]
 [Actual/360]
 [30/360] [360/360] [Bond Basis]
 [30E/360] [Eurobond Basis]
 [30/360 (ISDA)]
- (xii) Benchmark Replacement: [Applicable/Not Applicable]
- 15. Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: []
- (ii) Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
 [Actual/360]
 [Actual/365]

PROVISIONS RELATING TO REDEMPTION

- 16. Notice periods for Condition 6(b):** Minimum period: [] [30] days
 Maximum period: [] [60] days
- 17. Issuer Call:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount] [Sterling Make-Whole Redemption Amount] [Non-Sterling Make-Whole Redemption Amount]
- (iii) Reference Bond: [[]/FA Selected Bond/Not Applicable]
- (iv) Quotation Time: []
- (v) Redemption Margin: [[] per cent./Not Applicable]
- (vi) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (vii) Notice periods: Minimum period: [] [15] days
 Maximum period: [] [30] days

(N.B. When setting notice periods, the Issuer is

advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

18. Investor Put

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice periods: Minimum period: [] [15] days
Maximum period: [] [30] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

19. Change of Control Put

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Put Date: []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Put Period: []

20. Final Redemption Amount: [] per Calculation Amount

(For all Notes, other than Zero Coupon Notes, the Final Redemption Amount will be 100 per cent. of the Calculation Amount per Calculation Amount.)

21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:

- (a) Form: *(For Swedish Registered Notes:)*
- [Uncertificated and dematerialised registered form]
- (For Notes in bearer form:)*
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].] *(This option is suitable for TEFRA D)*
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.] *(This option is suitable for TEFRA D)*
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event] *(This option is suitable for TEFRA C)*
- (N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
- (For VPS Notes:)*
- [VPS Notes issued in uncertificated book-entry registered form]
- (b) New Global Note: [Yes][No]
- (This sub-paragraph is not applicable to Swedish Registered Notes)*
23. Green Bonds: [Yes][No]
24. Additional Financial Centre(s): [Not Applicable/[]]
- (This item is not applicable to Swedish Registered Notes. Note that this item relates to the date and place of payment, and not Interest Period end dates, to which item 14(iii) relates)*
25. Talons for future Coupons to be attached to Definitive Notes: [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/No]

[THIRD PARTY INFORMATION]

[[*specify relevant information relating to the Notes*] 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 the Issuer:

By: _____
Duly authorised

PART B — OTHER INFORMATION

1. 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 Luxembourg Stock Exchange's regulated market with effect from [].]

[Not Applicable].

- (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]:

[*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].

[Each of [*defined terms*] is established in the [European Union/United Kingdom] and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**").]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

[*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.*]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue 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 Prospectus under Article 23 of the Prospectus Regulation.)*]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Use of proceeds: [General corporate purposes/[]]
- (ii) Estimated net proceeds: []

5. YIELD (Fixed Rate Notes only)

Indication of yield: []/[Not Applicable]

6. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) CFI: [[], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
- (iv) FISN: [[], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
- (v) 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), address(es) and number(s)/Euroclear Sweden AB, Sweden. Euroclear Sweden identification number: []. The Issuer shall be entitled to obtain information from the register maintained by Euroclear Sweden [for the purposes of performing its obligation under the Swedish Registered Notes]/Verdipapirscentralen ASA ("VPS"), VPS identification number: []. The Issuer and the VPS Trustee shall be entitled to obtain certain information from the register maintained by VPS for these purposes]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any) or alternative VPS Agent (if applicable): []
- (viii) VPS Calculation Agent: [Not Applicable/give name]

(N.B. VPS Notes only)

- (ix) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (x) 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 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. 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.]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified.

If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

- (vii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes in bearer form which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following terms and conditions will also be applicable to each Swedish Registered Note and to each VPS Note. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by VPS. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each temporary global Note, permanent global Note and definitive Note. Reference should be made to "Form of Final Terms" above for the form of the Final Terms which specifies certain capitalised terms as defined in the following Terms and Conditions.

The following is the text of the Conditions of the Notes, save for the paragraphs in italics, which shall not form part of the Conditions of the Notes:

This Note is one of a Series (as defined below) of Notes issued by Telia Company AB (publ) (the "**Issuer**") pursuant to the Agency Agreement (as defined below) or, in the case of VPS Notes (as defined below) only, issued by the Issuer in accordance with and subject to the agreement dated 8 May 2019 made between the Issuer and Nordic Trustee AS (the "**VPS Trustee**", which expression shall include any successor as VPS Trustee) (such agreement as modified and/or supplemented and/or restated from time to time, the "**VPS Trustee Agreement**"). The VPS Trustee acts for the benefit of the holders for the time being of VPS Notes in accordance with the provisions of the VPS Trustee Agreement and the Conditions. Nordic Trustee AS will also act as calculation agent in respect of VPS Notes (the "**VPS Calculation Agent**", which expression shall include any successor or alternative VPS Calculation Agent that may be appointed). The VPS Notes will be created and held in uncertificated book-entry form in accounts with VPS. The VPS Agent (as defined below) will act as agent of the Issuer in respect of all dealings with VPS in respect of the VPS Notes.

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency;
- (ii) definitive Notes issued in exchange for a global Note;
- (iii) any global Note;
- (iv) Notes cleared through the Swedish Central Securities Depository & Clearing Organisation, Euroclear Sweden AB, which are in registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) ("**Swedish Registered Notes**" and "**Euroclear Sweden**" respectively); and
- (v) any Notes issued in uncertificated and dematerialised book entry form ("**VPS Notes**") and cleared through Verdipapirsentralen ASA, the Norwegian central securities depository ("**VPS**").

Except in the case of Swedish Registered Notes and VPS Notes, the Notes (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (the "**Agency Agreement**") dated 7 May 2020, and made among the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms), the other paying agents named

therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and the VPS Agent (as defined below).

In the case of VPS Notes, the Notes have the benefit of a Paying Agency and Registrar Agreement (as amended and/or supplemented and/or restated from time to time, the "**VPS Agency Agreement**") dated 8 May 2019 and made between the Issuer and Nordea Bank Abp, filial i Norge (the "**VPS Agent**", which expression shall include any successor agent in relation to VPS Notes cleared through VPS).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Swedish Registered Notes and VPS Notes are in dematerialised form and, for the avoidance of doubt, any reference herein to Coupons, Talons or related expressions shall not apply to Swedish Registered Notes or VPS Notes.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms which are attached to, endorsed on or otherwise deemed to apply to this Note and which supplement these Terms and Conditions. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) which is attached to, endorsed on or otherwise deemed to apply to this Note.

Any reference to "**Noteholders**" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note and, in relation to Swedish Registered Notes and VPS Notes, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of any Coupons, and shall, unless the context otherwise requires, include any holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders (other than the holders of Swedish Registered Notes or VPS Notes) are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 8 May 2019, and made by the Issuer. The original of the Deed of Covenant is held by a common depositary or common safekeeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement, the Deed of Covenant, the VPS Agency Agreement and the VPS Trustee Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents and (in the case of the VPS Agency Agreement and VPS Trustee Agreement only) at the specified office of the VPS Agent and the specified office of the VPS Trustee. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and as to its identity.

Except for holders of Swedish Registered Notes, the Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the VPS Agency Agreement, the VPS Trustee Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and, in the case of VPS Notes, the VPS Agency Agreement and the VPS Trustee Agreement.

The holders of Swedish Registered Notes should refer to "General Information — Documents Available" in the Prospectus.

Words and expressions defined in the Agency Agreement and, in the case of VPS Notes, the VPS Agency Agreement and VPS Trustee Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement, the VPS Agency Agreement and/or the VPS Trustee Agreement, as the case may be, and the applicable Final Terms, the applicable Final Terms will prevail. For the purposes of these Terms and Conditions, and unless stated otherwise, references to the European Economic Area include the United Kingdom.

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

1. Form, Denomination and Title

(a) Form and denomination

The Notes are either: (i) in bearer form; or (ii) in the case of Swedish Registered Notes or VPS Notes, in uncertificated and dematerialised book entry form, as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Notes in bearer form may not be exchanged for Swedish Registered Notes or VPS Notes. Swedish Registered Notes may not be exchanged for Notes in bearer form or VPS Notes. VPS Notes may not be exchanged for Notes in bearer form or Swedish Registered Notes.

Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Regulation will have a minimum Specified Denomination of €100,000 (or its equivalent in any other currency) as at the date of issue of the relevant Notes.

Notes, other than Swedish Registered Notes and VPS Notes, will initially be represented either by a temporary global Note which will be exchangeable in accordance with its terms for either a permanent global Note or Notes in definitive form, or by a permanent global Note which will be exchangeable in accordance with its terms for Notes in definitive form, as specified in the applicable Final Terms. Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form and no global or definitive Notes will be issued in respect thereof, and these Terms and Conditions shall be construed accordingly. VPS Notes will not be evidenced by any physical note or any other document of title other than statements of accounts made by VPS.

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

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

(b) *Title to Notes other than Swedish Registered Notes and VPS Notes*

This Condition 1(b) only applies to Notes other than Swedish Registered Notes or VPS Notes.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note, and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent.

(c) *Title to Swedish Registered Notes*

This Condition 1(c) only applies to Swedish Registered Notes.

The holder of a Swedish Registered Note will be the person evidenced as such by a book entry in the records of Euroclear Sweden. Title to the Swedish Registered Notes will pass by registration in the register between the direct or indirect account holders at Euroclear Sweden in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) and/or any other legislation, rules and regulations applicable to such transfers from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant Swedish Registered Note.

Each person who is for the time being shown in the register maintained by Euroclear Sweden (as defined below) as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear Sweden as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Swedish Registered Notes will be transferable only in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) and applicable Swedish law and the rules and procedures for the time being of Euroclear Sweden.

References to Euroclear Sweden shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent.

(d) Title to VPS Notes

This Condition 1(d) only applies to VPS Notes.

The holder of a VPS Note will be the person evidenced (including any nominee) as such by a book entry in the records of VPS. The person so evidenced as a holder of VPS Notes shall be treated as the holder of such Notes for all purposes and the expressions "**Noteholder**", "**holder of Notes**" and "**holder of VPS Notes**" and related expressions shall be construed accordingly. The Issuer and the VPS Trustee may rely on a certificate of VPS or one issued on behalf of VPS by an account-carrying institution as to a particular person being a holder of VPS Notes.

Title to the VPS Notes will pass by registration in the relevant registers between the direct or indirect accountholders at VPS, in accordance with the rules and procedures of VPS. Each person who is for the time being shown in the records of VPS as the holder of a particular nominal amount of VPS Notes shall be treated by the Issuer, the VPS Agent and the VPS Trustee as the holder of such nominal amount of such VPS Notes for all purposes.

