STATKRAFT AS

(a limited company registered under number 987 059 699 with the Norwegian Register of Business Enterprises)

€6,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

Under this €6,000,000,000 Euro Medium Term Note Programme (the **Programme**), Statkraft AS (the **Issuer**) 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 €6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 8 and any additional Dealer appointed under the Programme from time to time (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an on-going basis. References in this Offering Circular 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.

Notes may be issued in bearer form (**Bearer Notes**), registered form (**Registered Notes**) or uncertificated book entry form cleared through the Norwegian Central Securities Depositary, the *Verdipapirsentralen* (**VPS Notes** and the **VPS**, respectively).

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to its official list (the **Euronext Dublin Official List**) and to trading on its regulated market.

This Offering Circular has been approved as a base prospectus by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland 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.

Such approval relates only to Notes that are to be admitted to trading on Euronext Dublin's regulated market or on another regulated market for the purposes of Directive 2014/65/EU, as amended and/or that are to be offered to the public in any member state of the European Economic Area (the **EEA**) in circumstances that require the publication of a prospectus. This Offering Circular (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 EEA. The obligation to supplement this Offering Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Offering Circular is no longer valid.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on Euronext Dublin's regulated market and have been admitted to the Euronext Dublin Official List. VPS Notes may be listed on the Oslo Stock Exchange's regulated market and, in this case, **listed** (and all related references) shall be construed accordingly. Each of Euronext Dublin's regulated market and the Oslo Stock Exchange's regulated market are regulated markets for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended).

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 a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and Euronext Dublin.

Copies of Final Terms will be published on the website of Euronext Dublin. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes of each Tranche will initially be represented by either a Temporary Global Note, a Permanent Global Note, a Regulation S Global Note, a Restricted Global Note and/or Definitive Registered Notes (each as defined below) as indicated in the applicable Final Terms. See "*Form of the Notes*" below.

As at the date of this Offering Circular, the Issuer has been rated A- (stable outlook) by S&P Global Ratings Europe Limited (**S&P**) and BBB+ by Fitch Ratings Limited (**Fitch**). As of the date of this Offering Circular, the Programme has been rated A- (stable outlook) by S&P and BBB+ (stable outlook) by Fitch.

S&P is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). S&P is not established in the United Kingdom but it is part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). Accordingly the Issuer and the Programme ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Fitch is established in the United Kingdom (the **UK**) and is registered in accordance with the UK CRA Regulation. Fitch is not established in the EEA and has not applied for registration under the CRA Regulation. The ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation.

Notes issued under the Programme may be rated or unrated by either 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 the relevant rating agency. 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. Please also refer to "*Credit ratings may not reflect all risks*" in the "*Risk Factors*" section of this Offering Circular.

Arranger

BNP PARIBAS

Dealers

Barclays	**BNP PARIBAS**
Danske Bank	**DNB Bank**
Handelsbanken Capital Markets	**Nordea**
Santander Corporate & Investment Banking	**SEB**
Société Générale Corporate & Investment Banking	**UniCredit Bank**

The date of this Offering Circular is 29 March 2021

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. When used in this Offering Circular, Prospectus Regulation means Regulation (EU) 2017/1129.

The Issuer accepts responsibility for the information contained in this Offering Circular 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 Offering Circular is in accordance with the facts as at the date of this Offering Circular and does not omit anything likely to affect the import of such information.

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

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 Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the Central Bank of Ireland.

Neither the Dealers nor the Trustee (as defined below) have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

No person is or has been authorised by the Issuer or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular 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, any of the Dealers or the Trustee.

Neither this Offering Circular 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, any of the Dealers or the Trustee that any recipient of this Offering Circular 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 Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

Amounts payable on Floating Rate Notes (as described in "*Terms and Conditions of the Notes – Interest on Floating Rate Notes*") may, if so specified in the applicable Final Terms, be calculated by reference to a Reference Rate (as defined in the Terms and Conditions of the Notes). As at the date of this Offering

Circular, European Money Markets Institute (as administrator of EURIBOR) and Norske Finansielle Referanser AS (as administrator of NIBOR) are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

As far as the Issuer is aware, (i) SONIA (as defined herein) does not fall within the scope of the Benchmarks Regulation and (ii) the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that neither the Swedish Financial Benchmark Facility AB (as administrator of STIBOR) nor ICE Benchmark Administration Limited (as administrator of LIBOR) is currently required to obtain authorisation or registration (or, if located outside the European Union (the (**EU**), recognition, endorsement or equivalence).

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, **MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR 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 UK MiFIR Product Governance Rules.

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

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (iii) not a qualified investor

as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the **SFA**) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this document 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, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular 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. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including Belgium and Norway), the United Kingdom, Japan and Singapore (see "*Subscription and Sale*" below).

The Notes have not been nor will be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). See "*Subscription and Sale*" below.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes in reliance upon Regulation S outside the United States to non-U.S. persons and, with respect to Notes in registered form only, within the United States (1) in reliance upon Rule 144A under the Securities Act (**Rule 144A**) to "qualified institutional buyers" within the meaning of Rule 144A (**QIBs**), (2) to "institutional accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) (**Institutional Accredited Investors**) pursuant to Section 4(2) of the Securities Act or (3) in transactions otherwise exempt from registration. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in the Trust Deed (as defined below) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act, if at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3)

of the Securities Act and the Issuer is neither a reporting company under Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Unless otherwise provided with respect to a particular Series of Registered Notes, Registered Notes of each Tranche of such Series sold outside the United States in reliance on Regulation S will be represented by a permanent global note in registered form, without interest coupons (a **Regulation S Global Note**), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**). With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the date of issue and completion of the distribution of each Tranche of Notes (the **Distribution Compliance Period**), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Registered Notes of each Tranche sold in private transactions to QIBs pursuant to Rule 144A will be represented by a restricted permanent global note in registered form, without interest coupons (a **Restricted Global Note** and, together with a Regulation S Global Note, **Registered Global Notes**), deposited with a custodian for, and registered in the name of a nominee of, DTC. Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive registered form (**Definitive Registered Notes**), registered in the name of the holder thereof. Definitive Registered Notes will, at the request of the holder (save to the extent otherwise indicated in the applicable Final Terms), be issued in exchange for interests in a Registered Global Note upon compliance with the procedures for exchange as described in "*Form of the Notes*" below.

Each Tranche of Bearer Notes will initially be represented by a temporary global Note (a **Temporary Global Note**) or a permanent global Note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) as specified in the applicable Final Terms, which will be deposited on the issue date thereof with a common safekeeper or a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system. Beneficial interests in a Temporary Global Note will be exchangeable for either beneficial interests in a Permanent Global Note or definitive Bearer Notes 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 Bearer Notes following the occurrence of an Exchange Event (as defined in "*Form of the Notes*" below), all as further described in "*Form of the Notes*" below. For further details of clearing and settlement of the Notes issued under the Programme see "*Book-Entry Clearance Systems*" below.

Each Tranche of VPS Notes will be issued in uncertificated book entry form, as more fully described under "*Form of the Notes"* below. On or before the issue date of each Tranche of VPS Notes entries may be made with the VPS to evidence the debt represented by such VPS Notes to accountholders with the VPS. VPS Notes will be issued in accordance with the laws and regulations applicable to VPS Notes from time to time.

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 Offering Circular 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 with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of indices and 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.

PRESENTATION OF INFORMATION

All references in this document to **U.S. dollars** and **U.S.$** refer to the currency of the United States of America, references to **NOK** or **Norwegian Kroner** are to the lawful currency of the Kingdom of Norway, those to **Japanese Yen** and **Yen** refer to the currency of Japan and those to **Sterling**, **GBP** and **£** refer to the currency of the United Kingdom. In addition, references to **euro** and **€** 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.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

PRESENTATION OF FINANCIAL INFORMATION

Certain financial information set out herein has been extracted from the Issuer's annual audited consolidated financial statements for either the year ended 31 December 2020, or the year ended 31 December 2019, including the notes thereto, which have been incorporated by reference herein. The Issuer's annual audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**) and the interpretation of these standards as adopted by the European Union.

TABLE OF CONTENTS

STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the **Stabilisation Manager(s)**) (or persons acting on behalf of any Stabilisation Manager(s)) 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 must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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 Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. 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.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Commission Delegated Regulation (EU) No 2019/980.

Issuer:	Statkraft AS
Issuer Legal Entity Identifier (LEI):	529900TH4OAW7WYG1777
Description:	Euro Medium Term Note Programme
Arranger:	BNP Paribas
Dealers:	Banco Santander, S.A. Barclays Bank Ireland PLC BNP Paribas Danske Bank A/S DNB Bank ASA Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ) Société Générale Svenska Handelsbanken AB (publ) UniCredit Bank AG and any other Dealers appointed 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. These are set out under "*Risk Factors*" below and include, but are not limited to, risks relating to electricity generation capacity, weather related risks, environmental risks, policy risks (as the Issuer is a state-owned entity), regulatory risks, country and partner risks, and risks relating to hedging, trading and structured sales. 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 certain risks relating to the structure of 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 Offering Circular. **Notes having 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 (see "*Subscription and Sale*" below).
Trustee:	Citicorp Trustee Company Limited

Issuing and Principal Paying Agent:	Citibank, N.A.
Exchange Agent and Transfer Agent:	Citibank, N.A.
Registrar:	Citigroup Global Markets Europe AG
Paying Agent and Transfer Agent	Citibank Europe plc
VPS Account Manager:	Danske Bank A/S, Verdipapirservice
Irish Listing Agent	McCann Fitzgerald Listing Services Limited
Size:	Up to €6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	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, including, without limitation, Australian dollars, Canadian dollars, Czech koruna, Danish kroner, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian kroner, Sterling, South African Rand, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Final Terms).
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
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.
Form of Notes:	Notes may be issued in bearer form, registered form or, in the case of VPS Notes, uncertificated book entry form, as specified in the applicable Final Terms. Notes in bearer form will not be exchangeable for Notes in registered form and Notes in registered form will not be exchangeable for Notes in bearer form. VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS. See "*Form of the Notes*" below. Each Tranche of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note (as indicated in the applicable Final Terms) which in either case, will (a) 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 and Clearstream, Luxembourg; and (b) 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,

and subject, in each case, to such restrictions as are contained in the relevant Global Note and summarised below. Temporary Global Notes will be exchanged not earlier than 40 days after their issue only 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 Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearance system, as appropriate.

Each Tranche of Registered Notes which is sold outside the United States in reliance on Regulation S will, unless otherwise specified in the applicable Final Terms, be represented by a Regulation S Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC on its Issue Date for the accounts of Euroclear and Clearstream, Luxembourg. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to the expiry of the Restricted Period beneficial interests in a Regulation S Global Note of such Tranche may be held only through Clearstream, Luxembourg or Euroclear. After the expiry of the Distribution Compliance Period (as defined in Condition 1), beneficial interests in a Regulation S Global Note may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in the limited circumstances as more fully described in Condition 2.

Registered Notes of any Series sold in private transactions to QIBs and subject to the transfer restrictions described in "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" will, unless otherwise specified in the applicable Final Terms, be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC on its Issue Date.

Notes represented by the Registered Global Notes will trade in DTC's same day fund settlement system and secondary market trading activity in such Notes will therefore settle in immediately available funds. Beneficial interests in a Regulation S Global Note and a Restricted Global Note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct or indirect participants, including Clearstream, Luxembourg and Euroclear. See "*Book-Entry Clearance Systems*" below.

Notes initially offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act and subject to the transfer restrictions described in "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*", will be issued only in definitive registered form and will not be represented by a

	global Note or Notes. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described in Condition 2, to receive physical delivery of Definitive Registered Notes
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 and 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, as indicated 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 (as indicated in the applicable Final Terms). Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on the Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the relevant Floating Day Count Fraction unless otherwise indicated in the applicable Final Terms. If Floating Rate Notes provide for a Rate of Interest (or any component thereof) to be determined by reference to a reference rate and the Issuer determines that a Benchmark Event (as defined in Condition 5(b)(viii)) in respect of such reference rate has occurred, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser (as defined in Condition 5(b)(viii)) to determine a Successor Rate or Alternative Reference Rate (each as defined in Condition 5(b)(viii)) for use in place of the original reference rate and to determine an Adjustment Spread (as defined in Condition 5(b)(viii)). If the Independent Adviser fails to determine a Successor Rate or Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread (if any), then the Rate of Interest shall be determined by reference to the original reference rate and the fallback provisions set out in the Conditions. See Condition 5(b)(viii) for further information.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount, at par or at a premium to their nominal amount and will not bear interest other than in the case of late payment.
Redemption:	The 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 30 nor more than 60 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. If Make-Whole Redemption is specified as being applicable in the relevant Final Terms, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their stated maturity, at the Make-Whole Redemption Amount. In addition, if Change of Control Put is specified as being applicable in the relevant Final Terms, the Notes may be redeemed before their stated maturity at the option of the Noteholders in the circumstances described in Condition 7(f)(ii). Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
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 and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amounts in such currency at the time of issue of such Notes). Notes in registered form sold pursuant to Rule 144A shall be issued in denominations of U.S.$200,000 (or its equivalent in any other currency) and higher integral multiples of U.S.$10,000 (or its equivalent as aforesaid). Definitive Registered Notes sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act shall be issued in minimum denominations of U.S.$500,000 (or its equivalent in any other currency) and higher integral multiples of U.S.$1,000 (or its equivalent as aforesaid).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within the Kingdom of Norway, subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, 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 4.
Cross Default:	The terms of the Notes will contain a cross-default provision as further described in Condition 10.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, unsecured

	obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Rating:	The Programme has been rated A- (stable outlook) by S&P and BBB+ (stable outlook) by Fitch. 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 rating assigned to the Programme.
Listing and admission to trading:	Application has been made for Notes issued under the Programme to be listed on Euronext Dublin. Applications may be made to list VPS Notes on the Oslo Stock Exchange. Any such applications will be in accordance with applicable laws and regulations governing the listing of VPS Notes on the Oslo Stock Exchange from time to time. The applicable Final Terms will state on which stock exchanges and/or markets the relevant Notes are to be listed and/or admitted to trading. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law. VPS Notes must comply with the Norwegian Securities Register Act of 15 March 2019 no. 6, as amended from time to time, implementing Regulation (EU) No. 909/2014 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.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including Belgium and Norway), the United Kingdom, Japan and Singapore 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*" and "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" below.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer 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 the Issuer becoming unable to make all payments due in respect of the Notes. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. The Issuer 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 the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

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.

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

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Risk factors specific to the Issuer

State-ownership of Statkraft

Political and economic policies of the Norwegian State could affect Statkraft's business and financial condition. This may be reflected in decisions relating to the pursuance of Statkraft's commercial and financial interests, including those relating to dividend distribution policy and/or its strategy on development, production and trading activities as well as potential future ownership structures.