VPS Notes will be transferable only in accordance with the rules and procedures for the time being of VPS. References to VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. Status of the Notes

The Notes and the relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and equally with all other outstanding unsecured and unsubordinated obligations of the Issuer except as mandatorily preferred by law.

3. Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not create or have outstanding any mortgage, lien (other than solely by operation of law), pledge or other charge upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Public Debt of any Person or any obligation of any Person under any guarantee of or indemnity in respect of any Public Debt of any other Person

without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other security for the Notes except as shall be approved, in the case of Notes other than VPS Notes, by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders or, in the case of VPS Notes only, by a majority of two-thirds of votes at a meeting of Noteholders duly convened and held in accordance with the provisions of the VPS Trustee Agreement.

For the purposes of this Condition 3, "**outstanding**", in the case of Notes other than Swedish Registered Notes and VPS Notes, has the meaning given to it in the Agency Agreement. In the case of VPS Notes only, "**outstanding**" means VPS Notes to the extent not redeemed or otherwise discharged.

"**Public Debt**" means indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange, over-the-counter, or other established securities market and which:

- (a) has an initial life exceeding 2 years; or
- (b)
 - (i) by its terms is payable, or may be required to be paid, in or by reference to any currency other than Swedish Kronor; or
 - (ii) by its terms is payable, or may be required to be paid, in or by reference to Swedish Kronor where more than 50 per cent. in aggregate principal amount of such indebtedness is initially offered outside the Kingdom of Sweden.

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

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including or, in the case of Swedish Registered Notes, but excluding) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

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

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note or which are VPS Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or which are VPS Notes;
- (B) in the case of Swedish Registered Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes appearing on the register maintained by Euroclear Sweden on behalf of the Issuer; or
- (C) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Conditions, "**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding, or in the case of Swedish Registered Notes, and including) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

In these Conditions:

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

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

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including or, in the case of Swedish Registered Notes, but excluding) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period. In the Terms and Conditions **"Interest Period"** means the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date. Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

If a business day convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means a day which is:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms;
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (C) in the case of VPS Notes only, a day on which commercial banks, central securities depositories and foreign exchange markets are open for business in Oslo.

In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(ii) *Rate of Interest*

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

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by (in the case of Notes other than Swedish Registered Notes or VPS Notes) the Agent, (in the case of Swedish Registered Notes) the Calculation Agent or (in the case of VPS Notes) the VPS Calculation Agent under an interest rate swap transaction if (in the case of Notes other than Swedish Registered Notes or VPS Notes) the Agent, (in the case of Swedish Registered Notes) the Calculation Agent or (in the case of VPS Notes) the VPS Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of

an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

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

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

(B) *Screen Rate Determination for Floating Rate Notes*

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being the London interbank offered rate ("**LIBOR**"), the Euro-zone interbank offered rate ("**EURIBOR**"), the Stockholm interbank offered rate ("**STIBOR**") or the Norwegian interbank offered rate ("**NIBOR**"), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, Brussels time, in the case of EURIBOR, Stockholm time, in the case of STIBOR or Oslo time, in the case NIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by (in the case of Notes other than Swedish Registered Notes or VPS Notes) the Agent, (in the case of Swedish Registered Notes) the Calculation Agent or (in the case of VPS Notes) the VPS 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 (in the case of Notes other than Swedish Registered Notes or VPS Notes) the Agent, (in the case of Swedish Registered Notes) the Calculation Agent or (in the case of VPS Notes) the VPS Calculation Agent, as the case may be, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the case of Notes other than Swedish Registered Notes and VPS Notes, the Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2)

above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

In the case of VPS Notes, in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the second preceding paragraph, the VPS Calculation Agent shall request each of the Reference Banks to provide the VPS Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the time specified in the second preceding paragraph on the Interest Determination Date in question. If two or more of the Reference Banks provide the VPS Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the VPS Calculation Agent. If on any Interest Determination Date one only or none of the Reference Banks provides the VPS Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the VPS Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the VPS Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the time specified in the second preceding paragraph on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London interbank market (if the Reference Rate is LIBOR), the Euro-zone interbank market (if the Reference Rate is EURIBOR), the Stockholm interbank market (if the Reference Rate is STIBOR) or the Norwegian interbank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the VPS 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 (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the time specified in the second preceding paragraph 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 VPS Calculation Agent it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR), the Euro-zone interbank market (if the Reference Rate is EURIBOR), the Stockholm interbank market (if the Reference Rate is STIBOR) or the Norwegian interbank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period). "**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market, in the case of a determination of

EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm interbank market and in the case of a determination of NIBOR, the principal Norway office of four major banks in the Norwegian interbank market, in each case selected by the VPS Calculation Agent.

In the case of Swedish Registered Notes, such provisions will be as set out in the applicable Final Terms.

(C) *Benchmark Discontinuation*

This Condition 4(b)(ii)(C) applies only where "Benchmark Replacement" is specified as being applicable in the applicable Final Terms.

(1) *Independent Adviser*

Notwithstanding Condition 4(b)(ii)(A) or Condition 4(b)(ii)(B), as the case may be, 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 4(b)(ii)(C)(2)) and, in either case, an Adjustment Spread (if any) (in accordance with Condition 4(b)(ii)(C)(3)) and any Benchmark Amendments (in accordance with Condition 4(b)(ii)(C)(4)).

An Independent Adviser appointed pursuant to this Condition 4(b)(ii)(C) shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Agent, the Paying Agents, the Calculation Agent (if applicable), (in the case of VPS Notes) the VPS Agent, the VPS Trustee and the VPS Calculation Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(b)(ii)(C).

If the Issuer, following consultation with an Independent Adviser (where appointed), fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 4(b)(ii)(C)(2) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be determined by reference to the fallback provisions of Condition 4(b)(ii)(A) or Condition 4(b)(ii)(B), as the case may be. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(b)(ii)(C).

(2) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(b)(ii)(C)(3)) 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 4(b)(ii)(C)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(b)(ii)(C)(3)) 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 4(b)(ii)(C)).

(3) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, 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).

(4) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(b)(ii)(C) and the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions, the Agency Agreement or (in the case of VPS Notes) the VPS Trustee Agreement 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 4(b)(ii)(C)(5), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the VPS Trustee Agreement, as applicable, to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agent or (in the case of VPS Notes only) the VPS Trustee of a certificate signed by two directors of the Issuer pursuant to Condition 4(b)(ii)(C)(5),

the Agent or (in the case of VPS Notes only) the VPS Trustee shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders or the Couponholders, be obliged to use its reasonable endeavours to implement any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or amending the Agency Agreement or the VPS Trustee Agreement, as the case may be) and neither the Agent nor the VPS Trustee shall be liable to any party for any consequences thereof, provided that neither the Agent nor the VPS Trustee shall be obliged so to implement if in the opinion of the Agent or the VPS Trustee (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental agency agreement or supplemental VPS trust agreement) in any way.

In connection with any such variation in accordance with this Condition 4(b)(ii)(C)(4), 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.

(5) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(b)(ii)(C) will be notified promptly by the Issuer to the Agent, the Paying Agents, the Calculation Agent (if applicable), (in the case of VPS Notes) the VPS Agent, the VPS Trustee and the VPS Calculation Agent and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments (if any).

No later than notifying the Agent or (in the case of VPS Notes only) the VPS Trustee of the same, the Issuer shall deliver to the Agent or (in the case of VPS Notes only) the VPS Trustee a certificate signed by two directors of the Issuer:

- (i) confirming (I) that a Benchmark Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) where applicable, any Adjustment Spread and (IV) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(b)(ii)(C); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Agent or (in the case of VPS Notes only) the VPS Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. For the avoidance of doubt, neither the Agent nor (in the case of VPS Notes only) the VPS

Trustee shall be liable to the Noteholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Agent's or the VPS Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, the Paying Agents, the Calculation Agent (if applicable), (in the case of VPS Notes) the VPS Agent, the VPS Trustee, the VPS Calculation Agent and the Noteholders.

(6) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 4(b)(ii)(C)(1), 4(b)(ii)(C)(2), 4(b)(ii)(C)(3) and 4(b)(ii)(C)(4), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii)(A) or Condition 4(b)(ii)(B), as the case may be, will continue to apply unless and until a Benchmark Event has occurred, an Independent Adviser has been appointed, and the Agent or (in the case of VPS Notes only) the VPS Trustee has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(b)(ii)(C)(5).

(7) *Definitions*

As used in this Condition 4(b)(ii)(C):

"Adjustment Spread" means either a spread (which may be positive, negative or zero), 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 and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) 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, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for international debt capital markets (or alternatively, 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); or

- (iii) the Issuer, in its discretion, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4(b)(ii)(C)(2) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 4(b)(ii)(C)(4);

Benchmark Event means:

- (i) the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (B) the date falling six months prior to the date specified in (ii)(A); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the date specified in (iv)(A); or
- (v) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Notes and (B) the date falling six months prior to the date specified in (v)(A); or

- (vi) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of an underlying market; or
- (vii) it has or will become unlawful for the Agent, the Calculation Agent (if applicable), (in the case of VPS Notes) the VPS Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Original Reference Rate;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 4(b)(ii)(C)(1) and notified in writing to the Agent or (in the case of VPS Notes only) the VPS Trustee;

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

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

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (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 benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

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

(iii) *Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

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

determined in accordance with the provisions of Condition 4(b)(ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes other than Floating Rate Notes which are Swedish Registered Notes or VPS Notes, the Calculation Agent, in the case of Floating Rate Notes which are Swedish Registered Notes, or the VPS Calculation Agent, in the case of Floating Rate Notes which are VPS Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent, in the case of Floating Rate Notes other than Floating Rate Notes which are Swedish Registered Notes or VPS Notes, the Calculation Agent, in the case of Floating Rate Notes which are Swedish Registered Notes, or the VPS Calculation Agent, in the case of Floating Rate Notes which are VPS Notes, will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note or which are VPS Notes, the aggregate outstanding nominal amount outstanding of the Notes represented by such Global Note or which are VPS Notes; or
- (B) in the case of Swedish Registered Notes, the aggregate outstanding nominal amount of the Floating Rate Notes appearing on the register maintained by Euroclear Sweden on behalf of the Issuer;
- (C) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "**Actual/Actual ISDA**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if "**30/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (v) *Notification of Rate of Interest and Interest Amounts*

The Agent, in the case of Notes other than Swedish Registered Notes or VPS Notes, the Calculation Agent, in the case of Swedish Registered Notes, or the VPS Calculation Agent, in the case of VPS Notes, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, (in the case of VPS Notes) the VPS Agent and the VPS Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

For the avoidance of doubt, in respect of Notes admitted to trading on the Luxembourg Stock Exchange, the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date, and any amendments thereto, will be notified to the Luxembourg Stock Exchange no later than the first day of the Interest Period.

(vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent, the Calculation Agent or the VPS Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents, (in the case of VPS Notes) the VPS Agent, the VPS Trustee and the VPS Calculation Agent and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent, the Calculation Agent or the VPS Calculation Agent (as applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Accrual of Interest***

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event in respect of Notes other than Swedish Registered Notes, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent or the VPS Agent, as applicable, and notice to that effect has been given in accordance with Condition 13.

In such event in respect of Swedish Registered Notes, interest will continue to accrue until the date the holders of the Swedish Registered Notes receive the full amount of such payments.

5. Payments

(a) ***Method of Payment***

Subject as provided below:

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

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b)

of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

References to "**Specified Currency**" will include any successor currency under applicable law.

(b) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Fixed Interest Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such

global Note, distinguishing between any payment of principal and any payment of interest, will be made either on such global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of this Note will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments of principal and interest in respect of Swedish Registered Notes will be made to the persons registered as Noteholders in the register maintained by Euroclear Sweden on the fifth Stockholm Business Day (or such other day which may become customary on the Swedish bond market, which in respect of Swedish Registered Notes denominated in Swedish Kronor is expected to be the third Stockholm Business Day) prior to the Interest Payment Date or the Maturity Date, as the case may be, and in accordance with the rules and procedures applied by Euroclear Sweden from time to time.

As used herein, "**Stockholm Business Day**" means a day on which commercial banks and foreign exchange markets are open for business in Stockholm.

Payments of principal and interest in respect of VPS Notes shall be made by, or on behalf of, the Issuer to the holders shown in the relevant records of VPS in accordance with, and subject to the rules and regulations from time to time governing, VPS.

(c) ***Payment Day for Notes other than Swedish Registered Notes***

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation;
 - (B) each Additional Financial Centre (other than the TARGET2 System) specified in the applicable Final Terms;
 - (C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open;
 - (D) in the case of VPS Notes only, Oslo; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) ***Payment Date for Swedish Registered Notes***

If the date for payment of any amount in respect of Swedish Registered Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "**Payment Day**" means any day which (subject to Condition 8) is a day on which commercial banks are open for general business in Stockholm.

(e) ***Interpretation of Principal and Interest***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes; and

- (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

6. Redemption and Purchase

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons*

Subject to Condition 6(f), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent (in the case of Notes other than Swedish Registered Notes or VPS Notes), Euroclear Sweden (in the case of Swedish Registered Notes) or the VPS Agent (in the case of VPS Notes) and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of 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 Issue Date of 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, the Issuer shall deliver to the Agent (in the case of Notes other than Swedish Registered Notes or VPS Notes), Euroclear Sweden (in the case of Swedish Registered Notes) or the VPS Trustee (in the case of VPS Notes) to make available at its specified office to the Noteholders (i) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to

(but excluding or, in the case of Swedish Registered Notes, and including) the date of redemption.

(c) ***Redemption at the Option of the Issuer ("Issuer Call")***

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the Final Terms or:

- (i) if "**Sterling Make-Whole Redemption Amount**" is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer by the Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Financial Adviser; or
- (ii) if "**Non-Sterling Make-Whole Redemption Amount**" is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the Financial Adviser equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the sum of the then present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 6(c):

"FA Selected Bond" means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term (or, in the case of any Par Call Notes, having an actual or interpolated maturity comparable to the Par Call Notes Redemption Date) 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 same currency as the Notes and of a comparable maturity to the remaining term of the Notes (or, in the case of any Par Call Notes, having a comparable maturity to the Par Call Notes Redemption Date);

"Financial Adviser" means an investment bank or financial institution of international standing selected by the Issuer;

"Gross Redemption Yield" means, in respect of a security, the gross redemption yield for such security, expressed as a percentage and calculated by the Financial Adviser 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 08/06/1998 and updated on 15/01/2002 and 16/03/2005 (as amended and supplemented from time to time)) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Issuer may approve;

"Par Call Notes" means any Notes in respect of which: (i) Issuer Call is specified as being applicable in the applicable Final Terms; (ii) any Optional Redemption Amount is specified as being an amount per Calculation Amount equal to the Calculation Amount (such Optional Redemption Amount, the **"Par Call Amount"**);

"Par Call Notes Redemption Date" means, in respect of any Par Call Notes, the first Optional Redemption Date on which the Notes may be redeemed at the Par Call Amount;

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

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

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

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

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

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

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

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

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Financial Adviser, shall (in the absence of negligence, wilful default or bad faith) be binding on the Issuer, the Agent, the Paying Agents, (in the case of VPS Notes) the VPS Agent and the VPS Trustee and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected:

- (i) individually by lot, in the case of Redeemed Notes represented by definitive Notes;
- (ii) in accordance with the rules 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) in the case of Redeemed Notes represented by a global Note;
- (iii) in accordance with the rules of Euroclear Sweden in the case of Redeemed Notes which are Swedish Registered Notes; and
- (iv) in accordance with the standard procedures of VPS, in the case of Redeemed Notes which are VPS Notes,

in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 6(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 5 days prior to the Selection Date.

(d) *Redemption at the Option of the Noteholders ("Investor Put")*

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including) the Optional Redemption Date.

In the case of Notes other than VPS Notes, to exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form, deliver such Note at the specified office of any Paying Agent (or, in the case of Swedish Registered Notes, the Issuing Agent) at any time during normal business hours of such Paying Agent (or, in the case of Swedish Registered Notes, the Issuing Agent) falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (or the Issuing Agent) (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition.

If this Note is represented by a global Note, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

In the case of Swedish Registered Notes, a Put Notice will not be effective against the Issuer before the date on which the relevant Swedish Registered Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer until the Optional Redemption Date by said Issuing Agent.

In the case of VPS Notes, to exercise the right to require redemption or purchase of this Note, the holder of this Note must, within the notice period, give notice to the VPS Agent of such exercise in accordance with the standard procedures of VPS, from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of VPS given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9. In the case of Swedish Registered Notes, the right to require redemption of such Notes in accordance with this Condition 6(d) must be exercised in accordance with the rules and procedures of Euroclear Sweden and if there is any inconsistency between the foregoing and the rules and procedures of Euroclear Sweden, the rules and procedures of Euroclear Sweden shall prevail.

(e) Redemption at the option of the Noteholders ("Change of Control Put")

(1) A "Put Event" will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers in force on the date of the applicable Final Terms) or any person or persons acting on behalf of such person(s) (the "**Relevant Person**") at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer (each, a "**Change of Control**"), provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer; and
- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry from either of Moody's Investor Services Limited ("**Moody's**") and/or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and/or any of their respective successors or any other rating agency (each a "**Substitute Rating Agency**") of equivalent international standing specified by the Issuer (each, a "**rating agency**"),

- (A) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any rating agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) 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 investment grade credit ratings by such rating agency; or
- (B) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any rating agency is within the Change of Control Period either downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) 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 no credit rating from another rating agency and no rating agency assigns within the Change of Control Period an investment grade credit rating to the Notes,

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 the relevant decision(s) referred to above, each 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. Upon receipt by the Issuer of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 13.

If the rating designations employed by either of Moody's or S&P are changed from those which are described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6(e) shall be read accordingly.

- (2) If a Put Event occurs, each Noteholder shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at the Optional Redemption Amount. Such option shall operate as set out below.
- (3) Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(e).
- (4) In the case of Notes other than VPS Notes, to exercise the option to require the redemption or purchase of a Note under this Condition 6(e) the Noteholder must, if this Note is in definitive form, deliver such Note, at the specified office of any Paying Agent (or, in the case of Swedish Registered Notes, the Issuing Agent), at any time during normal business hours of the relevant Paying Agent (or, in the case of Swedish Registered Notes, the Issuing Agent) falling within the period (the "**Put Period**") of 45 days after a 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 (or, in the case of Swedish Registered Notes, the Issuing Agent) (a "**Change of Control Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto, failing which the relevant Paying Agent will require payment 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 10) at any time after such payment, but before the expiry of the period of five years from the Relevant Date (as defined in Condition 7) in respect of such Coupon, 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 either (i) on the date which is seven days after the expiration of the Put Period (the "**Put Date**") by transfer to the bank account (if any) specified in the relevant Change of Control Put Notice; or (ii) if no such bank account is so specified, on or after the 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, pending redemption or purchase of the relevant Notes non-transferable receipts issued pursuant to this Condition 6(e) shall be treated as if they were Notes. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

If this Note is represented by a global Note, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depository for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

In the case of Swedish Registered Notes, a Change of Control Put Notice will not be effective against the Issuer before the date on which the relevant Swedish Registered Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer until the Put Date by said Issuing Agent. The right to require redemption of any Swedish Registered Notes pursuant to this Condition 6(e) must be exercised in accordance with the rules and procedures of Euroclear Sweden and, if there is any inconsistency between the foregoing and the rules and procedures of Euroclear Sweden, the rules and procedures of Euroclear Sweden shall prevail.

In the case of VPS Notes, to exercise the right to require redemption or purchase of this Note, the holder of this Note must, within the notice period, give notice to the VPS Agent of such exercise in accordance with the standard procedures of VPS, from time to time and such notice, once given, shall be irrevocable.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(e), the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem, at its option, the remaining Notes as a whole at the Optional Redemption Amount.

(5) In these Conditions:

"**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 during 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); and

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

(f) Early Redemption Amounts

For the purpose of Condition 6(b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at its Early Redemption Amount calculated in accordance with the following formula:

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

where:

"RP" means the Reference Price;

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

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

(g) Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued (in the case of Notes other than VPS Notes), resold (in the case of Notes other than VPS Notes) or, at the option of the Issuer:

- (i) in the case of Notes other than Swedish Registered Notes or VPS Notes, surrendered to any Paying Agent for cancellation; or
- (ii) in the case of VPS Notes, cancelled by deletion from the records of VPS.

Any Swedish Registered Notes purchased may be held, resold or cancelled.

"**Subsidiary**" means any entity which is a subsidiary within the meaning of the Swedish Companies Act (1975).

(h) Cancellation

All Notes which are redeemed will, subject to Condition 6(g) above forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6(g) above (together with all unmatured Coupons cancelled therewith):

- (i) in the case of Notes other than Swedish Registered Notes or VPS Notes, shall be forwarded to the Agent;
- (ii) in the case of Swedish Registered Notes, shall be forwarded to the relevant Issuing Agent (as defined in Condition 11(b)); or
- (iii) in the case of VPS Notes, shall be deleted from the records of VPS,

and, in any case, cannot be reissued or resold.

(i) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 6(a), 6(b), 6(c), 6(d) or 6(e) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which, in respect of Notes other than Swedish Registered Notes, is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent (in the case of Notes other than Swedish Registered Notes or VPS Notes) or the VPS Agent (in the case of VPS Notes) and notice to that effect has been given to the Noteholders in accordance with Condition 13.

In such event in respect of Swedish Registered Notes, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date the holders of the Swedish Registered Notes receive the full amount of such payment.