Business specific risk factors

Statkraft undertakes an annual review of the key risk factors to its business. The risks are ranked in order of their materiality to Statkraft's business.

Power price uncertainty

As a leading company in international hydropower, Statkraft is heavily exposed to power prices in most markets in which it is present. Future power prices have a direct effect on Statkraft's existing assets, and also affect decisions related to potential new assets. The majority of Statkraft's value is directly exposed to the power prices in the Nordic market which are the most important value drivers for Statkraft.

The power prices in the Nordic market are heavily affected by the power balance; increased generation or reduced demand will reduce the power prices and *vice versa*. The Nordic market is increasingly connected to the continental European markets and to the Baltic region, and are thus influenced by changes to fuel prices, prices for CO_2 emission rights, demand growth and the development in production capacity in these markets. Growth in wind and solar, and the phasing out of thermal capacity, are changes in generation technologies that impact the power prices and power balance. New technologies, new generation methods and new market players may also influence the future price development and hence the competitiveness of traditional utilities.

A major part of the current electricity generation capacity of the Group comes from hydropower plants, most of which are situated in Norway. The hydro reservoir levels can vary considerably from year to year, and the hydrological balance may affect both the price of electricity and the capacity available and may significantly impact upon Statkraft's revenues. Statkraft's generation capacity can be affected by climate changes relating *inter alia* to changes in precipitation patterns and seasonal variations.

Statkraft is predominantly exposed to the wholesale electricity market, which is considered as being more volatile in nature than the retail market. There is also a risk of reduction in demand for electricity caused by *inter alia* structural changes within the energy/intensive process industry, with potential impact on the Group's future profits.

Besides the hydropower plants, gas fired generation facilities account for 2,390 MW of Statkraft's total generation capacity of 19,961 MW (based on Statkraft's pro-rata share of direct and indirect ownership of such powerplants). Through these facilities, Statkraft is exposed to risk factors such as the differential

between gas and electricity prices. A negative development in the price differential between electricity and gas may negatively impact upon Statkraft's financial performance. The plants also emit carbon dioxide and other so called greenhouse gases. Availability and price changes on emission rights may also negatively impact upon Statkraft's financial performance.

Regulatory Issues

The business framework within which Statkraft operates is influenced by political decisions, including (but not limited to) changes in the minimum water flow regulations and instructions from the Norwegian Water Resources and Energy Directorate (**NVE**), grid regulation (including the revenue scheme), tax regulations (including environmental taxes), as well as the general conditions and regulations set for the industry at large in the Norwegian and other relevant markets.

Most of Statkraft's existing hydro assets have a long economic life time and the values of the assets are largely dependent on the long-term cash flows. All Norwegian concessions given in accordance with "Vassdragsreguleringsloven" are subject to the concession updating process, which has the aim of improving the environmental conditions in the watercourses and concession area. Improving environmental conditions is of high priority both for new and existing concessions, at both the national and EU level. There are potentially significant financial impacts on long-term cashflows from the pending concession update processes in Norway, aiming at improving local environmental conditions. Improving environmental conditions is of high priority both for new and existing concessions, at both the national and EU level. All Norwegian concessions given in accordance with "Vassdragsreguleringsloven" are subject to the concession updating process, which has the aim of improving the environmental conditions in the watercourses and concession area.

Statkraft is subject to a number of different environmental laws, regulations, environmental expectations and reporting requirements. Costs are incurred for prevention, control, abatement or elimination of releases into the air and water, as well as in the disposal and handling of wastes at operating facilities. Expenditures of a capital nature include (but are not limited to) remedial measures on existing power and heat facilities, measures arising from the construction of new production facilities and power lines and the regulation of water flow all of which could impact materially on Statkraft's results, as could liability due to failure for any reason to satisfy applicable requirements.

Increases in transmission tariffs implies increased costs for Statkraft. Although such tariffs are regulated, increased investment needs in a transmission grid may lead to the need for additional income for such grid operators and hence cost increases for the users of such grid.

Statkraft is exposed to a number of tax risks in the countries where it operates. Statkraft's tax risk management process facilitates appropriate identification, measurement, management and reporting of tax risks. Currently, the Statkraft Treasury Centre SA tax dispute risk constitutes the majority of Statkraft's total tax exposure.

On 3 March 2020 and 12 March 2020, Statkraft AS received decisions of tax reassessment from the Norwegian tax authorities. The main issue relates to Statkraft Treasury Centre SA's capital structure, and its compliance with the arm's length principle. Statkraft strongly disagrees that there is a legal basis for any reassessment and has made no provisions related to this case in its consolidated financial statements. In the parent company financial statements, prepared under generally accepted accounting principles in Norway, the impact from the decision has been expensed.

Statkraft paid NOK 2,335 million to the Norwegian tax authorities in the second quarter of 2020 related to this case, associated with the period 2010-2016. Of this, NOK 2,079 million is presented as an uncertain income tax deposit and NOK 256 million is presented as uncertain interests deposit. Both items are part of the line item "Other non-current assets" in the statement of the financial position in Statkraft's consolidated financial statements for the year ended 31 December 2020.

The EU and international regulatory framework may influence the supply and demand for electricity and hence the price of electricity as well as generation costs. This is true both for greenhouse gas emission allowances and for support schemes for new renewable generation capacity. The price of carbon emission rights is transferred into the wholesale electricity market and will influence Statkraft indirectly through the power price. There is a general trend of increasing regulation of the energy market, in particular in the European Union, with stricter rules and sanctions, as well as more comprehensive requirements for reporting.

Governments within and outside Europe have high ambitions to increase the share of renewables in the electricity generation mix. In order to incentivise investments in new renewables, attractive support

schemes have been established to enhance the profitability of otherwise non-competitive technologies. For many investments, Statkraft is relying on such support. Therefore, the retention of support schemes and markets is important, and changes in, or abolishment of, these schemes may have a direct influence on Statkraft's revenue or profits and its future investment plans in the different markets.

Regulatory framework conditions in various jurisdictions can influence Statkraft's production, costs and revenues. Statkraft therefore carefully considers any uncertainties relating to local regulatory conditions when making investment decisions abroad. Possible changes in the political landscape are also considered, and the maintenance of an open dialogue and good relationships with decision-makers in all relevant markets is a priority to Statkraft.

All changes affecting any of the above-mentioned factors may have adverse consequences for Statkraft's power production capacity, revenue or profits.

Country risk

Statkraft is exposed to country risk, especially in emerging markets. Statkraft assesses risk for each country individually and compares countries in each region. The risk assessment of the activity in each country covers political and regulatory aspects, social development, security, compliance, tax regime and corporate legislation. The exposure to corruption risk is high in several of the countries where Statkraft is present.

Statkraft is committed to ensuring that all parts of the Group comply with the Group's policies and procedures. The standards are communicated to all partners and suppliers. Statkraft has zero tolerance for corruption and strives to ensure continued compliance with all applicable anti-bribery/corruption legislation and any applicable sanctions. If Statkraft is associated with, or even accused of being associated with, partners or third parties who are acting in breach of applicable anti-bribery/corruption legislation, sanctions or similar legislation, then Statkraft's reputation could suffer and/or Statkraft could become subject to fines, sanctions and/or legal enforcement (including being added to any "black lists" that could prohibit certain parties from engaging in transactions with Statkraft), any one of which could have a material adverse effect on the Statkraft's operating results, financial condition and prospects.

Risks related to Operation and Maintenance

Operational irregularities or failure to keep power generation or other production assets running (whether due to accident or otherwise) may cause a drop in generation revenues.

Despite a robust set-up and continuously improved defence systems and procedures, production control could fail due to incidents such as bad weather conditions, faulty actions by personnel, technical failures or the continuously changing cyber threat landscape.

Statkraft's operations may be affected by climate change. Severe weather conditions can impact on ongoing operations, as well as on its capex levels, and may negatively impact upon Statkraft's financial performance.

Potential dam-break flooding represents a potential hazard to third parties. Accidents related to other parts of Statkraft's operations and products may also cause damage to third party property or persons. Such claims may not be recoverable through applicable insurance cover or otherwise.

Risks Related to Investment Activities

The Group runs ongoing investment programmes to update and renew its portfolio of assets. The ability to manage these investment programmes within set time and cost frames is vital for profitability. Historically, it has been greenfield hydropower projects outside the Nordics that have been the most challenging projects. Poor project planning and execution may lead to accidents, delays, cost overruns, and impairments. After the implementation by Statkraft in 2018 of a common project management model (designed to improve project planning and execution), there has been a positive trend in project performance.

In order to prepare for the future, and to comply with its stated strategy of being a leading player in the energy market, the Group will take on a significantly larger number of investments within onshore wind and solar going forward. Key success factors for growing profitable portfolios will be to build scale, ensure cost competitiveness, and attract financial investors, while continuously improving corporate responsibility. These internal factors, in addition to external risk factors like changes to regulatory conditions, market prices, financing regimes and political trends, may affect the liability of these investments, and as a result, the financial condition of the Group.

Financial Risks

The Group is facing credit risk through its liquidity portfolio and when entering into transactions with financial institutions and providers of clearing services.

Losses in relation to treasury operations could be caused by the occurrence of (but not limited to) the following events:

(i) Statkraft uses interest rate and currency instruments in its management of its interest rate and foreign exchange exposure. Movements in interest rates and/or the value of currencies could cause losses on the hedging transactions.

(ii) Incorrect trade collection and/or reporting, intentional or unintentional, caused by errors in either the front or back-offices could have the effect that internal risk measurement systems are unable to correctly measure the Group's exposure, which in turn could lead to unexpected losses.

(iii) Statkraft may assume counterparty exposure in its treasury operations by entering into financial contracts. Default by a counterparty under such a contract could put Statkraft's claims at risk and/or cause losses by settlement exposure with such counterparty.

Statkraft depends on the availability of funding and credit to finance future development plans and projects and/or to refinance existing facilities and debt. No assurance can be given that the capital markets and/or syndication markets in which banks operate will be accessible and able to provide debt finance in such amounts and on such terms as may be required at the relevant time.

Hedging, Trading and Structured Sales

The Group has major customers and substantial counterparty exposures in its energy sales and trading operations. Default by one or more of such customers or counterparties may adversely affect the financial results of the Group. Statkraft's main credit counterparty risk is related to the long-term power contracts portfolio tied to its Norwegian assets. These are the main hedges for the downside scenarios in the Nordics and Statkraft's hydro asset fleet. This risk can be impacted directly by defaults by counterparties with loss of payment, or indirectly, by Statkraft being forced to re-negotiate the contracts to avoid the counterparties from defaulting due to financial hardship.

The main goal for Statkraft's hedging operation is to identify and manage financial risk in connection with the electricity market. Losses in relation to these hedging operations could be caused by the occurrence of (but not limited to) the following events:

(i) Statkraft uses forward instruments in its management of its exposure to the electricity market. Major movements in forward prices caused by events in the relevant market could prove that the assumptions made in the risk models were insufficient and, as a consequence, losses could occur.

(ii) Incorrect trade collection and/or reporting, intentional or unintentional, caused by errors in either the front or back-offices could have the effect that internal risk measurement systems are unable to correctly measure the Group's exposure, which in turn could lead to unexpected losses.

The Group frequently trades financial energy products with industrial enterprises, power producers and distribution companies on a bilateral basis and via power exchanges in Europe as well as in Brazil and India. The Group furthermore enters into contracts with large customers specially designed to accommodate the needs of the individual customer. Trading activities and structured sales may have a negative effect on Statkraft's profitability.

Natural and other disasters

The Group's business and operating results could be negatively impacted by natural, social, technical or physical risks such as a widespread health emergency such as Covid-19 (or concerns over the possibility of such an emergency), earthquakes, hurricanes, typhoons, flooding, fire, water scarcity, power loss, loss of water supply, telecommunications and information technology system failures, cyberattacks, labour disputes, political instability, military conflict and uncertainties arising from terrorist attacks, including a global economic slowdown, the economic consequences of any military action and associated political instability.

In particular the ongoing Covid-19 pandemic, which has had an impact on the power and renewables industry and has increased the market risk and uncertainty related to future power prices, as well as the credit risk towards customers (such as breach and cancellation of contracts), and any potential similar future pandemic, may have a significant adverse effect on the Group, namely: (i) the spread of such diseases amongst the Group's employees, or any quarantines or social distancing measures affecting the

Group's employees or facilities, may reduce the Group's personnel's ability to carry out their work, thus affecting the Group's operations; and (ii) the current pandemic and any potential similar future outbreaks may also have an adverse effect on the Group's counterparties and/or customers, resulting in additional risks in the performance of the obligations assumed by them to the Group, as and when the same fall due, and ultimately exposing the Group to an increased number of defaults among its counterparties and/or customers.

All of Statkraft's facilities have been operating satisfactorily, but as a result of Covid-19 and government decisions on lockdown and restrictions, three construction projects temporarily ceased during 2020. These were gradually restarted in accordance with national guidelines in the respective countries, but two of the projects will have delays and cost overruns.

Safety and security risk

There is exposure to safety risk throughout the value chain and is highest for activities carried out during construction, operation and maintenance work. Although there has been a positive development in results over several years, reducing the number of fatal accidents significantly, in 2020 Statkraft had three fatal accidents. The primary drivers for this exposure are construction projects with high levels of inherent safety risk, as well as the growing volume of activities with safety risk. Based on several years' experience, the activities with highest risk potential are driving, working at height, lifting operations, energised systems, heavy mobile equipment, ground works and confined space.

Personnel working for Statkraft may be exposed to violent crime, terrorist attack, militancy and/or civil unrest, either as an intended target of a threat agent, or incidental, for instance by being at the wrong place at the wrong time. Exposure to this risk varies across Statkraft locations and operations and is therefore to a large degree handled locally.

Failure to mitigate safety and security risk could lead to financial and human costs as a result of cessation or suspension of business, delays in project delivery, injuries, financial penalties and/or reputational damage.

Human rights issues

Human rights in relation to business is a fast maturing field. The United Nations launched Guiding Principles on Business and Human Rights in 2011, which have been incorporated into OECD and EU guidelines. There is also an increasing tendency to legislate in respect of these matters.

Assessments by Statkraft show that salient human rights risks for Statkraft are related to community acceptance, including by Indigenous Peoples. Statkraft's core activities often impact local communities, in particular when it comes to land rights and use. Indigenous Peoples' rights are relevant for several of Statkraft's activities; for instance, in Norway, Sweden, Chile and Peru. There are also considerable risks related to potential human rights violations in our supply chain and related to security arrangements.

Failure to successfully address this risk factor or to comply with relevant standards and regulations may have a negative impact on Statkraft's financial condition as a result of cessation or suspension of business, delays in project delivery, financial penalties and/or reputational damage.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A 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:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar return

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

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

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.