7. Taxation

(a) *Gross up*

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with Sweden other than the mere holding of such Note or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Date (as defined, for Notes other than Swedish Registered Notes, in Condition 5(c) and as defined, for Swedish Registered Notes, in Condition 5(d)).

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent (in the case of Notes other than Swedish Registered Notes or VPS Notes), the holders of the Swedish Registered Notes (in the case of Swedish Registered Notes) or the VPS Agent (in the case of VPS Notes) on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

(b) **FATCA Withholding**

Notwithstanding any other provision of the Terms and Conditions of the Notes, any amounts to be paid on the Notes 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 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.

8. Prescription

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

In the case of Swedish Registered Notes, claims against the Issuer for the payment of principal and interest payable in respect of the Swedish Registered Notes shall be void unless made within 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor and thereafter any principal or interest payable in respect of such Swedish Registered Notes shall be forfeited and revert to the Issuer.

9. Events of Default

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

- (i) if default is made for a period of 14 days or more in the payment of any interest or principal due in respect of the Notes; or
- (ii) if there is a failure in the performance of any obligation under the Notes other than an obligation to make payment of principal or interest which continues for more than 30 days after written notification requiring such failure to be remedied shall have been given to the Issuer by a Noteholder or (in the case of VPS Notes only) the VPS Trustee; or
- (iii) if except for the purpose of a reconstruction or an amalgamation upon which the continuing corporation effectively assumes the entire assets and liabilities of the Issuer or the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders or, in the case of VPS Notes only, by a majority of two-thirds of votes at a meeting of Noteholders duly convened and held in accordance with the provisions of the VPS Trustee Agreement:
 - (a) an order is made (and not discharged or stayed within a period of 60 days) or an effective resolution is passed for winding-up the Issuer; or
 - (b) the Issuer ceases to carry on business; or
- (iv) if an administrative or other receiver is appointed of the whole or substantially the whole of the assets of the Issuer and is not removed, paid out or discharged within 60 days or, following such 60 day period, the appointment is not being disputed in good faith; or
- (v) if the Issuer is unable to pay its debts generally or makes a general assignment for the benefit of its creditors; or
- (vi) (A) if any Indebtedness for Borrowed Money (as defined below) of the Issuer, amounting in aggregate to not less than €50,000,000 or its equivalent in other currencies, becomes due and repayable prematurely by reason of an event of default (however described) and remains unpaid; or

- (B) if default is made by the Issuer in making any payment due, amounting in aggregate to not less than €50,000,000 or its equivalent in other currencies, in respect of Indebtedness for Borrowed Money on the due date for that payment (as extended by any applicable grace period),

where the failure to pay is not being contested in good faith and continues unremedied for more than 14 days after written notification requesting such failure to be remedied shall have been given to the Issuer by a Noteholder or (in the case of VPS Notes only) the VPS Trustee,

then (in the case of Notes other than VPS Notes) any Noteholder or (in the case of VPS Notes only) the VPS Trustee may, by written notice to the Issuer at the specified office of the Agent (in the case of Notes other than Swedish Registered Notes or VPS Notes), the relevant Issuing Agent (in the case of Swedish Registered Notes only) or the VPS Agent and the VPS Trustee (in the case of VPS Notes only), effective upon the date of receipt thereof by the Agent (in the case of Notes other than Swedish Registered Notes or VPS Notes), the relevant Issuing Agent (in the case of Swedish Registered Notes only) or the VPS Agent and the VPS Trustee (in the case of VPS Notes only), declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

No holder of VPS Notes shall be entitled to proceed directly against the Issuer unless the VPS Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

"Indebtedness for Borrowed Money" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

In the case of Swedish Registered Notes, the date of repayment will be such later date on which the relevant Notes have been transferred to the account designated by the relevant Issuing Agent and blocked for further transfer by said Issuing Agent.

10. Replacement of Notes Coupons and Talons

This Condition 10 only applies to Notes other than Swedish Registered Notes and VPS Notes.

Should any Note Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement Agent (or at the office of any Paying Agent) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. Agent, Paying Agents, VPS Agent and VPS Trustee

(a) Notes other than Swedish Registered Notes

The following shall apply only to Notes other than Swedish Registered Notes.

The names of the initial Agent, the other initial Paying Agent and the initial VPS Agent and their initial specified offices are set out below.

If any additional Paying Agents are or an alternative VPS Agent is appointed in connection with any Series, the names of such Paying Agents or VPS Agent will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or the VPS Agent and/or appoint additional or other Paying Agents or VPS Agents and/or approve any change in the specified office through which any Paying Agent or VPS Agent acts, provided that:

- (i) there will at all times be an Agent;
- (ii) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office outside Sweden in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
- (iii) in the case of VPS Notes, there will always be a VPS Agent authorised to act as an account holding institution with VPS.

In addition, in the case of Notes other than VPS Notes, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(b). Notice of any variation, termination, appointment or change in Paying Agents or VPS Agent(s) will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

(b) *Swedish Registered Notes*

The following shall apply only to Swedish Registered Notes.

In relation to Swedish Registered Notes, the Issuer will, in accordance with the Swedish Financial Instrument Accounts Act (SFS 1998:1479), appoint (i) Euroclear Sweden as the central securities depository, and (ii) an issuing agent (the "**Issuing Agent**"). The Issuing Agent will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of Euroclear Sweden or the Issuing Agent, provided that the Issuer will appoint another central securities depository or Issuing Agent, each of them to be duly authorised under the Swedish Financial Instrument Accounts Act (SFS 1998:1479). The central securities depository and the Issuing Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders.

(c) *VPS Trustee*

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

12. Exchange of Talons

This Condition 12 only applies to Notes other than Swedish Registered Notes and VPS Notes.

On and after the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. Notices

(a) Notes other than Swedish Registered Notes and VPS Notes

This Condition 13(a) only applies to Notes other than Swedish Registered Notes and VPS Notes.

All notices regarding the Notes shall be published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market, and listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any such publication in a newspaper will be made in the *Financial Times* or any other daily newspaper in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper or where published in such newspapers on different dates, the last date of such first publication.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on stock exchanges, the rules of such stock exchanges (or any other relevant authority) permit), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, in addition to such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

(b) Swedish Registered Notes

This Condition 13(b) only applies to Swedish Registered Notes.

All notices to holders of Swedish Registered Notes will be valid if mailed to their registered addresses appearing on the register of Euroclear Sweden. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed. No Swedish Registered Notes shall be listed on the Luxembourg Stock Exchange.

Notices to be given by any holder of Swedish Registered Notes shall be in writing and lodged with the relevant Issuing Agent.

(c) VPS Notes

This Condition 13(c) only applies to VPS Notes.

All notices regarding the VPS Notes will be deemed to be validly given if published in accordance with the procedures of VPS.

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

Any such notice will be deemed to have been given to the holders of the VPS Notes on the date it is published in accordance with the procedures of VPS.

Notices to be given by any holder of VPS Notes may be given by such holder through VPS in such manner as the VPS Trustee and VPS may approve for this purpose.

14. Meetings of Noteholders, Modification and Waiver

(a) Notes other than Swedish Registered Notes and VPS Notes

This Condition 14(a) only applies to Notes other than Swedish Registered Notes and VPS Notes.

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, or Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not, in the reasonable opinion of the Issuer, acting in good faith and a commercially reasonable manner, materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes or the Coupons which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

In addition, the Agent shall be obliged to use its reasonable endeavours to implement any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(b)(ii)(C) without the consent of the Noteholders or Couponholders.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

(b) *Swedish Registered Notes*

This Condition 14(b) only applies to Swedish Registered Notes.

Euroclear Sweden and the Issuer may agree, without the consent of the Noteholders, to:

- (i) any modification of the Swedish Registered Notes which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Swedish Registered Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

(c) *VPS Notes*

This Condition 14(c) only applies to VPS Notes.

The VPS Trustee Agreement contains provisions for convening meetings of holders of VPS Notes. Such a meeting may be convened by the Issuer or the VPS Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. of the Voting VPS Notes. The quorum at any such meeting for passing a resolution is one or more persons holding at least half of the Voting VPS Notes (as defined below) or, at any adjourned meeting, one or more such person being or representing holders of Voting VPS Notes whatever the nominal amount of the Notes so held or represented; except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the quorum shall be one or more such persons holding or representing not less than two-thirds of the Voting VPS Notes, or at any adjourned such meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented. A resolution

passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

For the purpose of this Condition 14(c), "**Voting VPS Notes**" means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise deregistered in VPS *less* VPS Notes purchased beneficially by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.

For these purposes, "**decisive influence**" means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

The VPS Trustee and the Issuer may agree without the consent of any of the Noteholders, to any modification of the VPS Notes, the VPS Agency Agreement or the VPS Trustee Agreement which, in the opinion of the VPS Trustee, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

In addition, the VPS Trustee shall be obliged to use its reasonable endeavours to implement any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(b)(ii)(C) without the consent of the Noteholders.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. Further Issues

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

16. Substitution

In the case of Notes other than Swedish Registered Notes and VPS Notes, the Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons such company (the "**Substitute**") in the manner specified in the Agency Agreement, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. Such substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

- (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Note or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

- (ii) in the event that all the assets and liabilities of Telia Company AB (publ) are not assumed by the Substitute, the obligations of the Substitute under the Deed Poll, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by Telia Company AB (publ) by means of the Deed Poll;
- (iii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes and Coupons represent valid, legally binding and enforceable obligations of the Substitute and if applicable, of Telia Company AB (publ) have been taken, fulfilled and done and are in full force and effect;
- (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (v) each stock exchange which has the Notes listed thereon shall have confirmed that, following the proposed substitution of the Substitute, the Notes would continue to be listed on such stock exchange;
- (vi) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition 16 and the other matters specified in the Deed Poll; and
- (vii) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in Condition 9, shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect and the provisions of Condition 9(iii) to Condition 9(vi) inclusive shall be deemed to apply in addition to the guarantor in the event that a guarantee is required in terms of (ii) above.

In the case of Swedish Registered Notes, any substitution provisions will be set out in the applicable Final Terms.

In the case of VPS Notes, the substitution provisions will be set out in the VPS Trustee Agreement.

17. Rights of Third Parties

The Notes confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

18. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Notes (other than (i) Swedish Registered Notes and (ii) in respect of any VPS Notes, the registration of such VPS Notes in VPS) and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes (other than (i) Swedish Registered Notes and (ii) in respect of any VPS Notes, the registration

of such VPS Notes in VPS) and the Coupons are governed by, and shall be construed in accordance with, English law. The registration of VPS Notes in VPS, the VPS Agency Agreement and the VPS Trustee Agreement shall be governed by, and construed in accordance with, Norwegian law.

Swedish Registered Notes and any non-contractual obligations arising out of or in connection with the Swedish Registered Notes are governed by, and shall be construed in accordance with, Swedish law.

The Issuer agrees, for the exclusive benefit of the Paying Agents, (in the case of VPS Notes) the VPS Agent and the VPS Trustee, the Noteholders (other than the holders of Swedish Registered Notes), and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes and the registration of VPS Notes in VPS), the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes and the registration of VPS Notes in VPS) and/or the Coupons), and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes and the registration of VPS Notes in VPS) and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes and the registration of VPS Notes in VPS) and the Coupons) may be brought in such courts.

The Issuer agrees, for the exclusive benefit of the Paying Agents, the VPS Agent, the VPS Trustee and the holders of VPS Notes that the courts of Norway are to have jurisdiction to settle any disputes which may arise out of or in connection with the VPS Agency Agreement, the VPS Trustee Agreement and the registration of VPS Notes in VPS (including a dispute relating to any non-contractual obligations arising out of or in connection with the VPS Agency Agreement, the VPS Trustee Agreement and/or the registration of VPS Notes in VPS), and that accordingly any Proceedings arising out of or in connection with the VPS Agency Agreement, the VPS Trustee Agreement and/or the registration of VPS Notes in VPS (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the VPS Agency Agreement, the VPS Trustee Agreement and/or the registration of VPS Notes in VPS) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English or Norwegian courts, as the case may be, shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

To the extent permitted by law, nothing contained in this Condition shall limit any right to take Proceedings against the Issuer 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.

The Issuer appoints Telia Carrier UK Ltd. at its office at 95 Cromwell Road, London SW7 4DL as its agent for service of process in England, and undertakes that, in the event of Telia Carrier UK Ltd. ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings.

The Issuer appoints Telia Norge AS at its office at Sandakerveien 140, 0484 Oslo, Norway as its agent for service of process in Norway, and undertakes that, in the event of Telia Norge AS ceasing so to act or ceasing to be registered in Norway, it will appoint another person as its agent for service of process in Norway in respect of any Proceedings.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or as may otherwise be disclosed in the Final Terms.

In particular, if so specified in the relevant Final Terms, the Issuer will apply the net proceeds from an issue of Notes specifically for projects and activities that promote climate and other environmental purposes. Such Notes may also be referred to as "Green Bonds".

TELIA COMPANY AB (PUBL)

Overview

The Issuer's legal and commercial name is Telia Company AB (publ) ("**Telia Company**"), as adopted at its Annual General Meeting on 12 April 2016. The Issuer's previous legal and commercial name was TeliaSonera AB (publ) ("**TeliaSonera**"). The Issuer was incorporated in and under the laws of Sweden on 24 January 1966 and operates as a public limited liability company, registered under the laws of Sweden with registration number 556103-4249. The registered office of the Issuer is Stockholm, Sweden with telephone number +46 8 504 55000. The Issuer's website is <https://www.teliacompany.com/en>.

TeliaSonera was created as a result of Telia AB acquiring Sonera Corporation in December 2002 (the "**Merger**"). The Merger brought together two of the leading telecommunications companies in the Nordic region to form the leading telecommunications group in the Nordic and Baltic region.¹ Telia Company was previously a leading provider of mobile services in Eurasia, including holdings in one of the leading mobile operators in Turkey. In October 2017, Telia Company's business in Russia was disposed of.

For the year ended 31 December 2019, net sales of Telia Company and its subsidiaries (together, the "**Group**") amounted to SEK 86.0 billion for continuing operations and the Group had 20,845 employees. Operations in former segment region Eurasia are reported as discontinued operations and assets held for sale. All operations in Eurasia, except for Moldcell in Moldova, had been disposed of by the end of 2019. Moldcell was later divested to CG Cell Technologies DAC and the transaction closed on 24 March 2020.

During 2019, the Group's operating income, excluding adjustment items from continuing operations, amounted to SEK 13,452 million (compared to SEK 14,146 million in 2018). Adjusted EBITDA² increased in 2019 to SEK 31,017 million (SEK 26,540 million in 2018). In 2019, free cash flow³ from continuing and discontinued operations increased to SEK 12,369 million (SEK 11,902 million in 2018).

On 31 December 2019, the Group's net debt⁴ including both continuing and discontinued operations (interest-bearing liabilities less derivatives recognised as financial assets (and hedging long-term and short-term borrowings and related credit support annex (CSA)), less short-term investments, long-term bonds available for sale and cash/cash equivalents) was SEK 88,052 million (SEK 55,363 million in 2018). The increase was mainly due to the implementation of IFRS 16 and the acquisition of Bonnier Broadcasting in December 2019.

In the table below, the calculation of percentages in the "Percentage (%) of total shares" column is based upon the total number of Telia Company shares outstanding on 31 December 2019:

Shareholder	Total number of shares	Percentage (%) of total number of shares
Swedish State.....	1,614,513,748	38.4
BlackRock.....	136,403,360	3.2

¹ Statements in this section relating to Telia Company's competitive position in the geographical markets in which it operates are based upon estimates by Telia Company with respect to number of subscriptions.

² See page 238 of the 2019 Annual Report.

³ See page 238 of the 2019 Annual Report.

⁴ See page 239 of the 2019 Annual Report.

Shareholder	Total number of shares	Percentage (%) of total number of shares
Telia Company.....	96,859,759	2.3
Swedbank Robur Funds	88,167,852	2.1
Vanguard.....	77,640,901	1.8
SEB Funds	52,832,845	1.3
XACT Funds.....	46,278,023	1.1
Bank of Norway	42,204,027	1.0
AMF Insurance and Funds.....	42,104,097	1.0
AFA Insurance.....	37,764,535	0.9
Other shareholders	1,974,771,228	46.9
Total shares outstanding	4,209,540,375	100.0

At Telia Company's shareholder meeting held on 2 April 2020, a decision was made to cancel the shares held at that time by Telia Company (being 119,908,673 shares), reducing Telia Company's share capital by SEK 394,695,609.55 and reducing the total number of shares outstanding by 119,908,673. However, to ensure no overall change to Telia Company's share capital, a decision was also made to increase Telia Company's share capital by SEK 394,695,609.55 by way of a transfer from non-restricted shareholders' equity to share capital (bonus issue).

The shares of Telia Company are listed on Nasdaq Stockholm and Nasdaq Helsinki.

Purpose and Values⁵

Purpose: Bringing the world closer

Telia Company's ambition is to take Telia Company to the next level, to become a new generation telco. To grow its business and to stay inspired in its daily work, Telia Company needs to be truly relevant to its consumer and business customers. Telia Company's purpose is focused on the customer perspective.

Telia Company's set of values – Dare, Care and Simplify – is the compass that leads us in how we act and behave in our daily work.

- We dare to – innovate by sharing ideas, taking risk and continuously learning; lead by engaging with our customers and challenging ourselves; speak up by expressing opinions and concerns.
- We care for – our customers by providing solutions that are adapted to their needs; each other by being supportive, respectful and honest; our world by acting responsibly and in accordance with our ethical standards.
- We simplify – execution by taking actionable decisions and delivering with speed; teamwork by transparent communication, active collaboration and knowledge sharing; our operations by efficient processes and clear ownership.

⁵ References in the section entitled "Purpose and Values" to "we" or "our" are to the Issuer.

Strategy

Telia Company's strategy is based on continuous development of its core business combined with focused bets in areas that strengthen the core but also build new businesses in growing areas.

In particular, Telia Company aims to:

- deliver the best network experience across platforms
- be the hub for digital experiences in homes and offices
- be the digitalisation partner of choice
- enable partners with new business models
- have analytics- and insights-driven go-to-market and customer interaction
- rebuild the factory through development of software
- achieve cost leadership through scale and synergies

Code of Responsible Business Conduct

In September 2016, Telia Company launched its new Code of Responsible Business Conduct (the "Code") that replaced the previous code of ethics and conduct.

The Code aims to raise awareness and engagement with regards to ethics, values, dilemmas, culture and leadership. The new Code more clearly reflects the expectations of employees and management as well as the consequences of non-compliance. Its 17 chapters reflect the Group policies and instructions and provide practical, instructional information on how to interpret the Code requirements. In addition, it includes information about contact points for raising concerns and whistle-blowing through the externally available Speak-Up Line. The Code is available at <http://dontdothisatwork.teliacompany.com/>.

Capital management

Telia Company's capital structure and dividend policy is decided by its Board of Directors. Telia Company will continue to target a solid investment grade long-term credit rating (A- to BBB+). Telia Company's dividend policy is to distribute a minimum of 80% of operational free cash flow including dividends from associated companies, net of taxes.

Organisational structure

Telia Company provides communication services helping millions of people to be connected and communicate, do business and be entertained. By doing that Telia Company fulfils its purpose of *bringing the world closer*.

Telia Company's operations stretch around the globe. Telia Company connects businesses, individuals, families and communities via fixed and mobile communication solutions. Its services have a positive effect on social, economic and environmental development and pave the way for an inclusive society. Telia Company allows people to stay in touch wherever they are in the world.

Telia Company's largest businesses are mobile, broadband, TV and fixed-line operations in the Nordics and Baltics. Following the acquisition of media company Bonnier Broadcasting in December 2019, a new segment – TV and Media – was created.

During 2015, the Board of Directors announced the decision to gradually reduce Telia Company's presence in the Eurasia region, enabling Telia Company to fully focus on its core markets. Telia Company's organisational structure changed as of 1 January 2017 in order to enhance business focus and facilitate quicker decision making across the Group whilst ramping up execution across the Nordic and Baltic markets and at the same time maintaining focus on its responsible business agenda.

Telia Company's organisational structure is country-based, comprising (as of the end of 2019) primarily of mobile, broadband, TV and other fixed-line products in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania and Moldova (the newly established TV and Media segment was established in 2020). Telia Company's remaining operation in Moldova (Moldcell) was divested in March 2020.

Group functions

The Group functions assist the CEO in setting the framework for the activities of Telia Company in the countries in which it operates and provide the businesses in those countries with process development support and common platforms within the areas of communication, corporate strategy, finance, procurement, human resources and corporate affairs, as well as Group-wide commercial and technology issues.

In 2019, Telia Company's total net sales amounted to SEK 85,965 million for continuing operations.

The following table sets forth Telia Company's net sales by segment for the twelve months ended 31 December 2019:

	<i>Net sales</i>
Segment	(SEK in millions)
Sweden.....	34,905
Finland	15,969
Norway.....	14,666
Denmark.....	5,675
Lithuania	4,045
Estonia	3,333
TV and Media	751
Other operations.....	8,889
Eliminations	(2,268)
TOTAL	85,965

WHERE TELIA COMPANY OPERATES

Telia Company stands firmly in the Nordics and Baltics and its fibre backbone stretches around the world.