Floating Rate Notes

A holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes in advance. In the event that the reference rate used to calculate the applicable interest rate turns negative, the interest rate will be below the margin, if any, and may be zero and accordingly, the holders of Floating Rate Notes may not be entitled to interest payments for certain or all interest periods. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

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

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to 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 such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

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

Interest rates and indices which are deemed to be benchmarks (such as, in the case of Floating Rate Notes, a Reference Rate) 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.

Regulation (EU) 2016/1011 (the **EU 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. It, among other things, (i) requires 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) prevents 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). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. 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 benchmark.

More broadly, any of the national or international 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 and, on 5 March 2021, the FCA announced that all LIBOR currencies and tenors will either cease to be provided by any administrator or no longer be representative. The announcement states that permanent cessation will occur (i) immediately after 31 December 2021, in the case of all euro and Swiss Franc LIBOR settings and certain Sterling, Japanese Yen and US dollar LIBOR settings; and (ii) immediately after 30 June 2023, in the case of certain other U.S. dollar LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US dollar LIBOR). The announcement also states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022. From January 2018 onwards, the FCA's working group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the subsequent four years across Sterling bond, loan and derivative markets, so that SONIA is established as the primary Sterling interest rate benchmark by the end of 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, amongst other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system. On 13 September 2018, the euro risk-free rate working group for the euro area recommended Euro Short-term Rate (**€STR**) as the new risk free rate for the euro area. €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

It is not possible to predict with certainty whether, and to what extent certain benchmarks (such as EURIBOR, STIBOR and/or NIBOR) will continue to be supported going forwards. This may cause certain benchmarks (such as EURIBOR, STIBOR and/or NIBOR) to perform differently than they have 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 the benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should be aware that, if a benchmark rate were discontinued or otherwise unavailable, the Rate of Interest on Floating Rate Notes which are linked to or which reference such benchmark rate will be determined for the relevant period by the fallback provisions applicable to such Notes. The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that the Issuer determines that a Benchmark Event (as defined in the Terms and Conditions of the Notes) has occurred.

If a Benchmark Event has occurred in relation to a Reference Rate (as defined in the Terms and Conditions of the Notes) at any time when any Rate of Interest (or component thereof) remains to be determined by reference to such Reference Rate, such fallback arrangements include the possibility that:

(a) the relevant Rate of Interest (or component thereof) could be set or, as the case may be, determined by reference to a Successor Rate or an Alternative Reference Rate (each as defined in the Terms and Conditions of the Notes) determined by an Independent Adviser (as defined in the Terms and Conditions of the Notes); and

(b) if a Successor Rate or an Alternative Reference Rate (as applicable) is so determined, an Adjustment Spread (as defined in the Terms and Conditions of the Notes) shall also be determined by the relevant Independent Adviser,

in each case as more fully described in the Terms and Conditions of the Notes. Investors should note that the relevant Independent Adviser will have discretion to determine the applicable Adjustment Spread (which may be positive, negative or zero) in the circumstances described in the Terms and Conditions of the Notes, and in any event an Adjustment Spread may not be effective in reducing or eliminating any economic prejudice or benefit to investors arising out of the replacement of the relevant Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable).

In addition, the Independent Adviser, following consultation with the Issuer, may also specify changes to the Terms and Conditions of the Notes that are necessary in order to follow market practice in relation to the relevant Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread.

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

No consent of the Noteholders shall be required in connection with effecting any relevant Successor Rate or Alternative Reference Rate (as applicable) or any other related adjustments and/or amendments described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

In certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should 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 the Notes in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes

In the case of Floating Rate Notes, where the Rate of Interest is specified in the applicable Final Terms as being determined by reference to SONIA, the Rate of Interest will be determined on the basis of a compounded daily rate. Such rate will differ from the GBP LIBOR rate in a number of material respects, including (without limitation) that a compounded daily rate will be determined by reference to backwards-looking, compounded, risk-free overnight rates, whereas GBP LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that GBP LIBOR and SONIA may behave materially differently as interest reference rates for Notes issued under the Programme. The use of SONIA as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA.

Accordingly, prospective investors in any Notes referencing SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to GBP LIBOR. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are, as at the date of this Offering Circular, currently exploring alternative reference rates based on SONIA, including forward-looking 'term' SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from GBP LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Floating Rate Notes that reference SONIA issued under this Offering Circular. Furthermore, the Issuer may in future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Notes issued by it under the Programme. The nascent development of SONIA as an interest reference rate for the Eurobond market, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-based Notes issued under the Programme from time to time.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing SONIA. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

The Rate of Interest on Notes which reference SONIA will be capable of being determined only near the end of the relevant Interest Period

The Rate of Interest on Notes which reference SONIA is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in such Notes to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to GBP LIBOR-based Notes, if Notes referencing SONIA become due and payable as a result of an Event of Default under Condition 10, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable and shall not be reset thereafter.

Risks related to Notes generally

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

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. 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 or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

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

A Restructuring Plan implemented pursuant to Part 26A of the Companies Act 2006 may modify or disapply certain terms of the Notes without the consent of the Noteholders

Where the Issuer encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a **Plan**) with its creditors under Part 26A of the Companies Act 2006 to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members regardless of whether they approved

it and may, therefore, adversely affect the rights of Noteholders and the price or value of their investment in the Notes where it has the effect of modifying or disapplying certain terms of the Notes.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular. In particular, potential investors should note that any such change in applicable law or administrative practice could materially adversely impact the value of any Notes affected by it.

Introduction of Norwegian Withholding Tax / Potential Issuer Redemption for Tax Reasons

From 1 July 2021, Norway will introduce a new withholding tax on certain payments of interest. The new withholding tax liability is limited, however, to interest payments made to related enterprises resident within low-tax jurisdictions. As the new withholding tax will only apply to interest payments made to such related enterprises (i.e. companies owned, directly or indirectly, or controlled, by at least 50 per cent.), it will not affect interest payments on Notes issued by the Issuer in the present circumstances.

If the Issuer has or will become obliged to pay additional amounts as provided in Condition 8, the Issuer may (subject to the conditions set out therein) exercise its right to redeem the Notes pursuant to Condition 7(b).

Investors who hold 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 or issued) 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.

Risks related to the market generally

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

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes

Notes may have no established trading market when issued, and one may never develop. If a market 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 generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of

exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

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. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if subsequent changes in 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 assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer and/or 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 regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA 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 third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country 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). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

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

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes (**Eligible Projects**). Prospective investors should have regard to the information in the 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 or the Dealers that the use of such proceeds for any Eligible 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 relevant Eligible 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 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 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 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 Offering Circular. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of 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 admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of Euronext Dublin's regulated market or the Oslo Stock Exchange's regulated market, no representation or assurance is given by the Issuer, the Dealers or any other person that such 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 Projects. Furthermore, it should be noted that the criteria for any such admission to trading may vary between Euronext Dublin's regulated market and the Oslo Stock Exchange's regulated market. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such admission to trading will be obtained in respect of any such Notes or, if obtained, that any such 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 Projects in, or substantially in, the manner described in the Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible 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 Projects. Nor can there be any assurance that such Eligible 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 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 admitted to trading on any stock exchange 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 Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, shall be incorporated in, and form part of, this Offering Circular:

(a) the auditors' report and audited consolidated and non-consolidated annual financial statements of the Issuer for each of the financial years ended (i) 31 December 2019 (which appear on pages 59 to 171 (inclusive) of the annual report of the Issuer for the year ended 31 December 2019 and which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/4-reports-and-presentations/2019/q4-2019/statkraft-as-annual-report-2019.pdf) and the section titled "Alternative Performance Measures" (which appears on pages 182 to 184 (inclusive) of the annual report of the Issuer for the year ended 31 December 2019) and (ii) 31 December 2020 (which appear on pages 73 to 200 (inclusive) of the annual report of the Issuer for the year ended 31 December 2020 and which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/4-reports-and-presentations/2020/q4/statkraft-as-annual-report-2020.pdf) and the section titled "Alternative Performance Measures" (which appears on pages 210 to 211 (inclusive) of the annual report of the Issuer for the year ended 31 December 2020); and

(b) the Terms and Conditions of the Notes contained in the previous Offering Circulars dated:

(1) 15 May 2015 (on pages 29 to 58 (inclusive)), which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/6-funding/emtn/icm-21874480-v1-statkraft_-_final_offering_circular.pdf

(2) 26 June 2014 (on pages 29 to 58 (inclusive)), which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/6-funding/emtn/icm-19835467-v1-statkraft_2014_-_final_clean_offering_circular_for_final_submission.pdf

(3) 15 June 2006 (on pages 32 to 56 (inclusive)), which can be found at https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/6-funding/emtn/statkraft-offering-circular-2006_tcm9-9500.pdf

each prepared by the Issuer in connection with the Programme.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland 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 Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein (which for the avoidance of doubt, means any parts not listed in the descriptions set out above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

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

FORM OF THE NOTES

The Notes of each Series will be in bearer form, with or without interest coupons attached, registered form, without interest coupons attached or, in the case of VPS Notes, uncertificated book entry form. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a Regulation S Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, the Depositary Trust Company (**DTC**) for the accounts of Euroclear and Clearstream, Luxembourg. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the Distribution Compliance Period applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer. Regulation S Global Notes will be exchangeable for Definitive Registered Notes only in the limited circumstances as more fully described in Condition 2. Terms used in this paragraph shall have the meanings given to them by Regulation S.

Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions: (i) to QIBs; or (ii) to Institutional Accredited Investors and who execute and deliver an IAI Investment Letter (as defined in the "*Terms and Conditions of the Notes*") in which they agree to purchase the Notes for their own account and not with a view to the distribution thereof.

The Registered Notes of each Tranche sold to QIBs will be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described in Condition 2 to receive physical delivery of Definitive Registered Notes.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. Such Definitive Registered Notes issued to Institutional Accredited Investors and any Restricted Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal of the Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register at the close of business on the business day immediately prior to the relevant payment or delivery date. Payments of interest on Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered on the Record Date (as defined in Condition 6) immediately preceding such payment date. None of the Issuer, the Principal Paying Agent, any Paying Agent, the Exchange Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Each Tranche of Bearer Notes will be initially represented by a Temporary Global Note or a Permanent Global Note (as specified in the applicable Final Terms) without interest coupons or talons. If the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**), and if the Global Notes are not intended to be issued in NGN form, the Notes will 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 and/or any other agreed clearing system. Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility

criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal and interest (if any) and any other amount payable in respect of the Notes 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, as applicable, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either (a) for interests in a Permanent Global Note of the same series without interest coupons or talons or (b) for definitive Bearer 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 Bearer Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount 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 Bearer Notes is improperly withheld or refused. Each exchange of an interest in a Temporary Global Note for an interest in a Permanent Global Note or definitive Bearer Notes, as the case may be, and each exchange of an interest in a Permanent Global Note for definitive Bearer Notes, shall be made outside the United States.

Payments of principal, interest (if any) or any other amount 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 (i) upon not less than 60 days' written notice being given to the Principal Paying Agent by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in the Permanent Global Note; or (ii) only upon the occurrence of an Exchange Event as described therein. **Exchange Event** means (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (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 satisfactory to the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or the common depositary or the common safekeeper for Euroclear and Clearstream, Luxembourg, as the case may be, on their behalf (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Tranches of Bearer Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Principal Paying 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, the Notes of such further Tranche shall be assigned (where applicable) a CUSIP number, a common code and/or an ISIN which are different from the CUSIP number, common code and/or ISIN assigned to Notes of any other Tranche of the same Series until the end of the Distribution Compliance Period. At the end of the Distribution Compliance Period, the CUSIP number, common code and ISIN, as the case may be, thereafter applicable to the Notes of the relevant Series will be notified by the Principal Paying Agent to the relevant Dealer.

All Notes, other than VPS Notes, will be issued pursuant to the Agency Agreement.

For so long as any of the Notes is represented by a bearer global Note deposited with a common safekeeper or a common depositary for Euroclear and Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Registered Global Note or so long as a Note is a VPS Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or DTC or the VPS, as the case may be, as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC or its nominee or the VPS as to the nominal amount of 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 deemed to be the holder of such nominal amount of such Notes for all purposes other than (in the case only of Notes not being VPS Notes) with respect to the payment of principal or interest on the Notes, for which purpose such common depositary or common safekeeper or, as the case may be, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Agency Agreement (and the expression **Noteholder** and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Each Tranche of 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 the VPS. Issues of VPS Notes will be constituted by the Trust Deed. On the issue of such VPS Notes, the Issuer will send a letter to the Trustee, with copies sent to the Issuing and Principal Paying Agent and the VPS Account Manager (the **VPS Letter**), which letter will set out the terms of the relevant issue of VPS Notes in the form of Final Terms attached thereto. On delivery of a copy of such VPS Letter, including the applicable Final Terms, to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the account operator acting on behalf of the Issuer will credit each subscribing account holder with the 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 the 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 the VPS.

The following legend will appear on all global Bearer Notes and definitive Bearer Notes (other than Temporary Global Notes), and on all interest coupons and talons relating to such Notes 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 of 1986."

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

Any reference in this section "*Form of the Notes*" to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

APPLICABLE FINAL TERMS

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. 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.**]**[1]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) 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.**]**[2]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**)). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II][Directive 2014/65/EU (as amended, **MiFID II**)]; (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][3]

[PROHIBITION OF SALES TO 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise

---

1 Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

2 Legend to be included on front of the Final Terms if transaction involves one or more manufacturer(s) subject to UK MiFIR and if following the "ICMA 1" approach.

3 Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][4]

[**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME** (the **SFA**) - [*Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*].][5]

[*Date*]

STATKRAFT AS

Legal Entity Identifier (LEI): 529900TH4OAW7WYG1777

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €6,000,000,000
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 Offering Circular dated 29 March 2021 which[, as modified by a supplement to the Offering Circular dated [ ],] constitutes a base prospectus for the purposes of [Regulation (EU) 2017/1129 (the **Prospectus Regulation**)/the Prospectus Regulation] (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at www.ise.ie.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [ ] which are incorporated by reference in the Offering Circular dated 29 March 2021 and are attached hereto. 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 Offering Circular dated 29 March 2021 [and the supplement to it dated [ ],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at www.ise.ie.]