Country	Brands	Market Share ⁶		
			Market Position	Market Share (%)
Sweden	Telia	Mobile	#1	35
	Halebop	Fixed Voice	#1	51
	Fello	Broadband	#1	32
		TV	#2	18
Finland	Telia	Mobile	#2	32
		Fixed Voice	#2	16
		Broadband	#3	26
		TV	#3	21
Norway	Telia	Mobile	#2	37
	OneCall	Fixed Voice	#2	14
	MyCall	Broadband	#2	18
	Phonero	TV	#2	21
Denmark	Telia	Mobile	#3	19
	Call me	Fixed Voice	#3	7
	Mit Tele	Broadband	#5	4
		TV	#4	1
Estonia	Telia	Mobile	#1	49
	Diil	Fixed Voice	#1	82
		Broadband	#1	52

⁶ Telia Company's market share estimate is based on the number of subscriptions.

		TV	#2	38
Latvia	Telia	Mobile	#1	47
	Lmt			
	Amigo			
Lithuania	Telia	Mobile	#2	29
	Ezys	Fixed Voice	#1	82
		Broadband	#1	52
		TV	#1	36

OWNERSHIP – SUBSIDIARIES

Country	Main Trademarks	Ownership (%) ⁷	Consolidated share (%) ⁸
Sweden	Telia, Halebop	100.0	100.0
Finland	Telia	100.0	100.0
Norway	Telia, OneCall, MyCall, Phonero, Get	100.0	100.0
Denmark	Telia, Call me, Mit Tele	100.0	100.0
Estonia	Telia, Diil	100.0	100.0
Latvia ⁹	Telia, Lmt, Amigo	60.3	60.3
Lithuania	Telia, Ezys	88.2	88.2

OWNERSHIP – ASSOCIATED COMPANIES

Country	Trademark	Ownership (%) ⁷	Consolidated share (%) ⁸
Latvia	Lattelecom	49.0	49.0
Turkey	Turkcell	24.0	24.2

Key regulation

⁷ Ownership is defined as direct and indirect ownership, i.e., effective ownership.

⁸ Consolidated share includes commitments to acquire shares from holders of non-controlling interests.

⁹ Telia Company directly owns 49 per cent. of Lmt and controls the company through shareholder agreements. In addition, Telia Company indirectly holds an 11.3 per cent. share of the company.

European Union

As Member States of the European Union (the "EU"), Sweden, Finland, Denmark, Lithuania, Latvia and Estonia are required to follow EU regulations and enact domestic legislation to give effect to EU directives. Norway is under some obligations as a party to the European Economic Area Agreement.

A new law (the "**European Electronic Communications Code**"), replacing the European Council's revised regulatory framework for electronic communications networks and services (the "**EU Communications Framework**"), was adopted in December 2018. This overhaul of the regulatory framework for the European telecommunications industry covers rules ranging from allocation of spectrum licences, investment conditions for roll-out of high capacity networks and access to networks of dominant operators to detailed consumer protection rules for different electronic communications services. No significant impact on Telia Company is envisaged compared to the old EU Communications Framework. All EU countries will need to fully implement the European Electronic Communications Code into national law by December 2020. EEA countries will be required to do so shortly thereafter.

National regulatory authorities ("**NRAs**"), including those in the countries in which Telia Company operates, are expected to undertake a market analysis on the basis of markets listed in so-called Relevant Market Recommendations established by the European Commission (the "**Commission Recommendations**"). The present Commission Recommendation of October 2014 comprises four markets that the NRAs must analyse. NRAs then determine and designate companies having significant market power ("**SMP**") within those markets. They can also impose or maintain *ex ante* sector-specific obligations when *ex post* remedies of competition law are not adequate to meet the market problems identified. Possible obligations could include *inter alia* transparency, accounting separation, network access and price control. If a market is found to be effectively competitive, existing obligations should, according to the regulatory framework, be withdrawn. The European Commission aims, in its latest revision of the Commission Recommendations, to enhance predictability for all market participants and give practical guidance to NRAs on how to identify market failures and use the most effective regulatory measures, such as obligations to give wholesale access to competitors.

There are also special directives on electronic commerce, security regulations and on a number of other areas of relevance to Telia Company's operations. The regulatory regimes in each of the aforesaid countries in which Telia Company operates are generally based on the requirements of the EU Communications Framework and other directives.

Since June 2017, EU and EEA operators have not been allowed to apply any surcharges for retail roaming, otherwise known as "Roam-Like-At-Home" ("**RLAH**"). The European Commission has commenced its review of the roaming part of the telecom single market regulation, focusing on the potential need to adjust wholesale regulated levels. Since roaming volumes have been significantly higher than forecasted, and this is the basis for determining regulated wholesale levels, some type of adjustment is foreseen. The topic is also highly political – with differing viewpoints in northern and southern Europe – and so the final outcome of the review is unpredictable. The Body of European Regulators for Electronic Communications ("**BEREC**"), the umbrella body for national regulatory authorities, has produced a benchmark report which shows that RLAH has been a clear success for consumers and, at the end of 2019, the outgoing European Commission claimed that RLAH was one of its key achievements that had helped create "one market".

The Telecom Single Market Regulation, which covers RLAH, also addresses net neutrality. The net neutrality legislation is meant to ensure that users will be free to access the content of their choice. Internet access service providers will not be allowed to unfairly block or slow down internet traffic, and paid prioritisation will not be allowed. The law still permits Internet access providers to offer specialised services of higher quality, such as Internet TV and new innovative applications, so long as

these services are not supplied at the expense of the quality of the open Internet. These obligations came into force on 30 April 2016. An updated version of BEREC's Net Neutrality Guidelines was launched for consultation in October 2019 and the guidelines are expected to be adopted in mid-2020. Based on early indications, alterations to the guidelines are expected to be limited and Telia Company expects such alterations to be neutral compared to the current position.

The EU General Data Protection Regulation ("**GDPR**") came into force on 25 May 2018. The objective of GDPR is to ensure Europeans get more control over their personal data, and make it easier for businesses to operate and innovate in the EU's Single Market under a harmonised set of rules. The new rules focus on strict accountability of data controllers and will be enforced by strict sanctions. The Group's data protection policy was revised in 2019 to align with organisational alterations carried out within Telia Company aimed at ensuring a high level of compliance with the requirements of GDPR. The Group also has a Group Data Protection Officer ("**DPO**") office consisting of DPOs from core markets and Group functions handling GDPR governance work. The objective of the office is to monitor GDPR compliance and carry out reviews and controls of GDPR fulfilment in core markets. The Group DPO office regularly reports on GDPR compliance to Group Executive Management and the Board of Directors.

Implementation of Directive 2014/61/EU (the "EU Communications Framework")

Sweden

In Sweden, the Act on Electronic Communications implements the legislation relating to the EU Communications Framework. Telia Company has SMP status on the wholesale markets for interconnection in the fixed network and in the mobile network and for network infrastructure access. The Swedish NRA ("**PTS**") has imposed obligations on all of these markets. On the market for network infrastructure access, PTS has imposed an obligation of non-discrimination based on Equivalence of Input, effective from 1 December 2016. At the same time, the price regulation on fibre access was withdrawn. PTS has started a new analysis on this market.

On the markets for terminating segments of leased lines and on the market for access to the public telephone network PTS has withdrawn the SMP status for Telia Company.

Finland

In Finland, Telia Company is subject to the Act on Electronic Communications Services and related regulations, decrees and administrative decisions which implement the EU Communications Framework. The Act on Electronic Communications Services integrates key provisions that apply to the communications industry under one Act.

Telia Company and its competitors are subject to varying SMP obligations in the following markets, where the Finnish NRA (Traficom) has issued SMP decisions: wholesale call termination on individual fixed public telephone networks, wholesale local access provided at fixed location, wholesale central access provided at a fixed location for mass-market products, wholesale high quality access provided at fixed location and wholesale voice call termination on individual mobile networks.

Other

In Denmark, Estonia, Latvia, Lithuania and Norway, Telia Company's companies have been found to have SMP status both in fixed and mobile markets.

Implementation of pricing restrictions such as fixed or cost-based pricing or other obligations imposed by the relevant NRAs on Telia Company in any of the jurisdictions it operates might have an adverse effect on its business, financial condition and results of operations.

Competition Laws

Telia Company is subject to the competition laws of the countries in which it operates, local competition laws and rules and EU competition laws. Companies breaching the competition rules may be forced to pay damages that can be substantial.

The European Union

The EU competition rules set out in the EC Treaty and EU legislation are binding on EU Member States and are therefore applicable to Telia Company's operations in the EU. If those rules are breached, the European Commission may impose fines of up to ten per cent of a company's revenues on a consolidated basis in the preceding financial year. The EU competition rules are applicable to restrictions on competition which may have an appreciable effect on trade between Member States.

So long as Sweden exercises a significant influence over Telia Company, the European Commission could bring proceedings against Telia Company directly, or bring proceedings against the Sweden, to ensure that Telia Company complies with EU competition rules. This means that Telia Company might face two different proceedings, the latter of which it could not directly influence and to which it would not be a party.

Given that the Swedish State holds, as at 31 December 2019, 38.4 per cent of Telia Company's outstanding shares, there is always a risk that Telia Company's competitors might allege that Telia Company's transactions with the Swedish State involve an element of state aid, or that the European Commission may launch a formal investigation of such a transaction on its own initiative. The European Commission has the power to order suspension of aid payments and require the recovery of aid already granted, including accrued interest. These rules do not apply when a state contributes capital in circumstances that would be acceptable to a private investor operating under normal market economy conditions.

The local competition authorities in the relevant markets where Telia Company is present are empowered to issue injunctions, and to enjoin a party to discontinue immediately practices that are not permitted under the local competition acts. The competition authorities and the NRAs can cooperate to facilitate investigations of anti-competitive behaviour in the telecommunications services sector.

International Obligations

Over 70 member countries of the World Trade Organisation have entered into a Basic Telecommunications Agreement ("**BTA**") to provide market access to some or all of their basic telecommunications services. The BTA took effect in February 1998. Signatories under the BTA have made commitments to provide "market access", requiring them to refrain from imposing certain quotas or other quantitative restrictions in specified telecommunications services sectors, and to provide "national treatment" by ensuring that foreign telecommunications service suppliers are accorded the same treatment as national service suppliers. In addition, a number of signatories, including Sweden and Finland, have agreed to abide by certain pro-competitive principles set forth in a reference paper relating to the prevention of anti-competitive behaviour, interconnection, universal service, transparency of licensing criteria, independence of the regulator and non-discriminatory allocation of scarce resources.

Sustainability

Governance and focus areas

Governance

Sustainability in Telia Company covers how the company accounts for its long-term impact on society and the environment. The work is focused on ensuring ethical, responsible business practices and on creating shared value by contribution to business and the UN Sustainable Development Goals. Telia Company has adopted a stakeholder-based approach to identify and manage the most material business aspects, including related risks and opportunities.

Group Executive Management and the Governance, Risk, Ethics and Compliance (GREC) committee meetings are the primary decision-making forums for sustainability related topics. The ultimate responsibility for sustainability oversight lies with Telia Company's Board of Directors.

Commitments

Telia Company is committed to a number of international guidelines on human rights, labour rights, anti-corruption and environmental responsibility. These include:

- The UN Universal Declaration of Human Rights
- The core conventions of the International Labour Organisation (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles

These guidelines form the foundation of the Code of Responsible Business Conduct which is approved by Telia Company's Board of Directors. The requirements set by the Code of Responsible Business Conduct, which go beyond legal compliance and apply to all employees, lay out how to engage with stakeholders in a way that ensures the highest degree of ethical business practices and behaviour.

Focus areas

In 2019, Telia Company's sustainability work focused on the following areas:

- Shared value creation;
- Anti-bribery and corruption;
- Children's rights;
- Customer privacy and information security;
- Diversity, equal opportunity and non-discrimination;
- Environmental responsibility;
- Freedom of expression and surveillance privacy;

- Health and well-being; and
- Responsible sourcing.

New environmental agenda

To forcefully address the climate crisis and the unsustainable use of natural resources, Telia Company has adopted ambitious environmental goals to be reached by 2030. The goals were presented at Telia Company's capital markets day in March 2019 and consist of zero CO₂ emissions throughout the value chain, and zero waste from Telia Company's own and network operations. The 2030 goals are broken down into a number of more specific 2022 goals, such as climate neutrality in Telia Company's own operations and comprehensive "green offerings" to consumers and business customers.

Green bond framework

In October 2019, Telia Company launched a green bond framework, which is available for viewing on Telia Company's website at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/telia-company-gbf.pdf>. The framework is part of Telia Company's work to implement a sustainable finance strategy and is closely tied to its new environmental goals. The framework is prepared in accordance with the Green Bond Principles and has received a second party opinion from the independent ESG research provider Sustainalytics. The framework includes four investment categories:

- Renewable energy;
- Green digital solutions;
- Energy efficiency; and
- Green buildings.

On 4 February 2020, Telia Company issued a EUR 500 million green hybrid bond maturing in 2081 with the first reset date after 6.25 years. The initial coupon was 1.375%.

Sustainability reporting

Telia Company annually reports its sustainability performance in the combined Annual and Sustainability Report. The sustainability reporting is reviewed by the external auditors.

Whistle-blowing process

Telia Company's Board of Directors has established a whistle-blowing tool (Speak-Up Line) available in 13 languages, enabling employees and others to anonymously and confidentially report violations of proper accounting, reporting or internal controls, as well as non-compliance with local laws or breaches of Telia Company's Code of Responsible Business Conduct, group policies and group instructions. Telia Company has a group-wide standard for performing internal investigations. The guiding principle is to ensure that investigations are conducted objectively and impartially; are carried out in a way to swiftly establish the facts with minimum disruption to the business or the personal lives of employees; and to make sure that confidentiality and non-retaliation are respected at all times.

Mergers and acquisitions

Group staff function Corporate Affairs is responsible for mergers and acquisitions in order to further strengthen internal controls by separating the elements of execution and control. A merger and

acquisitions manual containing instructions and outlining a clear process for conducting acquisitions governs the activities.

Board of Directors

Telia Company's Board of Directors has nine ordinary members and two employee representatives and, as such, union appointees. Details of the ordinary members of Telia Company's Board of Directors, elected at the latest Annual General Meeting held on 2 April 2020, including, where relevant, the principal activities performed by such members outside the Issuer, are as follows:

Lars-Johan Jarnheimer (born 1960)

Chair of the Board. Elected into the Board of Directors at an EGM in November 2019. Mr. Jarnheimer currently serves as chair of the Board of Directors of Ingka Holding B.V (IKEA), Egmont International Holding AS and Arvid Nordqvist HAB and is a board member of SAS AB, Point Properties AB and Elite Hotels. Mr. Jarnheimer previously served as chair of the Board of Directors of Qliro Group, BRIS and Eniro AB as well as being a board member of MTG Modern Times Group AB, Millicom International Cellular S.A, Invik and Apoteket AB. He was previously CEO of Tele2 (between 1999-2008), deputy CEO of Comviq and has held various positions within H&M. Mr. Jarnheimer holds a Bachelor of Science in Business Administration and Economics.

Shares in Telia Company: 20,097

Ingrid Bonde (born 1959)

Vice-Chair of the Board. Elected into the Board of Directors in 2020. Ms. Bonde is Chair of the Board of Alecta, Apoteket AB and Hoist Finance and member of the Boards of Loomis AB and Securitas AB. She is a member of the Board of the Swedish Corporate Governance Board and Chair of the Swedish Climate Policy Council. She has previously held positions as CFO and deputy CEO of Vattenfall, President and CEO of AMF, Director General at Finansinspektionen, Deputy Director General at the Swedish National Debt Office and CFO at SAS. Ms. Bonde holds a degree in Business and Economics.

Shares in Telia Company: 10,000

Rickard Gustafson (Born 1964)

Elected to the Board of Directors in 2019. Mr. Gustafson is President and CEO of SAS. He has previously held various executive positions in GE Capital, both in Europe and the US, and was President of Codan/Trygg-Hansa from 2006 to 2011. Mr. Gustafson is Chair of Aleris and board member of FAM AB. Mr. Gustafson holds a Master of Science degree.

Shares in Telia Company: 14,075

Jeanette Jäger (born 1969)

Elected into the Board of Directors in 2020. Ms. Jäger is CEO of Bankgirot and a member of the Board of ICA Gruppen AB. She has previously held several management positions at Tieto and worked as Product and Marketing Director at TDC. Ms. Jäger studied business administration.

Shares in Telia Company: 4,000

Nina Linander (Born 1959)

Elected to the Board of Directors in 2013. Ms. Linander was a partner at Stanton Chase International between 2006 and 2012 and prior to that was SVP and Head of Treasury at Electrolux AB from 2001 to 2005. Ms. Linander is Chair of Awa Holding AB and a board member of AB Industrivärden, Castellum AB and Swedavia AB. Ms. Linander holds a BSc degree in Economics and an MBA (IMD) degree.

Shares in Telia Company: 5,700

Jimmy Maymann (Born 1971)

Elected to the Board of Directors in 2018. Mr. Maymann is a Danish entrepreneur and investor specialising in digital advertising, digital technology and new media strategy. He is Chair of the boards of TV2 Denmark, AirHelp Inc. and the Museum for the United Nations - UN Live Online. Mr. Maymann has served as Executive Vice President and President at AOL Content & Consumer Brands and as Chief Executive Officer of the Huffington Post. Mr. Maymann has an EMBA and a Master of Science degree.

Shares in Telia Company: 0

Anna Setzman (Born 1970)

Elected to the Board of Directors in 2016. Ms. Setzman is CEO of Liber AB and Chair of the board of Dreams Nordic AB. She has extensive experience from start-ups as founder of the investment company The Springfield Project as well as significant experience from the media sector, mainly from Aftonbladet where she served as CEO. Ms. Setzman studied marketing strategy and economics at the Berghs School of Communication and completed the IFL Executive Management Program at the Stockholm School of Economics.

Shares in Telia Company: 0

Olaf Swantee (Born 1966)

Elected to the Board of Directors in 2016. Mr. Swantee is CEO of Sunrise and was the CEO of the UK's mobile telecoms business EE. Prior to joining EE, he held several Executive Board roles for the Orange Group, as well as senior leadership roles within Hewlett Packard, Compaq and Digital Equipment Corporation, across Europe and the United States. Mr. Swantee holds an MBA degree.

Shares in Telia Company: 0

Martin Tivéus (Born 1970)

Elected to the Board of Directors in 2018. Mr. Tivéus is CEO of Attendo. Previously he was Chief Commercial Officer Nordics at Klarna and has also held managerial positions such as CEO of Avanza and Glocalnet. Mr. Tivéus is currently a board member at Danske Bank. Mr. Tivéus has a Bachelor of Science degree.

Shares in Telia Company: 2,550

Including shareholdings by spouse and/or affiliated persons when appropriate

For the purposes hereof, the business address of each Director is Telia Company AB, Stjärntorget 1, SE-169 94 Solna, Sweden.

There are no potential conflicts of interest between any duties to Telia Company of the persons listed above and their private interests or other duties.

Financial risk management

Telia Company is exposed to financial risks such as credit risk, liquidity risk, currency risk, interest rate risk, financing risk and pension obligation risk. Financial risk management is centralised in the Group Treasury unit and is described more fully below (including under "*Recent developments*").

Credit risk

The credit risk with respect to Telia Company's trade receivables is diversified geographically and among a large number of customers, both private individuals and companies in various industries. Credit losses in relation to consolidated net sales were 0.7 per cent. in 2019 (compared to 0.8 per cent. in 2018).

Liquidity risk

Telia Company manages the liquidity risk by depositing its surplus liquidity in banks or investing it in short-term interest-bearing instruments with good credit ratings. In addition to available cash, Telia Company has committed revolving credit facilities and overdraft facilities. In total, the available unutilised amount under committed facilities was approximately SEK 9 billion at year end 2019.

Currency risk

Telia Company's operational currency transaction exposure is not significant. Telia Company's conversion exposure, however, is significant. Telia Company does not normally hedge its conversion exposure, however there is a mandate in its financial policy to use net investment hedging. At year end 2019, the conversion exposure amounted to SEK 82,360 million (SEK 81,487 million at year end 2018). Weakening of the Swedish krona by ten percentage points against all currencies in which Telia Company has conversion exposure would have had a positive impact of approximately SEK 8.2 billion on the Group's equity as of 31 December 2019.

Interest rate risk

Telia Company manages interest rate risk by aiming to balance the estimated running cost of borrowing and the risk of significant negative impact on earnings, should there be a sudden, major change in interest rates. Telia Company's policy is that the duration of interest of the debt portfolio should be from one year to five years.

Financing risk

By having most of its borrowings with a longer maturity than the duration of interest, Telia Company is able to obtain the desired interest rate risk without having to assume a high financing risk. In order to further reduce the financing risk, Telia Company aims to spread loan maturity dates over a longer period.

Pension obligation risk

Telia Company has a significant amount of pension obligations, with a net present value of SEK 30,813 million as of 31 December 2019 (SEK 27,410 million at year end 2018). Telia Company maintains pension funds to secure these obligations, with plan assets amounting to SEK 29,715 million based on market values at year end 2019 (SEK 27,176 million at year end 2018). The actuarial calculation of pension obligations is based on three principal assumptions: discount rate, annual

adjustments to pensions (inflation rate) and longevity. The sensitivity of the pension obligations to changes in the principal assumptions is as follows:

	Change in assumption (p.p.)	Impact on pension obligations (SEK in millions)
Discount rate	+0.50 / -0.50	-2,838 / +3,232
Annual adjustments to pensions	+0.50 / -0.50	+3,182 / -2,827
Longevity	+1 year	+1,841

Financial reporting risks

The reporting of Telia Company's results of business operations and financial condition is based on internal and external financial reporting, which has to be timely, reliable, correct, and complete. Internal controls over financial reporting are an integral part of Telia Company's corporate governance. It includes methods and procedures to safeguard the Group's assets, ensure and control the reliability and correctness of financial reporting in accordance with applicable legislation and guidelines, improve operational efficiency and control the level of risk in the business operations.