1.	Issuer:		Statkraft AS
2.	(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 [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [ ]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]

[4] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[5] Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

4.	Aggregate Nominal Amount:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6.	(a)	Specified Denominations:	[ ]/[[€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].]
	(b)	Calculation Amount (in relation to calculation of interest for Notes in global form, see Conditions):	[ ]
7.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[[ ]/Issue Date/Not Applicable]
8.	Maturity Date:		[*Fixed rate – specify date/* *Floating rate* – Interest Payment Date falling in [or nearest to] [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[[ ] month LIBOR/EURIBOR/STIBOR/ NIBOR] [Compounded Daily SONIA] +/– [ ] per cent. Floating Rate] [Zero Coupon] (see paragraph [14] [15] [16] below)
10.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [99] [100] [101] per cent. of their nominal amount
11.	Change of Interest Basis or Redemption/Payment Basis:		[For the period from (and including) the Interest Commencement Date, up to (but excluding) [ ] paragraph [14/15] applies and for the period from (and including) [ ], up to (and including) the Maturity Date, paragraph [14/15] applies][Not Applicable]
12.	Put/Call Options:		[Not Applicable] [Investor Put] [Change of Control Put] [Issuer Call] [Make-Whole Redemption] [Issuer Residual Call] [see paragraph [18] [19] [20] [21] [22] below)]
13.	[Date [Board] approval for issuance of Notes obtained:		[ ]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable]
	(i)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date]
	(ii)	Interest Payment Date(s):	[ ] in each year, commencing on [ ], up to and including the Maturity Date

	(iii)	Fixed Coupon Amount(s) for Notes in Definitive form (and in relation to Notes in global form, see Conditions):	[ ] per Calculation Amount
	(iv)	Broken Amount(s) for Notes in Definitive form (and in relation to Notes in global form, see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on]] [Not Applicable]
	(v)	Day Count Fraction:	[30/360][Actual/Actual (ICMA)]
	(vi)	Determination Date(s):	[[ ] in each year][Not Applicable]
15.	**Floating Rate Note Provisions**		[Applicable/Not Applicable]
	(i)	Specified Period(s)/Specified Interest Payment Dates:	[ ][subject to adjustment in accordance with the Business Day Convention set out in (ii) below/ not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/][Not Applicable]
	(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 calculation the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ][Not Applicable] (the **Calculation Agent**)
	(vi)	Screen Rate Determination:	[Applicable/Not Applicable]
		– Reference Rate:	[ ] month [LIBOR/EURIBOR/STIBOR/ NIBOR] [Compounded Daily SONIA]
		– Interest Determination Date(s):	[ ]
		– Relevant Screen Page:	[ ]
		– Specified Time:	[[ ] [London/Brussels/Stockholm/Oslo] time][Not Applicable]
		– Observation Look-Back Period:	[[Five][*specify other*] London Banking Days][Not Applicable] (*N.B. When setting the Observation Look-Back Period for Notes referencing Compounded Daily SONIA, the practicalities of this period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable, or such other party responsible for the calculation of the Rate of Interest. "p" should be no fewer than Five London Banking Days unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable, or such other party responsible for the calculation of the Rate of Interest in relation to the relevant issuance*)
	(vii)	ISDA Determination:	[Applicable/Not Applicable]
		– Floating Rate Option:	[ ]
		– Designated Maturity:	[ ]

		– Reset Date:	[ ]
	(viii)	Linear Interpolation	[Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
	(ix)	Margin(s):	[+/–] [ ] per cent. per annum
	(x)	Minimum Rate of Interest:	[ ] per cent. per annum
	(xi)	Maximum Rate of Interest:	[ ] per cent. per annum
	(xii)	Floating Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
16.	**Zero Coupon Note Provisions**		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 7(b):		Minimum period: [30] days Maximum period: [60] days
18.	Issuer Call		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s):	[[ ] per Calculation Amount]
	(iii)	If redeemable in part:	[Applicable / Not Applicable, as the Notes may only be redeemed in whole (but not in part)]
		(a) Minimum Redemption Amount:	[ ]
		(b) Higher Redemption Amount:	[ ]
	(iv)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
19.	Investor Put		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount:	[ ] per Calculation Amount
	(iii)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
20.	Change of Control Put:		[Applicable/Not Applicable]
21.	Make-Whole Redemption:		[Applicable/Not Applicable]
		(i) Make-Whole Redemption Date(s):	[ ]
		(ii) Make-Whole Redemption Margin:	[[ ] basis points/Not Applicable]
		(iii) Reference Bond:	[CA Selected Bond/[ ]]

	(iv)	Quotation Time:	[5.00 p.m. [Brussels/London/[ ]] time/Not Applicable]
	(v)	Reference Bond Rate Determination Date:	[The [ ] Business Day preceding the relevant Make-Whole Redemption Date/Not Applicable]
	(vi)	If redeemable in part:	[Applicable/Not Applicable, as the Notes may only be redeemed in whole (but not in part)]
		(a) Minimum Redemption Amount:	[ ]
		(b) Maximum Redemption Amount:	[ ]
	(vii)	Notice periods (if other than as set out in the Terms and Conditions of the Notes):	[ ]
22.	Issuer Residual Call:		[Applicable/Not Applicable]
	Residual Call Early Redemption Amount:		[ ] per Calculation Amount
23.	Final Redemption Amount:		[ ] per Calculation Amount
24.	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default:		[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

(a) Form

[Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Registered Notes:
Regulation S Global Note ([currency] [ ] nominal amount)/Restricted Global Note ([currency][ ] nominal amount)/ Definitive Registered Notes([ ])

[VPS Notes issued in uncertificated book entry]

(*The option for an issue of Notes to be represented on issue by a Permanent Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6(a) includes language substantially to the following effect: "[€100,000] and integral multiples of*

		[€1,000] in excess thereof up to and including [€199,000])
	(b) New Global Note:	[Yes][No]
26.	Additional Financial Centre(s):	[Not Applicable][ ]
27.	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

[[ ] has been extracted from [ ]. 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 [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Statkraft AS:

By ....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Dublin's][the Oslo Stock Exchange's] regulated market [and listing on the Euronext Dublin Official List] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Dublin's][the Oslo Stock Exchange's] regulated market [and listing on the Euronext Dublin Official List] with effect from [ ].]
(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 [ ] by [ ].

[[Each of][ ] is established in the European Union and is registered under 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.*]

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

[Save for any 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. Manager[s]/Dealer[s]] and [its/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*.]

4. YIELD (Fixed Rate Notes only)

Indication of yield: [ ] per cent. per annum

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

5. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	US ISIN Code:	[ ]
(iv)	144A CUSIP:	[ ]
(v)	Regulation S CINS:	[ ]
(vi)	CFI:	[[ ], as updated as set out on the website

		of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vii)	FISN:	[[ ], as updated as set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(viii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/[ ]/Verdipapirsentralen, Norway. VPS identification number: [ ]. The Issuer shall be entitled to obtain certain information from the register maintained by the VPS for the purposes of performing its obligations under the issue of VPS Notes]
(ix)	Delivery:	Delivery [against/free of] payment
(x)	Names and addresses of additional Paying Agent(s) (if any):	[ ][Not Applicable]
(xi)	Prohibition of Sales to EEA 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 in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(xii)	Prohibition of Sales to 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 in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(xiii)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)
(xiv)	[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.]]

6. U.S. SELLING RESTRICTIONS

U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]]

7. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

(i)	Use of Proceeds:	[See "*Use of Proceeds*" in the Offering Circular / *Give details*] (*See "Use of Proceeds" wording in the Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details*)
(ii)	Estimated net proceeds:	[ ]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer 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 or other relevant authority (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, to the extent practicable and/or in the absence of any statement to the contrary, be applicable 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 the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Temporary Global Note, Permanent Global Note, Regulation S Global Note, Restricted Global Note and definitive Note. Reference should be made to "Applicable Final Terms" above for a description of the content of Final Terms which will include the definitions of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Statkraft AS (the **Issuer**) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 15 June 2006 made between the Issuer and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee). 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 the lowest Specified Denomination in the Specified Currency, (ii) definitive Bearer Notes issued in exchange for a global Note, (iii) any global Note, (iv) in relation to any Notes represented by definitive Registered Notes, units of the lowest Specified Denomination in the Specified Currency, (v) any definitive Registered Notes, and (vi) Notes cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen* (**VPS Notes** and the **VPS**, respectively). References herein to **NGN** shall mean a Temporary Global Note or a Permanent Global Note in either case where the applicable Final Terms specify the Notes as being in NGN form. The Notes (other than the VPS Notes) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 29 March 2021 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, the Trustee, Citibank, N.A., as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and as transfer agent (the **Transfer Agent** and, together with Citibank Europe plc, the **Transfer Agents**, which expressions shall include any successors in their capacity as such and any substitute or any additional transfer agents appointed in accordance with the Agency Agreement), Citigroup Global Markets Europe AG, as registrar (the **Registrar**, which expression shall include any successor registrar) and Citibank Europe plc as paying agent (together with the Principal Paying Agent, the **Paying Agents**, which expression shall, unless the context otherwise requires, include any successors in their capacity as such and any substitute or any additional paying agents appointed in accordance with the Agency Agreement). Each Tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with the VPS. Danske Bank A/S, Verdipapirservice (the **VPS Account Manager**) will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes.

Interest bearing definitive Bearer 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.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms, and which are (except in the case of VPS Notes) attached to or endorsed on this Note, which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms**, unless otherwise stated, are to Part A of the Final Terms (or the relevant provisions thereof) which (except in the case of VPS Notes) are attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, and in relation to VPS Notes, be construed as provided below), and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed. Any reference to **Noteholders** or **holders** in relation to any Notes shall mean

(in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered in the register and shall, in relation to any VPS Notes or Notes represented by a global Note, be construed as provided below. VPS Notes are in dematerialised form: any references in these Terms and Conditions to Coupons and Talons shall not apply to VPS Notes and no global or definitive Notes will be issued in respect thereof. These Terms and Conditions shall be construed accordingly.

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 (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Agency Agreement and the Trust Deed (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee, any Paying Agent or the Issuer and provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) the applicable Final Terms will be published on the website of Euronext Dublin. 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 Trust Deed 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 Trust Deed.

Words and expressions defined in the Trust Deed, the Agency 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 Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

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

The Notes may be in bearer form (**Bearer Notes**), in registered form (**Registered Notes**) or, in the case of VPS Notes, in uncertificated book entry form, as specified in the applicable Final Terms, and, in the case of definitive Notes, will be serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Bearer Notes may not be exchanged for Registered Notes and vice versa. VPS Notes may not be exchanged for Bearer Notes or Registered Notes and vice versa.

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

Each Tranche of Bearer Notes will be initially represented by a temporary global Note or a permanent global Note (as so specified in the applicable Final Terms) each without Coupons or Talons (each, a **Temporary Global Note** or a **Permanent Global Note** as applicable). If the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, the Temporary Global Note will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**), and if the Global Notes are not intended to be issued in NGN form, the Temporary Global Note will 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 and/or any other agreed clearing system. On or after the fortieth day after the date of its issue beneficial interests in a Temporary Global Note will be exchangeable upon a request as described therein either for interests in a Permanent Global Note or for definitive Bearer Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final

Terms), in each case against certification to the effect that the beneficial owner of interests in such Temporary Global Notes is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations. A Permanent Global Note will, as specified in the applicable Final Terms, be exchangeable (free of charge), in whole but not in part for definitive Bearer Notes with, where applicable Coupons and Talons attached either upon not less than 60 days' written notice to the Principal Paying Agent as described therein or only upon the occurrence of an Exchange Event as specified therein.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Talons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each Tranche sold outside the United States in reliance on Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended, (the **Securities Act**) will, unless otherwise specified in the applicable Final Terms, be represented by a permanent global Registered Note, without Coupons or Talons, (each, a **Regulation S Global Note**), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**). Notes in definitive registered form (**Definitive Registered Notes**) issued in exchange for Regulation S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Notes, are referred to herein as **Regulation S Notes**. With respect to all offers or sales of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the relevant Issue Date and completion of the distribution of each Tranche of Notes (the **Distribution Compliance Period**), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear or Clearstream, Luxembourg. After expiry of such Distribution Compliance Period, beneficial interests in a Regulation S Note may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC.

Registered Notes of each Tranche sold in private transactions in reliance upon Rule 144A under the Securities Act to qualified institutional buyers within the meaning of Rule 144A under the Securities Act (**QIBs**) will, unless otherwise specified in the applicable Final Terms, be represented by a permanent global Registered Note, without Coupons or Talons (each, a **Restricted Global Note** and, together with any Regulation S Global Note, the **Registered Global Notes**) deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes, are referred to herein as **Restricted Notes**.

Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) (**Institutional Accredited Investors**) pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be issued as Definitive Registered Notes only, registered in the name of the holder thereof and will not be represented by a global Note or Notes.

Definitive Registered Notes issued to Institutional Accredited Investors and Restricted Global Notes shall bear a legend specifying certain restrictions on transfer (each, a **Legend**), such Notes being referred to herein as **Legended Notes**. Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of a Legend, the Registrar shall (save as provided in Condition 2(d)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in Condition 2, Definitive Registered Notes may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Notes of like aggregate nominal amount.

Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar.

Notes are issued in the Specified Denomination(s) set out in the applicable Final Terms which, in the case of Registered Notes sold other than pursuant to Regulation S, shall be the Authorised Denomination (as

defined below) and, in the case of Notes having a maturity of 183 days or less, the Specified Denomination shall be at least U.S.$500,000 (or the equivalent in any other currency or currencies).

Authorised Denomination means:

(i) in the case of a Restricted Note U.S.$200,000 (or its equivalent rounded upwards as specified in the applicable Final Terms) and higher integral multiples of U.S.$10,000, or the higher denomination or denominations specified in the applicable Final Terms; and

(ii) in the case of a Definitive Registered Note which is initially offered and sold to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act, U.S.$500,000 (or its equivalent rounded upwards as specified in the applicable Final Terms) and higher integral multiples of U.S.$1,000, or the higher denomination or denominations specified in the applicable Final Terms.

Any minimum Authorised Denomination required by any law or directive or regulatory authority in respect of the currency of issue of any Note shall be such as applied on or prior to the date of issue of such Note.

Subject as set out below, title to Bearer Notes and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the register maintained by the Registrar. The Issuer, the Principal Paying Agent, any Paying Agent, the Registrar, any Transfer Agent and the Trustee may deem and treat the bearer of any Bearer Note or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or note 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. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. Title to the VPS Notes will pass by registration in the registers between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note.

For so long as any of the Bearer Notes is represented by a bearer global Note held by a common safekeeper or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear, or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, 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 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, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee 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, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee as the holder of such Notes in accordance with and subject to the terms of the relevant global Note; for so long as any Note is a VPS Note, each person who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by the VPS 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, any Paying Agent, and the Trustee as the holder of such nominal amount of such Notes for all purposes; for so long as any of the Notes is represented by a Registered Global Note, DTC or its nominee, as the case may be, will be considered the sole holder of Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership right may be exercised by its participants or beneficial owners through its participants; (and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly). In determining whether a particular person is entitled to a particular nominal amount of notes as aforesaid, the Trustee may rely on such certificate or other document as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error or proven error, be conclusive and binding on all concerned. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online System) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not

having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

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

References to Euroclear, Clearstream, Luxembourg, DTC and/or the VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Principal Paying Agent and specified in the applicable Final Terms.

2. Exchange and Transfers of Registered Notes and VPS Notes

(a) *Exchange of interests in Registered Global Notes for Definitive Registered Notes*

Interests in any Registered Global Note will be exchangeable for Definitive Registered Notes, if (i) DTC notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Note and no alternative clearing system is available, (ii) DTC ceases to be a **Clearing Agency** registered under the United States Securities Exchange Act of 1934 (the **Exchange Act**) and no alternative clearing system is available, (iii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business or does in fact do so and no alternative clearing system is available, (iv) an Event of Default (as defined in Condition 10) has occurred and is continuing with respect to such Notes, or (v) the Issuer becomes subject to adverse tax consequences which would not be suffered were the Notes in definitive form. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Definitive Registered Notes to be delivered, provided that, notwithstanding the above, no Definitive Registered Notes will be issued until expiry of the applicable Restricted Period.

(b) *Transfers of Registered Global Notes*

Transfers of any Registered Global Note shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(c) *Transfers of interests in Regulation S Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Note to a transferee in the United States will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable federal securities laws of the United States or any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (ii) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (a) beneficial interests in Regulation S Notes may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC and (b) such certification requirements will no longer apply to such transfers.

(d) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an **IAI Investment Letter**); or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable federal securities laws of the United States or any applicable securities laws of any state of the United States;

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

(e) *Transfers of Interests in VPS Notes*

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo business days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations of the VPS from time to time. A transfer of VPS Notes which is held through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS.

(f) *Exchanges and transfers of Registered Notes generally*

Registered Notes may not be exchanged for Bearer Notes and *vice versa*.

Holders of Definitive Registered Notes, other than Institutional Accredited Investors, may exchange such Definitive Registered Notes for interests in a Registered Global Note of the same type at any time.

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will be transferable and exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the **Applicable Procedures**).

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the holder or holders surrendering the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar or, as the case may be, the relevant Transfer Agent may prescribe, including any

restrictions imposed by the Issuer on transfers of Definitive Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Definitive Registered Note for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 30 days after the receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the Definitive Registered Note to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

(g) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7(c), the Issuer shall not be required:

(a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 15th day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

In the event of partial redemption of VPS Notes under Condition 7(c), the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

(h) *Closed periods*

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

(i) *Costs of exchange or registration*

Registration of transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it.

3. Status

The Notes and the relative Coupons constitute direct, unconditional and (subject to Condition 4) unsecured obligations of the Issuer which rank *pari passu* among themselves and (subject as aforesaid) rank and will in all material respects rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save as may be preferred by mandatory provisions of applicable law.

4. Negative Pledge

(a) So long as any of the Notes are outstanding (as defined in the Trust Deed), the Issuer undertakes not to create any security over its assets to secure any other Note Issues or permit any Note Issues issued by it to be secured by the creation of an encumbrance upon any assets of any of its subsidiaries, without at the same time according to the Notes, or causing to be accorded to the Notes, the same security (to the satisfaction of the Trustee) or such other security interest or other arrangement (whether or not including the giving of a security interest) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders, except that the Issuer shall be entitled, if so required by one or more Norwegian municipalities who has an ownership interest in the relevant facility and/or its production output (**Co-owners**), to consent to

the creation of or create itself, an encumbrance upon any of its power generating facilities (the **Facilities**) as security for a Note Issue by one or more such Co-owners where the maximum amount of the security created by the Co-owners over such Facility does not exceed the amount paid or payable by the Co-owners to the Issuer for such co-ownership of the Facility.

(b) For the purposes of these Conditions, **Note Issue** shall mean an issue of debt securities which is, or is intended to be, or is capable of being, quoted, listed or dealt in on any stock exchange, over-the-counter or other securities market.

5. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity 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 Terms and Conditions **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) 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 (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes, as applicable;

(B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

(C) in the case of Fixed Rates Notes which are VPS Notes; each Specified Denomination;

and in each case multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form; the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form; or each Specified Denomination in the case of VPS Notes) shall be rounded 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 which is a Bearer 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 Denominations without any further rounding.

In these Terms and Conditions:

Day Count Fraction means in respect of the calculation of an amount of interest in accordance with this Condition 5(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) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period divided by the product of the number of days in such Determination Period and (2) the number of

Determination Dates (as specified in the applicable Final Terms) 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 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 the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; and

Determination Period means each period from (and including) a Determination Date to but excluding 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

A Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) 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 (each such date, together with each Specified Interest Payment Date an Interest Payment 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 these Terms and Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

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 5(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 these Terms and Conditions, **Business Day** means a day which is both:

(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 London and any Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to interest 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 New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open. In these Conditions, **TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) 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 the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes and published by the International Swaps and Derivatives Association, Inc. (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**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is not Compounded Daily SONIA, 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 either the London inter-bank offered rate (**LIBOR**), the Euro-zone inter bank offered rate (**EURIBOR**), the Stockholm inter-bank offered rate (**STIBOR**) or the Norwegian inter-bank offered rate (**NIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time specified in the applicable Final Terms 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 VPS Notes where no Calculation Agent is specified in the applicable Final Terms, the Principal Paying Agent or, in the case of VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent (pursuant to the terms of a calculation agency agreement between the Calculation Agent and the Issuer). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of Condition 5(b)(ii)(B)(1) above, no such offered quotation appears or, in the case of Condition 5(b)(ii)(B)(2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Issuer (in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms) or the Calculation Agent (in the case of VPS Notes and Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms), shall request each of the Reference Banks (as defined below) to provide the Principal Paying Agent or the Calculation Agent, as applicable (the **Relevant Agent**) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Relevant 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 Relevant Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Relevant 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 Relevant 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 (at the request of itself or the Issuer, as applicable) the Relevant Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank 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 Relevant Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Relevant Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-

zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank 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).

In these Terms and Conditions:

(A) **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Issuer (in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms) or the Calculation Agent (in the case of VPS Notes or Notes other than VPS Notes, where a Calculation Agent is specified in the applicable Final Terms); and

(B) **Specified Time** means 11.00 a.m. (London time, in the case of a determination of LIBOR, Brussels time, in the case of a determination of EURIBOR or Stockholm time, in the case of a determination of STIBOR) or 12.00 noon (Oslo time, in the case of a determination of NIBOR).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(C) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA, the Rate of Interest for an Interest Period will, subject to Condition 5(b)(viii) and as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any).

As used in these Conditions, **Compounded Daily SONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily SONIA reference rate as reference rate for the calculation of interest) as calculated by, in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms, the Principal Paying Agent or, in the case of VPS Notes and Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as applicable, as at the relevant Interest Determination Date, in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i\text{ - }pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

d_o is the number of London Banking Days in the relevant Interest Period;

i is, for any Interest Period, a series of whole numbers from one to d_o, each representing a London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

$\mathbf{n_i}$, for any London Banking Day "i", means the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "p" London Banking Days prior to the first day of such Interest Period to (but excluding) the date falling "p" London Banking Days prior to (A) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become payable;

p means the number of London Banking Days included in the Observation Look-Back Period specified in the applicable Final Terms (or, if no such number is so specified, five London Banking Days);

SONIA reference rate means, in respect of any London Banking Day (**LBD_x**), a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such LBD_x as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such LBD_x; and

$SONIA_{i-pLBD}$ means, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

If, in respect of any London Banking Day in the relevant Observation Period, the Principal Paying Agent or the Calculation Agent, as applicable, determines that the applicable SONIA reference rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent or the Calculation Agent, as applicable, has been notified of any Successor Rate or Alternative Reference Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 5(b)(viii), if applicable) the SONIA reference rate in respect of such London Banking Day shall be: (A)(i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, the close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) or (B) if the Bank Rate under (A)(i) above is not available at the relevant time, either (i) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (ii) if this is more recent, the latest rate determined under (A) above.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall (subject to Condition 5(b)(viii)) be:

(x) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin,

Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(y) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).

If the Notes become due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5(c) and the Trust Deed.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest 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 paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest 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 paragraph (ii) above is greater than such Maximum Rate of Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

The Principal Paying Agent, in the case of Floating Rate Notes which are not VPS Notes and where no Calculation Agent is specified in the applicable Final Terms, and the Calculation Agent, in the case of Floating Rate Notes which are VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, 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 Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes by applying the Rate of interest to:

(A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Floating Rate Notes represented by such Global Note or (B) such Registered Notes, as applicable;

(B) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount; or

(C) in the case of Floating Rate Notes which are VPS Notes, each Specified Denomination;

and, in each case, multiplying such sum by the applicable Floating 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 Denominations without any further rounding.

Floating 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/365" (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) 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:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" 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 D_1 is greater than 29, in which case D_2 will be 30;

(vi) 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:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" 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 D_2 will be 30;

(vii) if "30E/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:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" 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 D_1 will be 30; and

"D_2" 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 D_2 will be 30.

(v) Linear Interpolation

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

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) Notification of Rate of Interest and Interest Amounts

(A) Except where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA, in the case of Notes other the VPS Notes where no Calculation Agent is specified in the applicable Final Terms) the Principal Paying Agent or, in the case of VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, 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, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in the case of VPS Notes, the VPS and the VPS Account Manager as soon as possible after their determination but in no event later than the first day of the Interest Period to which they apply and notice thereof to be published in accordance with Condition 14 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 be promptly 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 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London.

(B) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA, in the case of Notes other than VPS Notes where no Calculation Agent is specified in the applicable Final Terms, the Principal Paying Agent or, in the case of VPS Notes or Notes other than VPS Notes where a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent 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, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in the case of VPS Notes, the VPS and the VPS Account Manager, and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the second London Banking 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 14.

(vii) 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 5(b), whether by the Principal Paying Agent, the Independent Adviser (as defined below) or, if applicable, the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent, the Independent Adviser or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) Benchmark Replacement

Notwithstanding the foregoing provisions of this Condition 5(b), if a Benchmark Event (as defined below) has occurred in relation to a Reference Rate at any time when any Rate of Interest (or the relevant component thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

(A) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine, no later than 10 days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below), and in either case an Adjustment Spread (as defined below), for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(B) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance paragraph (A) above, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread, shall be the Reference Rate for each of the future Interest Periods for which the Rate of Interest (or the relevant component thereof)

was otherwise to be determined by reference to the relevant Reference Rate (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(viii));

(C) if the Independent Adviser determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser, following consultation with the Issuer, may also specify changes to these Conditions, including but not limited to the Floating Day Count Fraction, Relevant Screen Page, Specified Time, Business Day Convention, Business Day, Interest Determination Date, Reference Banks, Additional Business Centre and/or the definition of Reference Rate applicable to the Notes, and/or the method for determining the fallback to the Reference Rate in relation to the Notes, in each case in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread. The Independent Adviser (in consultation with the Issuer) shall determine an Adjustment Spread (as defined below) (which may be expressed as a specified spread or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)) which shall be applied to the Successor Rate or the Alternative Reference Rate. For the avoidance of doubt, the Trustee and Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager shall, at the direction and expense of the Issuer, without the requirement for any consent or approval of the Noteholders or Couponholders, be obliged to use its reasonable endeavours to effect such amendments to the Trust Deed, the Agency Agreement and these Conditions, as applicable, as may be specified by the Independent Adviser following consultation with the Issuer in order to give effect to this Condition 5(b)(viii)(C) (such amendments, the **Benchmark Amendments**) provided that neither the Trustee nor the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager, shall be required to effect any such Benchmark Amendments if the same would impose, in the Trustee's, the Principal Paying Agent's or, as the case may be, the VPS Account Manager's opinion, more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it. For the avoidance of doubt, no Noteholder consent shall be required in connection with effecting the Benchmark Amendments or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or the Trustee (if required).

Prior to any such Benchmark Amendments taking effect, the Issuer shall provide a certificate signed by two Authorised Signatories to the Trustee and the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager that such Benchmark Amendments are, in the Issuer's reasonable opinion (following consultation with the Independent Adviser), necessary to give effect to any application of this Condition 5(b)(viii)(C) and the Trustee and the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager shall be entitled to rely on such certificate without further enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof. For the avoidance of doubt, each of the Trustee and the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager shall not be liable to the Noteholders, the Couponholders 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. Notwithstanding any other provision of this Condition 5(b), if in the Principal Paying Agent's or the Calculation Agent's, as applicable, opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(b), the Principal Paying Agent or the Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or the Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Principal Paying Agent or the Calculation Agent, as applicable, is not promptly provided with such direction, it shall notify the Issuer thereof and the Principal Paying Agent or the Calculation Agent, as applicable, shall be under no

obligation to make such calculation or determination and shall not incur any liability to any party for not doing so;

(D) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and, in either case, Adjustment Spread and the specific terms of any Benchmark Amendments give notice thereof to the Trustee, the Principal Paying Agent or, in the case of VPS Notes, the VPS Account Manager and, in accordance with Condition 14, the Noteholders; and

(E) if a Successor Rate or an Alternative Reference Rate and, in either case, Adjustment Spread is not determined by an Independent Adviser in accordance with the above provisions prior to the relevant IA Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the original Reference Rate and the fallback provisions set out in Condition 5(b)(ii)(B); for the avoidance of doubt, in such circumstances the Rate of Interest for any subsequent Interest Periods shall be subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(viii).

For the purposes of this Condition 5(b)(viii):

Adjustment Spread means either (x) a spread (which may be positive, negative or zero) or (y) a formula or methodology for calculating a spread, which in either case is to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

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

(2) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(3) if the Independent Adviser determines that neither (1) nor (2) above applies, the Independent Adviser (in consultation with the Issuer) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as the case may be);

Alternative Reference Rate means the rate that the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) has replaced the relevant 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 thereof) in respect of bonds denominated in the Specified Currency and with an interest period of a comparable duration to the relevant Interest Period, or, if the Independent Adviser (in consultation with the Issuer) determines that there is no such rate, such other rate as the Independent Adviser (in consultation with the Issuer) determines in its sole discretion is most comparable to the relevant Reference Rate;

Benchmark Amendments has the meaning given to it in Condition 5(b)(viii)(C);

Benchmark Event means, with respect to a Reference Rate:

(1) the Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or

(2) the later of (A) the making of a public statement by the administrator of such Reference Rate that it will, on or before a specified date, cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference

Rate) and (B) the date falling six months prior to the specified date referred to in (2)(A); or

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

(4) the later of (A) the making of a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (4)(A); or

(5) the later of (A) the making of a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (5)(A);

(6) it has, or will prior to the next Interest Determination Date become unlawful for the Issuer, the Principal Paying Agent, the Calculation Agent, the VPS Account Manager, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest or any Paying Agent to calculate any payments due to be made to any Noteholder or Couponholder using such Reference Rate; or

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

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

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

(1) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

Successor Rate means the rate that the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(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, interest will continue to accrue as provided in the Trust Deed.