The management of financial reporting risks is described in more detail in Telia Company's corporate governance statement. The corporate governance statement, including the description of internal controls, forms part of the official annual and sustainability report and has been examined by the external auditors.

Investigations in relation to investments in Uzbekistan

On 21 September 2017, Telia Company announced that a global settlement had been reached with the US Department of Justice (DoJ), Securities and Exchange Commission (SEC) and the Dutch Public Prosecution Service (Openbaar Ministerie, OM) relating to previously disclosed investigations regarding historical transactions in Uzbekistan and fines and disgorgements in an aggregate amount of USD 965 million (SEK 7.7 billion at that point in time) were paid. On 19 March 2019, Telia Company paid the last remaining part of the disgorgement amount, USD 208.5 million (SEK 1,920 million), to the Dutch Public Prosecution Service (Openbaar Ministerie, OM). As such, Telia Company has completed all financial obligations under the global settlement agreements and no further disgorgement claim will be made against Telia Company by the Swedish prosecutor or by any other authority related to this matter. There was no material effect arising from the matters described above on net income in 2019.

Recent developments

The coronavirus 2019 (Covid-19) pandemic has had a significant impact on global financial markets. In the first quarter of 2020, Telia Company was impacted by Covid-19 through lower revenues from pay TV due to lowered prices, both in the TV and Media segment and in other segments, as a consequence of sport cancellations as well as lower advertising revenues. In total, the negative service revenue impact is estimated at around SEK 0.1 billion and the negative impact on EBITDA as well as on operating income is also estimated at around SEK 0.1 billion for the first quarter of 2020. Except for in the TV-related operations, impacts on revenue, EBITDA and operating income were not significant in the first quarter of 2020, although there has been a slight impact on roaming revenues and a continuation of restriction of travels will impact roaming revenues negatively going forward. Further, as a result of cancelled and postponed sport events and seasons due to Covid-19, film and

programme right assets have been impaired by SEK 260 million in the first quarter of 2020, SEK 202 million relates to the TV and Media segment and SEK 58 million of which relates to Finland (Liiga). However, there was no significant net impact on EBITDA in the first quarter of 2020 from the impairment of sports rights due to the offsetting effects from expected compensation and lower expenses from sports rights where events and seasons have been postponed. Negotiations on further compensation for cancelled and postponed sport events and seasons are ongoing and will continue. Telia Company management's assessment is that the expected compensation will cover the decreases in sport rights values. Even though general credit risk has increased due to Covid-19, there has been no need for any significant increases in allowances for bad debts in the first quarter of 2020. The development of credit risks will continue to be monitored closely and there might be a need to adjust bad debt allowances at a later stage if the credit risk for Telia Company's receivables increases further. As the financial markets have been heavily affected by the Covid-19 crisis, volatility has generally increased and liquidity in most markets is reduced. Telia Company's financial risk management is in all material aspects unchanged but with additional focus to maintain a continued strong liquidity position. Telia Company's refinancing needs for the 12 months ahead remain limited. For more information on risks related to the outbreak of Covid-19, see "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under Notes issued under the Programme – Impact of Covid-19*".

TAXATION

The Kingdom of Sweden

The following summary outlines Swedish tax consequences to holders of Notes who are not residents of the Kingdom of Sweden for income tax purposes. Purchasers are urged to consult their professional advisers as to the tax consequences of holding or transferring Notes.

Under Swedish tax law as presently in effect, payments of any principal or interest to the holder of any Note will not be subject to Swedish income tax, provided that such holder (1) is not resident in Sweden for income tax purposes, (2) does not carry on trade or business activities in Sweden where the payments of principal or interest are attributable to a permanent establishment in Sweden or (3) is an estate which is not tax liable in Sweden.

A private individual is generally deemed tax resident in Sweden if he (a) has his principal home in Sweden or (b) has his habitual abode in Sweden or (c) earlier has been having his principal home in Sweden and after having moved abroad continues to have an essential connection with Sweden for tax purposes (for example is engaged in trade or business in Sweden).

Swedish law does not impose a withholding tax on payments of principal or interest. Provided that the holder of a Note is not liable to tax in Sweden, the intermediary of the payment of principal and/or interest is still obliged to notify the Swedish tax authorities of payments exceeding SEK 150,000 per entity per year to any such holder. Under Swedish law, capital gains on the disposal of Notes will not be subject to Swedish income tax provided that the holder (1) is not resident in Sweden for income tax purposes, (2) does not hold the Notes as assets involved in trade or business activities in Sweden where the capital gains are attributable to a permanent establishment or (3) is an estate which is not tax liable in Sweden. There is no net wealth tax in Sweden.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Kingdom of 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payment on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (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 expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the

Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (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 Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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 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 the 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.

Luxembourg Taxation

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

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

Withholding Tax

(i) Non-resident holders of Notes

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

(ii) *Resident holders of Notes*

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

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

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, "**Programme Agreement**") dated 7 May 2020 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

United States

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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, 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 of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes (other than VPS Notes) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a 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 U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Prohibition of sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "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 Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the UK.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (b) 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
- (c) not a qualified investor as defined in the Prospectus Regulation.

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.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the EEA and the UK (each a "**Relevant State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- (a) the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (b) the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

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) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the

issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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
- (iii) 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 "**FIEA**") and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Norway

The Notes shall be registered with VPS in dematerialised form or in another central securities depository which is properly authorised and recognised by the Financial Supervisory Authority of Norway (in Norwegian: *Finanstilsynet*) as being entitled to register the Notes pursuant to CSDR, unless (a) the Notes are denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (b) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer and any other Dealer shall have any responsibility therefor.

None of the Issuer and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes thereunder has been duly authorised by a resolution of the Board of Directors of the Issuer dated 21 April 2020.

Listing on the Official List of the Luxembourg Stock Exchange and Admission to Trading of Notes (other than Swedish Registered Notes) on the regulated market of the Luxembourg Stock Exchange

Application has been made to the Luxembourg Stock Exchange for Notes (other than Swedish Registered Notes) issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available (free of charge) from <https://www.teliacompany.com/en/investors/debt-financing/> and (in the case of the VPS Agency Agreement and VPS Trustee Agreement only) from the specified office of each of the VPS Agent and the VPS Trustee:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the Agency Agreement, the VPS Agency Agreement, the VPS Trustee Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Coupons, the Talons and the Deed of Covenant;
- (iii) a copy of this Prospectus; and
- (iv) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note (other than a Swedish Registered Note) which is neither admitted to trading on a regulated market in the EEA nor offered in 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 or the Paying Agent as to its holding and identity) and any other documents incorporated herein or therein by reference.

In addition, in accordance with Article 21(7) of the Prospectus Regulation, a copy of this Prospectus shall remain available (free of charge) from <https://www.teliacompany.com/en/investors/debt-financing/> for at least 10 years from the date of this Prospectus.

So long as Swedish Registered Notes are capable of being issued under the Programme, copies of such documents as are required by Euroclear Sweden to be made available will be made available in accordance with the rules of Euroclear Sweden.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on

the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Clearing Systems

The Notes (other than Swedish Registered Notes and VPS Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records in relation to Notes other than Swedish Registered Notes and VPS Notes). In the case of VPS Notes, VPS is the entity in charge of keeping the records. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. The appropriate securities codes for each Tranche of Swedish Registered Notes or VPS Notes will be specified in the relevant Final Terms. If the Notes are to clear through an additional or alternative clearing system (including Euroclear Sweden or VPS) the appropriate information will be specified in the relevant Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A. 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of VPS is Fred. Olsens gate 1, N-0152 Oslo, Norway.

Significant or Material Change

Except for the impact of the coronavirus outbreak referred to in "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under Notes issued under the Programme – Impact of Covid-19*" on page 16 of this Prospectus and "*Telia Company AB (publ) – Recent developments*" on pages 106 and 107 of this Prospectus, (i) there has been no significant change in the financial performance or position of the Issuer or the Group since 31 March 2020 and (ii) there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2019.

Legal and Administrative Proceedings

In its normal course of business, Telia Company is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial law issues and matters relating to telecommunications regulations and copyright law.

In addition, there has been an ongoing disgorgement proceeding in Sweden regarding Telia Company's operations in Uzbekistan and suspected irregularities related to those and to the market entry into Uzbekistan. The Stockholm District Court gave its final verdict in February 2019 and the forfeiture claim against Telia Company was dismissed.

Except for the proceedings described below, Telia Company or its subsidiaries are not involved in any legal, arbitration or regulatory proceedings which management believes could have a material adverse effect on Telia Company's business, financial condition or results of operations.

In 2005, Telia Company and Çukurova signed an agreement regarding Telia Company's purchase of shares in Turkcell Holding A.S. from Çukurova. As Çukurova subsequently did not honour the agreement, Telia Company brought legal action. On 1 September 2011, an International Chamber of Commerce (ICC) Arbitral Tribunal awarded Telia Company USD 932 million in damages, plus interest and costs, for Çukurova's failure to deliver the Turkcell Holding shares as required under the share purchase agreement. Due to the refusal of Çukurova to honour the ICC award, Telia Company conducts legal action to pursue enforcement of the award. In parallel, Çukurova pursues legal actions against Telia Company with the aim to revert the ICC award or to refute its enforceability. Telia Company continues to vigorously pursue collection of the ICC award. Telia Company has not recorded any award amount receivable in the financial statements. Following an agreement with Alfa

Telecom (now LetterOne) signed in November 2009, LetterOne is under certain circumstances entitled to receive part of the damages amount set out in the ICC award, if such funds will be successfully collected.

In September 2019, London arbitration proceedings were initiated against Telia Company and Turkcell under the Share Purchase Agreement related to the divestment of the subsidiary Kcell in Kazakhstan in 2018. The total claim against Telia Company and Turkcell amounts to USD 66 million (equivalent to SEK 669 million) plus interest. The arbitration proceedings are still in an early stage and include significant uncertainties. As of 31 March 2020, an outflow of resources is not deemed as probable and no provision has therefore been recognised.

Auditors

The auditors of Telia Company are Deloitte AB, a member of the Swedish professional body FAR, with business address at Rehnsgatan 11, SE-11379 Stockholm, Sweden. Deloitte AB have audited Telia Company's accounts, without qualification, in accordance with IFRS for each of the two financial years ended 31 December 2018 and 31 December 2019.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, 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 Issuer's affiliates. Some 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 short 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.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

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