6. 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, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial

centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland); and

(ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Paying Agents are subject, but without prejudice to the provisions of Condition 8, 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 8) any law implementing an intergovernmental approach thereto.

(b) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) 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 and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes) 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 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) 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 Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any bearer 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 bearer global Note (against presentation or surrender, as the case may be, of such bearer global Note if the bearer global Note is not intended to be issued in NGN form at the specified office of any Paying Agent). A record of each payment made against presentation or surrender of such bearer global Note, distinguishing

between any payment of principal and any payment of interest, will be made on such bearer global Note by such Paying Agent to which it was presented (or in the records of Euroclear and Clearstream, Luxembourg as applicable) and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Notes (whether in definitive or global form) will be made in the manner specified in paragraph (a) to the persons in whose name such Notes are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Notes at the specified office of the Registrar or any Paying Agent.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in paragraph (a) to the person in whose name such Registered Note is registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg (or DTC as applicable) are open for business before the relevant due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the **Record Date**)) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Notes is required by transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

(e) *Payments in respect of VPS Notes*

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

(f) *General provisions applicable to payments*

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, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, 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 any Bearer Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest 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.

(g) *Payment Day*

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 9) 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 specified in the applicable Final Terms;

(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 in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is New Zealand dollars shall be Auckland), or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(h) *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 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(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;

(v) the Make-Whole Redemption Amount(s) (if any) of the Notes;

(vi) the Residual Call Early Redemption Amount (if any) of the Notes; and

(vii) 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 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. 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, or determined in the manner 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 7(g), 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 Trustee and the Principal Paying Agent (or, in the case of VPS Notes, the Trustee and the VPS Account Manager) and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(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 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway 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 Trustee (i) and, in the case of VPS Notes, the VPS Account Manager, (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent Kingdom of Norway accountants or 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 and the Trustee shall be entitled to accept the certificate (without further enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (g) below together (if appropriate) with interest accrued to (but excluding) 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 may, having given:

(i) 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 14; and

(ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee and to the Principal Paying Agent or (in the case of a redemption of VPS Notes) the Trustee and the VPS Account Manager;

(which notices shall be irrevocable), 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) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and 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, and in accordance with the rules of the VPS, in the case of 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 14 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 paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

(d) Make-Whole Redemption

If Make-Whole Redemption is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

(i) not less than 30 nor more than 60 days' notice (or such other notice period as may be specified in the applicable Final Terms) to the Noteholders in accordance with Condition 14; and

(ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee and to the Principal Paying Agent or (in the case of a redemption of VPS Notes) the Trustee and the VPS Account Manager;

(which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-Whole Redemption Date**)), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Make-Whole Redemption Date and at the Make-Whole Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Make-Whole Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, 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.

In the case of a partial redemption of Notes, the Redeemed Notes will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and 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, and in accordance with the rules of the VPS, in the case of VPS Notes, in each case on a Selection Date not more than 30 days prior to the Make-Whole Redemption 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 14 not less than 15 days prior to the Make-Whole Redemption Date. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the Make-Whole Redemption Date pursuant to this paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 15 days prior to the Selection Date.

In this Condition 7(d), **Make-Whole Redemption Amount** means (A) the outstanding principal amount of the relevant Note or (B) if higher, the sum, as determined by the Determination Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Make-Whole Redemption Date on an annual basis at the Reference Bond Rate plus the Make-Whole Redemption Margin specified in the applicable Final Terms, where:

CA Selected Bond means a government security or securities (which, if the Specified Currency is euro, will be a German Bundesobligationen) selected by the Determination Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

Determination Agent means an independent investment, merchant or commercial bank or financial institution selected by the Issuer for the purposes of calculating the Make-Whole Redemption Amount, and notified to the Noteholders in accordance with Condition 14;

Reference Bond means (A) if CA Selected Bond is specified in the applicable Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Final Terms, the security specified in the applicable Final Terms, provided that if the Determination Agent advises the Issuer that, for reasons of illiquidity or otherwise, the relevant security specified is not appropriate for such purpose, such other central bank or government security as the Determination Agent may, with the advice of Reference Market Makers, determine to be appropriate;

Reference Bond Price means (i) the average of three Reference Market Maker Quotations for the relevant Make-Whole Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Determination Agent obtains fewer than three, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

Reference Bond Rate means, with respect to any Make-Whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Make-Whole Redemption Date. The Reference Bond Rate will be calculated on the Reference Bond Rate Determination Day specified in the applicable Final Terms;

Reference Market Maker Quotations means, with respect to each Reference Market Maker and any Make-Whole Redemption Date, the average, as determined by the Determination Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Determination Agent at the Quotation Time specified in the applicable Final Terms on the Reference Bond Rate Determination Day specified in the applicable Final Terms; and

Reference Market Makers means three brokers or market makers of securities such as the Reference Bond selected by the Determination Agent or such other three persons operating in the market for securities such as the Reference Bond as are selected by the Determination Agent in consultation with the Issuer.

(e) *Issuer Residual Call*

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, 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 30 and not more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption) at the Residual Call Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 7(e), the Issuer shall deliver to the Trustee, to make available at its specified office to the Noteholders, a certificate signed by an Authorised Signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued. The Trustee shall be entitled to accept such certificate (without further enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof) as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(f) *Redemption at the option of the Noteholders*

(i) Redemption at the option of the Noteholders (other than a Change of Control 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 14 not less than the minimum period and not more than the maximum period of notice the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, 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 (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. Holders of Notes represented by a Global Note

or in definitive form and held through Euroclear or Clearstream, Luxembourg or DTC must exercise the right to require redemption of their Notes by giving notice (including all information required in the applicable Put Notice) through Euroclear or Clearstream, Luxembourg or the DTC, as the case may be (which notice may be in electronic form) in accordance with their standard procedures.

If this Note is a VPS Note, to exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes, must, within the notice period, give notice to the relevant account operator of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice 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 the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

(ii) Change of Control Put

If Change of Control Put is specified in the applicable Final Terms, this Condition 7(f)(ii) shall apply.

(A) If at any time while any Note remains outstanding:

(1) a Change of Control occurs; and

(2) within the Change of Control Period (x) if the Notes are rated with the agreement of the Issuer, a Rating Downgrade in respect of that Change of Control occurs, or (y) if the Notes are not rated, a Negative Rating Event in respect of that Change of Control occurs (in either case, a **Put Event**),

the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes (i) under Condition 7(b) or (ii) pursuant to the provisions of Condition 7(f)(i)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Put) (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Put).

(B) A **Change of Control** shall be deemed to have occurred if at any time:

(1) any person or group of persons acting in concert acquires control of at least 50 per cent. of the issued share capital of the Issuer; and

(2) the Kingdom of Norway controls (either directly or indirectly) less than 50.1 per cent. of the issued share capital of the Issuer.

(C) For the purpose of this Condition 7(f)(ii):

acting in concert means acting together for the purpose of exercising joint control over the Issuer;

Change of Control Period means the period commencing on the earlier of (a) the date of the relevant Change of Control and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any) and ending 180 days after the public announcement of the Change of Control having occurred;

control means the power to direct the management and policies of the Issuer through the ownership of voting capital;

Investment Grade Rating means a rating of at least BBB- (or equivalent thereof) in the case of S&P or a rating of at least BBB- (or equivalent thereof) in the case of Fitch or the equivalent rating in the case of any other Rating Agency;

a **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not within the Change of Control Period seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or publicly

confirms in writing that its declining to assign an Investment Grade Rating was the result of the applicable Change of Control;

Optional Redemption Date (Put) means the date which is the seventh day after the last day of the Put Period;

Rating Agency means S&P Global Ratings Europe Limited (**S&P**) and Fitch Ratings Limited (**Fitch**) or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

a **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency at the invitation of the Issuer is (x) withdrawn and not subsequently reinstated within the Change of Control Period, (y) changed from an Investment Grade Rating to a non Investment Grade Rating (for example, from BBB- to BB+ by S&P or Fitch, or its equivalents for the time being, or worse) and not subsequently upgraded to an Investment Grade Rating within the Change of Control Period or (z) (if the rating assigned to the Notes by any Rating Agency at the invitation of the Issuer shall be below an Investment Grade Rating) lowered one full rating category (for example, from BB+ to BB by S&P or Fitch or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result of the applicable Change of Control; and

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

(D) If a Put Event has occurred, the Issuer shall within 21 days of the end of the Change of Control Period give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 7(f)(ii).

(E) To exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 7(f)(ii) the holder of that Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Option Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 7(f)(ii) accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Option Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or DTC, to exercise the right to require redemption or, as the case may be, purchase of this Note under this Condition 7(f)(ii), the holder of this Note must, within the Put Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be) (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common safekeeper or common depositary for them or DTC or its nominee to such Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or DTC, as applicable, from time to time.

If this Note is a VPS Note, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 7(f)(ii), the holder of the VPS Note must, within the Put Period, give notice to the relevant account operator of such exercise in accordance with the standard procedures of the VPS from time to time.

The Paying Agent to which such Note and Put Option Notice are delivered or the Principal Paying Agent, as the case may be, will issue to the holder concerned a non-transferable receipt (a **Put Option Receipt**) in respect of the Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear, Clearstream, Luxembourg or DTC, or a VPS Note, notice received. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date (Put), unless previously redeemed and purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Optional Redemption Date (Put) by transfer to that bank account and in every other case on or after the Optional Redemption Date (Put), in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 7(f)(ii).

(F) If 95 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 7(f)(ii), the Issuer may, having given not less than 30 days' notice to the Noteholders in accordance with Condition 14, such notice to be given within 30 days after the Optional Redemption Date (Put), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at their principal amount together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the date of such redemption or purchase (as the case may be). The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption or purchase (as the case may be) (which shall not be more than 60 days after the date of the notice). Upon expiry of such notice, the Issuer will redeem, purchase or procure the purchase of the Notes (as the case may be).

(G) Any Put Option Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg, DTC or the VPS given by a holder of any Note pursuant to this Condition 7(f)(ii) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition.

(g) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 10, 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 of the first Tranche of the Series, 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 of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount 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:

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction of the numerator of which is 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) 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 (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).

(h) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer 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, resold or, at the option of the Issuer, (in the case of Notes other than VPS Notes) surrendered to any Paying Agent for cancellation or in the case of VPS Notes, cancelled by causing such VPS Notes to be deleted from the records of the VPS.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent or, in the case of VPS Notes, shall be deleted from the records of the VPS, and in each case cannot be reissued or resold.

(j) *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 paragraph (a), (b), (c), (d), (e) or (f) above or upon its becoming due and repayable as provided in Condition 10 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 paragraph (g)(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 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 Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. Taxation

8.1 *Taxation provisions applicable to Notes other than VPS Notes*

All payments of principal and interest in respect of the Notes (other than VPS Notes) and Coupons and under the Trust Deed by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Norway 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 (other than VPS 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 (other than VPS 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 (other than a VPS 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 (other than a VPS Note) or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of such Note (other than a VPS 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 Day (as defined in Condition 6(g)).

As used herein **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 Principal Paying Agent or the Trustee or, in the case of VPS Notes, the holders of the VPS Notes, as the case may be, 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 14.

8.2 *Taxation provisions applicable to VPS Notes*

All payments of principal and interest in respect of the VPS Notes under the Trust Deed by the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction 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 VPS Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any VPS Note in respect of a holder who is liable for such taxes or duties in respect of such VPS Notes by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such VPS Notes.

As used herein **Tax Jurisdiction** means the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax.

9. 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 8) therefor, subject to the provisions of Condition 6(b).

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 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. Events of Default and Enforcement

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) to (d) (other than the winding up or dissolution of the Issuer) and (e) to (f) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) if default is made in the payment in the Specified Currency of any principal due in respect of the Notes or any of them and the default continues for a period of 7 days or if default is made in the payment of any interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions of the Notes or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied;

(c) if any other indebtedness for borrowed money of the Issuer or any Principal Subsidiary becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or any Principal Subsidiary fails to make any payment in respect of any other indebtedness for borrowed money on the due date for payment as extended by any originally applicable grace period or any security given by the Issuer or any Principal Subsidiary for any other indebtedness for borrowed money becomes enforceable or if default is made by the Issuer or any Principal Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any other indebtedness for borrowed money of any other person, provided that no event shall

constitute an Event of Default unless the indebtedness for borrowed money or other relative liability either alone or when aggregated with other indebtedness for borrowed money and/or other liabilities relative to all (if any) other events which shall have occurred and be at the relevant time outstanding shall amount to at least U.S.$30,000,000 (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Principal Subsidiary save for the purposes of a reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(e) if the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of a reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or the Issuer or any Principal Subsidiary stops or threatens to stop payment of, or is unable to or admits inability to pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (i) proceedings are initiated against the Issuer or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any Principal Subsidiary or, as the case may be, in relation to the whole or a part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 60 days; or if the Issuer or any Principal Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

Definitions

For the purposes of these Terms and Conditions:

Principal Subsidiary means, at any time, a subsidiary of the Issuer:

(a) whose gross operating revenues (consolidated in the case of a subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent in each case (or, in the case of a subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated gross operating revenues of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such subsidiary and the then latest audited consolidated accounts of the Issuer and its subsidiaries, provided that, in the case of a subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its subsidiaries for the purposes of the

calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor subsidiary or such transferee subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee subsidiary, generated (or, in the case of the transferee subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its subsidiaries relate, generate gross operating revenues equal to) not less than 10 per cent. of the consolidated gross operating revenues of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross operating revenues equal to) not less than 10 per cent. of the consolidated gross operating revenues of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor subsidiary or such transferee subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

A report by two Authorised Signatories of the Issuer that in their opinion a subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons and Talons) or of the Registrar (in the case of Registered Notes) 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.

12. Principal Paying Agent, Registrar, Exchange Agent, Paying and Transfer Agents and VPS Account Manager

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Exchange Agent, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent, Exchange Agent, Registrar, Transfer Agent, VPS Account Manager or Calculation Agent and/or appoint additional or other Paying Agents, Registrars, Exchange Agents or

Transfer Agents, VPS Account Managers or Calculation Agents and/or approve any change in the specified office through which any of the same acts, provided that:

(i) so long as the Notes are listed on any stock exchange, or admitted to listing by any other relevant authority there will at all times be a Paying Agent and, if appropriate, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(ii) there will at all times be a Transfer Agent having a specified office in New York City;

(iii) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City;

(iv) there will at all times be a Principal Paying Agent; and

(v) in the case of VPS Notes, there will at all times be a VPS Account Manager authorised to act as an account operating institution with the VPS and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VPS Notes so require.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(f). Notice of any variation, termination, appointment or change in the Paying Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. Exchange of Talons

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 Principal Paying 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 Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. Notices

Notices to holders of Registered Notes will be deemed to be validly given if a notice is published in accordance with the second paragraph below and a notice is sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Registrar and will be deemed to have been validly given on the fourth day after the date of such mailing.

All notices regarding the Notes (other than VPS 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 listed on a stock exchange and/or admitted to trading by any other relevant authority, in a manner which complies with the rules of such exchange and/or other relevant authority. It is expected that such publication will be made in the *Financial Times* in London. 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. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC, be substituted for sending by mail and/or publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or DTC for communication by them to the holders of the Notes and, in addition, for so long as and Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg or DTC.

Notices to be given by any holder of the Notes (other than VPS Notes) shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying 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 Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, may approve for this purpose.

In the case of VPS Notes, notices shall be given in accordance with the procedures of the VPS.

15. Meetings of Noteholders, Modification and Waiver

(a) *Holders of Bearer Notes and/or Registered Notes*

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call or by use of a videoconference platform) 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 Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested by Noteholders holding not less than ten 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 or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, 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 three quarters 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. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of all the Noteholders, or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. 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 and Couponholders.

(b) *Holders of VPS Notes*

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call or by use of a videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the VPS Notes or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the VPS Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding a certificate (dated no earlier than 14 days prior to the meeting) from either the VPS or the VPS Account Manager stating that the holder is entered into the records of the VPS as a Noteholder or representing not less than 50 per cent. in nominal amount of the VPS Notes for the time being outstanding and providing an undertaking that no transfers or dealing have taken place or will take place in the relevant VPS Notes until the conclusion of the meeting, 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 VPS Notes or the Trust Deed (including modifying the date of maturity of the VPS 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 VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than three quarters in aggregate 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 aggregate nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at

a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of all the Noteholders, or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. 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.

For the purposes of a meeting of Noteholders, the person named in the certificate from the VPS or the VPS Account Manager described above shall be treated as the holder of the VPS Notes specified in such certificate provided that he has given an undertaking not to transfer the VPS Notes so specified (prior to the close of the meeting) and the Trustee shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

(c) *Modification and Waiver*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which in the opinion of the Trustee is proven. Any such modification shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Notwithstanding the above, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5(b) without the requirement for the consent and approval of Noteholders or Couponholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

16. Indemnification of the Trustee and Trustee Contracting with the Issuer

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. 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 the date from which

interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. Governing Law and Submission to Jurisdiction

(a) *Governing law*

The Trust Deed, the Notes and the Coupons, any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and the Coupons and all rights and duties of the Noteholders, the Couponholders, the Issuer and the Paying Agents are governed by, and shall be construed in accordance with, the laws of England. VPS Notes must comply with the Norwegian Securities Register Act of 15 March 2019 no. 6, as amended from time to time, implementing Regulation (EU) No. 909/2014, 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.

(b) *Jurisdiction*

Without prejudice to Condition 19(c), the courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes), and to settle any disputes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes), which may arise out of or in connection with the Trust Deed or the Notes (respectively **Proceedings** and **Disputes**).

(c) *Other jurisdiction*

Condition 19(b) is for the exclusive benefit of the Trustee, the Noteholders and the Couponholders who, to the extent permitted by law, reserve the right to take Proceedings in the courts of any country other than England which may have or claim jurisdiction to the matter and to commence such Proceedings in the courts of any such country or countries concurrently with or in addition to Proceedings in England or without commencing Proceedings in England.

(d) *Appropriate forum*

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

(e) *Process agent*

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the office of Statkraft UK Limited, which at the date hereof is at 19th Floor, 22 Bishopsgate, London EC2N 4BQ. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of the Trustee addressed to the Issuer and delivered to the Issuer, appoint a further person in England approved by the Trustee to accept service of process on its behalf. Nothing in this paragraph shall affect the right of the Trustee or any Noteholder to serve process in any other manner permitted by law.

(f) *Waiver of immunity*

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

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE GROUP

Introduction

Statkraft AS (**Statkraft**) and its subsidiaries (collectively the **Statkraft Group** or the **Group**) is a leading company in hydropower internationally. The Group generate hydropower, wind power, solar power, gas power and district heating and is a global player in energy market operations.

The Statkraft Group is the second largest producer of electricity in the Nordic region and one of Europe's largest producer of renewable energy. Outside Europe, activities are concentrated in South America and South Asia. Statkraft's power plants have a total installed capacity of 20 GW (based on Statkraft's pro-rata share of direct and indirect ownership of such power plants, including those power plants operated by partly-owned subsidiaries). Hydropower is the dominant source (approximately 80 per cent. of total capacity), followed by natural gas and wind power. Most of the capacity is located in Norway. Statkraft also owns shares in district heating facilities in Norway and Sweden, with a total installed capacity of 0.8 GW (*pro rata* share).

Statkraft is a limited liability company, wholly owned by the Kingdom of Norway represented by the Ministry of Trade, Industry and Fisheries through the holding company Statkraft SF.

In the Annual Report 2020 the Group reported an underlying EBIT of NOK 6.7 billion, a decrease of 60 per cent. from 2019. The decrease was mainly driven by very low Nordic power prices. Profit before tax was NOK 5 billion in 2020, with a net profit of NOK 3.5 billion.

Statkraft's power generation reached 65.4 TWh, up 7 per cent. from 2019. The average system price on the Nordic Power Exchange, Nord Pool, was 10.9 EUR/MWh in 2020, a decrease of 72 per cent. year-on-year.

At the end of 2020, the Group's equity was NOK 98 billion, corresponding to 54 per cent. of total assets. At the end of 2020, the Group's net interest-bearing debt ratio was 21.8 per cent. At year-end 2020, cash and cash equivalents amounted to NOK 11.2 billion.

Statkraft is registered in the Register of Business Enterprises, Brønnøysund Register Center. Statkraft was incorporated on 25 June 2004 with organisation number 987 059 699. The Head Office address of Statkraft is:

Lilleakerveien 6
0283 Oslo
Norway

Telephone number: +47 24 06 70 00

Statkraft history

Historically, the business of the Group was carried out through a business unit within a governmental directorate; the Norwegian Water Resources and Energy Directorate. Until 1991, there were few commercially operated private companies in the Norwegian electricity sector, which was highly regulated. In 1991, the Energy Act dated 29 June 1990, no. 50 was introduced, which divided the electricity sector into two separate areas; distribution grid infrastructure, with monopoly control, and electricity production and sales, which became fully deregulated. Through the new legislation, a well- functioning domestic – and later Nordic – market for power production and trading was established, giving a framework for a more flexible and efficient utilisation of Norway's hydropower resources.

In order to comply with the new legislation, the business of the former Statkraft was split into two separate companies in 1992, with the state-owned enterprise Statkraft SF assuming responsibility for generation and sales. The distribution grid operations were organised in the state-owned enterprise Statnett SF. Through the establishment of Statkraft SF, the Norwegian Government founded a company with the aim and potential to successfully compete both in the Norwegian and the international electricity markets, with an ambition to further develop and strengthen this important part of Norwegian infrastructure.

Statkraft SF was later reorganised by way of transferring substantially all of the business, assets and liabilities to the Group on 1 October 2004, thus making Statkraft the operating holding company and the financial vehicle of the Group. The Group continues the business activities previously organised under

Statkraft SF. All shares in Statkraft are owned by the state-owned enterprise Statkraft SF, which in turn is owned by the Norwegian state through the Ministry of Trade, Industry and Fisheries.

Statkraft's business has evolved through several stages since 1992. The very first years were characterised by low investment activity and a high focus on market orientation. From 1996 to 2002 the company accomplished a considerable expansion through acquiring stakes in several Norwegian utilities in addition to a large stake in the Swedish utility Sydkraft AB (currently E.ON Sverige AB). At the same time, the arbitrage and trading business was expanded through the establishment of companies in Holland, Germany and Sweden. From 2003 the Group sold out certain Norwegian ownership stakes, while acquiring hydropower generation assets in Sweden and Finland, and constructing wind power generation in Norway and gas-fired generation plants in Norway and Germany. Through an asset swap with E.ON in 2008, Statkraft acquired ownership of a significant portfolio of generation assets in Sweden, Germany and the UK.

In the following years large investment activities were carried out according to Statkraft's strategy for continued growth within renewable energy. The majority of the investments were concentrated on the strategic areas; European flexible generation, hydropower in emerging markets and wind power. In 2010, Statkraft's owner, Statkraft SF, injected NOK 14 billion in new equity to provide support for the company's growth strategy. A further equity strengthening came in 2014 with an injection of NOK 5 billion.

In the period from 2014 to 2016, several wind farms in Sweden and the UK together with hydropower plants in Peru, Turkey and Albania were completed, as well as hydropower and district heating projects in Norway. Statkraft also acquired controlling ownership interests in two companies in Brazil and Chile, respectively. Statkraft freed up capital for investments within renewable energy through sale of Finnish hydropower production, Norwegian small-scale hydropower production and reduced shares in wind farms in the UK. Statkraft strengthened its international position through the restructuring of international hydropower activities and operational integration of the enterprises in South America and South Asia. In Norway, Statkraft, together with TrønderEnergi and the European investor consortium Nordic Wind Power, has started the construction of a 1000 MW onshore wind power project in Central Norway.

In 2017 Statkraft and Norfund swapped shares in their jointly owned assets. Statkraft bought Norfund's 18.1 per cent. shareholding in Statkraft IH Invest and sold its 50 per cent. shareholding in SN Power to Norfund, with a gain of NOK 2.1 billion. The gain included a deferred gain from an earlier restructuring and currency effects.

In 2018, Statkraft completed its exit from offshore wind in line with its strategy. Overall, the investments in offshore wind demonstrated high value creation with gains from the sale of the assets and the contribution from the holding period totalling approximately NOK 10.7 billion. Fjordkraft was also listed on the Oslo Stock Exchange in 2018 through an Initial Public Offering (**IPO**), valuing the company at NOK 3.2 billion. The IPO resulted in a recognised gain for Statkraft Group of NOK 1.7 billion. Statkraft also divested its 49 per cent. shareholding in Istad to Tussa Kraft, with a gain of NOK 168 million.

After a consolidation period, where Statkraft's project activity level was scaled down for a couple of years and it went through a corporate-wide performance improvement programme to strengthen competitiveness by improving performance and reducing costs, Statkraft entered a new growth phase set out in an updated strategy in 2018. As part of this strategy, Statkraft has made several acquisitions. In 2018, Statkraft acquired eight operational hydropower plants in Brazil with a total installed capacity of 132 MW, and in India, Statkraft acquired the 100 MW Tidong hydropower project in Himachal Pradesh. Statkraft also acquired the Irish and UK wind power development business of the Element Power Group, including a 1550 MW onshore wind development portfolio in Ireland and the UK. This transaction positions Statkraft as a large onshore wind developer in Ireland.

In 2019, Statkraft acquired wind projects in Chile (with a total installed capacity of 102 MW) and Brazil (with a total installed capacity of 664 MW) and solar projects in Ireland (with a total installed capacity of 326 MW), completed the construction of two wind farms in Norway (with a total installed capacity of 382 MW), completed the construction of a wind farm (with a total installed capacity of 23 MW) and battery project in Ireland, acquired a project development company within wind power in the UK and acquired shares in electric vehicle charging companies in Norway and Germany.

In 2020, the Fosen wind projects in Norway were finalised. The six wind farms have an installed capacity of more than 1,000 MW and will generate 3.6 GWh renewable energy annually. The Moglicë hydropower plant in Albania also came into full operation in 2020. Statkraft also acquired the global solar developer SolarCentury and several onshore wind projects in Europe.

The European electricity market

Statkraft's revenues are significantly driven by the spot prices on the Nordic power exchange Nord Pool, European Energy Exchange (**EEX**) in Germany and other European power exchanges. The prices are strongly impacted by fuel prices, CO2 allowance prices, energy demand from the industry and households, hydrological balance, precipitation, temperature and transmission capacity.

Risk management

Statkraft is exposed to risks throughout the value chain. The most important risks are related to market prices, financial risk, health, safety, security and environment (**HSSE**), construction projects and operating activities as well as framework conditions. Growth and an increased international presence, as well as fundamental changes in the energy sector emphasise the importance of risk management.

Risk management is an integrated part of Statkraft's governance model. The Group has a risk-based approach to target setting, prioritisations and follow-up of the business and staff areas. The day to day risk management is a line responsibility of each business area. The Group's overall risks are reviewed and followed up by the Corporate Management Team and are reported to the Board of Directors. Statkraft performs a detailed quality assessment prior to investments, sales and acquisitions.

One of Statkraft's main priorities throughout the Covid-19 pandemic has been, and will be going forwards, the safety and well-being of its employees and contractors and the Group has taken actions to reduce the spread of the virus in line with advice from national health authorities. Delivering a reliable supply of power and heat to society has been another main priority.

The Covid-19 pandemic has caused a global economic decline, and this has had an impact on the power and renewables industry. The direct financial effect for Statkraft has so far been limited, but the market risk has increased due to the economic downturn and increased uncertainty related to future power prices. The credit risk towards customers has also increased as the pandemic entails increased risk for breach and cancellation of contracts.

The magnitude of the effects on Statkraft's financial statements going forward will depend largely on the economic downturn in relevant regions, and Statkraft is closely monitoring the development of the pandemic and is evaluating the longer-term consequences for the Group.

On the non-financial side, the main effect for Statkraft has been extensive use of remote working arrangements and taking measures to ensure the health and safety of those that need to be on-site or at offices around the world.

Statkraft's pandemic response strategy has evolved around the following priorities:

- Preventing virus spread and protecting employees in line with national plans
- Maintaining and managing processes critical for society (such as production, heating and water management)

Specific pandemic response actions include:

- Appropriate communication to employees
- Establishing and maintaining policy and guidance for travel and events
- Establishing and maintaining policy for home office working
- Expat handling
- Business continuity verification
- Pandemic scenarios and strategic implications
- Common planning assumptions
- Surveys to understand employees' situations
- Task force on health and wellbeing
- Support for home office equipment
- Return-to-office plans
- Establishing lessons learned from handling Covid-19

Operational risk

All processes throughout the value chain are exposed to operational risk. The operational risk is highest within implementation of the Group's investment projects, operation and maintenance activities and market operations. This may result in:

- Injury to employees, contractors or third parties

- Harm to the environment
- Compliance breaches
- Damage and losses related to own and third-party production plants and other assets
- Weakened reputation
- Financial loss

Statkraft's first priority is to avoid injuries, act in a sustainable, ethical and socially responsible manner and to be compliant with legal requirements where Statkraft operates. Statkraft focuses its attention on executing development activities and operations in a responsible manner and to prevent financial loss. A solid business culture is the foundation of continuously improving a robust system of prevention and control. Ensuring that business development activities are in accordance with international standards is a high priority.

Operational risk is managed through procedures and controls of activities and processes, by design of technical solutions, competence development and in various types of contingency plans. Furthermore, Statkraft has a comprehensive system for registering and reporting risks, hazardous conditions, undesirable incidents, damages, and injuries. Such cases are continuously analysed in order to prevent and limit any negative consequences, and to ensure that Statkraft can follow up causes and implement the necessary measures.

Large and complex construction projects in emerging markets have a higher inherent safety risk, and Statkraft has experienced serious accidents in connection with the execution of activities with an increased potential for risk. Systematic work to continually improve HSSE culture, capabilities and performance based on care, clear requirements and effective systems and tools is fundamental to enable continuous improvement.

Statkraft’s infrastructure and applications are exposed to cybercrime and other external threats and Statkraft’s procedures, competencies and systems are continuously improved to strengthen resilience against such threats. Several measures have been put in place in order to reduce the heightened risk following the outbreak of the Covid-19 pandemic (see “*Description of the Group—Risk Management*” above).

Statkraft carries out systematic risk assessments for all of its construction projects. Larger investments are allocated a risk-based project contingency and reserve. Major attention is devoted to HSSE, ensuring compliance, and avoiding delays, cost overruns and undesirable incidents, during project delivery. The Covid-19 pandemic has led to some reprioritisations and suspensions in Statkraft’s project portfolio (see “*Risk Factors—Natural and other disasters*” and “*Description of the Group—Risk Management*” above).

The possible financial consequences of the total operational risk, as well as significant individual risks, are key drivers to the Group's overall risk profile. Statkraft has insurance coverage for all significant cases of operational damages or injuries, partly through the Group’s own captive insurance company Statkraft Forsikring AS.

Market risk

Statkraft is exposed to significant market risk in power generation and trading:

- Both power prices and generation volumes are impacted by weather conditions, consumption and transmission conditions in the energy markets.
- Power prices are also affected by fuel prices such as gas, coal and oil, in addition to the price of carbon emission quotas, support schemes, demand growth and the introduction and development of new technologies.

The impact of the Covid-19 pandemic on the economic outlook in the markets in which Statkraft operates, and how this has impacted power prices in such markets, are assessed by Statkraft through the development of different pricing scenarios and updating of power price forecasts.

Statkraft manages market risk in the energy markets by trading physical and financial instruments in multiple markets, as well as entering bilateral long-term power contracts. Increased integration of the energy markets is having a significant impact on business models and risk management. Consequently, Statkraft places significant emphasis on identifying the relationships between the various markets. The Group's hedging strategies are regulated by defined limits on the positions’ volume and value, and by criteria for evaluating new contracts against expected revenues and downside risk. The portfolio is constantly adjusted in relation to updated expectations of future prices and Statkraft’s own generation capacity.

Statkraft's activities in energy trading and services consist of both trading with standard products on energy exchanges and sale of services or products adapted to the individual customer. Risk is handled through mandates covering energy products, geographical areas and duration. A risk management function ensures objectivity in the assessment and handling of risk.

Financial risk

Financial risk associated with foreign currencies, interest rates, liquidity and funding are coordinated and managed centrally at Group level.

Currency and interest rate risk are regulated by means of mandates and managed by using hedging instruments such as forward contracts, swaps and debt in foreign currency.

The objective of Statkraft's currency hedging is to secure the Norwegian kroner value of future cash flows exposed to foreign exchange risk. Hedging of foreign currency risk is primarily done by allocating appropriate volumes of foreign currency debt and derivatives to the relevant cash flows. The foreign exchange risk is subject to continuous assessment and treated in accordance with the Group Treasury strategy. The Group is exposed to currency risk through operational cash flow in foreign currency and investments, capital expenditures and divestments in foreign currencies.

Statkraft's interest rate exposure is related to its debt portfolio and managed based on a balance between keeping interest costs low over time and contributing to the stability of the Group's cash flows.

The liquidity risk for Statkraft is related to having insufficient funds to meet the Group's financial commitments in a timely manner. The liquidity risk is managed through cash flow forecasting, committed credit facilities, access to several funding sources/markets, ensuring an evenly distributed debt maturity profile and maintaining a sufficient liquidity buffer.

Statkraft is exposed to credit and counterparty risk through energy trading, long-term contracts and investment of surplus liquidity. The credit quality of all counterparties is evaluated before contracts are signed, and exposure vis-à-vis individual counterparties are limited by mandates based on their credit quality. Credit and counterparty risk in the energy markets and exposure in connection with the issued mandates, are followed up by independent middle-office functions and regularly reported to management in the relevant business area. A summary is reported annually to the Corporate Management Team and the Board of Directors.

Climate risk

Statkraft is directly impacted by climate change, as the average output of renewable power plants can change with changes in climate and the probability of extreme weather events that challenge the physical integrity of power plants will increase. Statkraft is also exposed to market changes that are driven by political measures to reduce emissions from the power sector and other industrial sectors. This exposure comes primarily from measures that impact power prices and thus Statkraft's income streams. Subsidies for renewable capacity may lead to overcapacity and lower power prices, while increased cost of emissions will lead to higher power prices. Direct measures to phase out fossil fuels will also have a price impact, as the market balance will be changed. There is also risk associated with Statkraft's own emissions, as regulations may increase the cost of these emissions. Finally, changes in customer preferences driven by increased public awareness of the climate challenge can also impact Statkraft.

Regulatory and country risk

Statkraft's activities in Norway are influenced by framework conditions such as taxes, fees, terms for concession, grid regulations and requirements stipulated by the Norwegian Water Resources and Energy Directorate (**NVE**). Statkraft puts substantial efforts into the understanding of environmental regulations and climate change. The risk of flexibility loss due to stricter regulations for hydropower generation, the cumulative effect for the Norwegian society and value of flood-damping capabilities are being analysed. In addition, there are general terms and conditions stipulated for the energy industry that must be adhered to. These framework conditions may affect Statkraft's generation, costs and revenues.

The framework conditions in the individual countries in Europe are the result of international processes that will be important for Norwegian and other European power plants. With its international presence, Statkraft is also directly exposed to different national framework conditions, tax levels, licence terms and public regulations. Statkraft therefore emphasises the uncertainty in the future development of these factors when making investment decisions. Possible changes in the political landscape are considered and maintaining an open dialogue with decision-makers in relevant arenas is of a high priority. Statkraft is following the European Union's regulatory classification system for defining sustainable finance (the **EU**

Taxonomy). The EU Taxonomy aspires to be an important framework for classifying sustainable activities. A classification system for sustainable activities through the EU Taxonomy is important in order to prioritise low-carbon investments in a transparent and fair manner.

Statkraft is exposed to significant country risk, especially in emerging markets. A common risk assessment process has been implemented across its business areas to ensure a comprehensive and proactive management of business risk in these countries. The risk assessment of the activity in each country covers political and regulatory aspects, social development, security, compliance, tax regime and corporate legislation. The exposure to corruption risk is high in several of these countries. Statkraft has developed standards and implemented a system to ensure compliance in all activities and has zero tolerance for corruption.

Strategy

Market development

2020 has been an atypical year, with the Covid-19 pandemic causing a global economic decline. Nordic power prices also dropped significantly due to a mild and unusually wet winter in the Nordics. Nevertheless, even though the pandemic has caused disruption in the short-term, the long-term macro trends are still valid. For example, 2020 has not dampened the rapid deployment of renewable energy. Renewable energy was the only energy source that experienced growth in production throughout 2020, and the utility sector has been one of the most resilient sectors so far.

Large volumes of renewable energy are being developed, which increases the need for flexible generation.

Customers are taking a stronger interest in renewable energy and the access to cheap and clean energy makes electrification the most effective solution to the climate challenge.

Statkraft's corporate strategy aims to respond to these developments.

Statkraft's competitive position

Statkraft has a solid foundation for further growth. From being a supplier of hydropower to Norwegian industry and general consumption, Statkraft has become Europe's largest producer of renewable energy and has a growing presence in other international markets. Statkraft's key competitive advantages emerge from its understanding of the market, its industrial competence in development and ownership of power generating assets and the ability to use these strengths across the value chain.

Responsible and long-term asset owner

Statkraft's hydropower portfolio in the Nordics constitutes Europe's largest reservoir capacity. The fleet has a long life expectancy, very low CO2 emissions and a high degree of flexibility, which enables optimisation of power generation based on market needs. Statkraft's strong competence in optimising profitability with an integrated energy management, as well as operation and maintenance processes, makes Statkraft an excellent owner of flexible hydropower.

*Operation and Maintenance (**O&M**)*

Statkraft's long-term ownership of its hydropower portfolio has resulted in strong technical competence in operation and maintenance of hydropower assets across several regions. This competence is also applicable for wind power. Statkraft leverages its strengths within asset management and continuous improvement to maintain and increase competitiveness in O&M for hydro, wind and solar power.

Energy management

Through Statkraft's asset ownership, it has built a deep market understanding. This has created leading energy management capabilities with analytical expertise across markets. Statkraft is able to create value by bringing together complex systems of own and third-party renewable assets and managing any associated risks. Statkraft provides market access services for third parties where Statkraft manages the generation of an asset for a customer. Statkraft is the market leader for this service in Germany, Europe's largest electricity market, and is one of the largest providers in Europe with growing portfolios across several other European markets.

Development of large-scale renewable assets

Statkraft's industrial competence is built through a history of successful development of large-scale renewable assets, particularly hydropower, but also by significant growth in wind power. The key differentiating factor for Statkraft in the solar and wind space, beyond being cost competitive, is

Statkraft's ability to develop projects and to secure the route to market, i.e. how the project sells the energy in the most optimal way.

Market and customer relationship

For decades, Statkraft has had a close relationship with Norwegian power intensive industries that has provided it with experience in dealing with customers, particularly business customers. This has been further developed in the power origination business, in district heating and in the market access business (where Statkraft deals with smaller energy producers). Statkraft has strong product and service innovation capabilities to develop new, often complex, products to meet and create customer demand.

Trading

Statkraft has used its market understanding to develop a highly competitive trading business. Trading is a competitive advantage stemming from an analytical based approach that leverages on Statkraft's internal fundamental market analysis. This is supported by an effective trading operating model and a culture balancing a systematic approach to risk management with positioning within clear mandates.

A market-centric approach

Statkraft utilises a market centric approach. Statkraft seeks to find the best solutions and products in each market, based on market needs and customer demands.

Statkraft focuses on building scale in the countries where it already has presence, i.e. the Nordics, Europe, South America and India, and will own, develop, acquire and operate renewable assets. To further strengthen the position in each market, Statkraft will expand its market activities and offer products and services to other power producers and large consumers.

The rapid changes in the energy markets necessitate some flexibility in the targets and opportunities pursued. Statkraft continuously monitors the market and technology development to identify business risks and opportunities.

Strategic priorities

Optimise and expand hydropower

The need for flexibility in the energy market increases and provides a unique starting point for a flexible hydropower generator with market expertise. Statkraft will therefore aim to optimise and expand its strong hydropower portfolio.

The Group's Nordic portfolio is a unique and important source of flexible and stable power generation. Given the age of the Nordic hydropower fleet, Statkraft will continue with reinvestments to retain its competitiveness and optimise profitability. Annual reinvestments of around NOK 2 billion are expected for the Group's Norwegian and Swedish hydropower portfolio in the coming years. Statkraft will also focus on optimising, improving and protecting the value of its hydropower assets outside the Nordics. A significant share of the generation from Nordic hydropower plants is hedged with long-term power purchase agreements (**PPAs**) with customers. Statkraft will continue to enter into new long-term power purchase contracts. In addition to bilateral physical contracts, Statkraft has a financial risk reduction portfolio that enters into financial contracts, normally forwards and futures, in order to hedge prices on a certain volume of future spot sales.

Before 2022, 80 per cent. of Statkraft's hydropower generation portfolio in Norway will be due for revision of the concession terms, with the new, revised concession terms likely to target improved environmental conditions. This may cause reduced generation and flexibility, decrease flood control ability and reduced profitability of the Group's Norwegian portfolio. Statkraft's response is to engage with involved stakeholders to find solutions which balance environmental and societal needs with profitability.

Statkraft will seek profitable growth in hydropower through acquisitions or swaps that fit well with the rest of Statkraft's portfolio. The two projects Los Lagos in Chile and Tidong in India, which are currently under construction, are examples of this strategy.

In Europe, gas-fired power will continue to be important to provide the flexibility needed and Statkraft will own and operate its existing gas-fired power fleet, while all further growth will be in renewable energy.

Ramp up wind and solar development

Solar and onshore wind power have become the technologies with the lowest cost, and large growth is expected within these technologies in all countries in which Statkraft operates. Statkraft has a strong starting point with a good track record within wind development and strong competence in securing different types of revenue streams. Statkraft also has some experience within solar power, and through the

acquisition of the solar developer Solarcentury, the solar projects pipeline and Statkraft's competence in solar power has been further strengthened. The acquisition added 6 GW of additional projects to Statkraft's development pipeline, the majority in countries where Statkraft is already present, for example Spain, the Netherlands, Italy and Chile.

Statkraft will ramp up as a wind and solar asset developer, targeting a developed portfolio of 6 GW of onshore wind and 2 GW of solar power by 2025. Statkraft will take on a developer role and will decide to keep or divest assets after completion based on market conditions.

Over the last two years, Statkraft has built solid competence and a significant pipeline of greenfield wind and solar projects across its markets, both through acquisitions and organic development. Going forward the focus is on realising the pipeline. Statkraft will seek to secure revenue streams through auctions and PPAs. The recent success in the renewable auctions in Ireland and Brazil, where Statkraft was awarded with contracts for projects comprising more than 700 MW in total, are examples of successful project development. Statkraft has also entered into agreements to divest wind projects under construction upon completion, for example Twentyshilling and Windy Rig, two wind projects in Scotland. Twentyshilling Wind Farm consists of 9 wind turbines with a total installed capacity of 38 MW. Windy Rig Wind Farm totals 12 wind turbines with an installed capacity of 43 MW. Furthermore, Statkraft has ambitions to develop battery and grid stability services as additions to its wind and solar parks. The Kilathmoy hybrid wind-and-battery park (11 MW battery with 23 MW of onshore wind) in Ireland is an example of this.

In January 2021, Statkraft signed a cooperation agreement with Aker Offshore Wind and Aker Horizons to explore the opportunity for an offshore wind project at Sørlige Nordsjø II (the Norwegian continental shelf). Statkraft wishes to take a role in the development of offshore wind in Norway, and sees this project as an opportunity to use its existing competencies (wind development, market knowledge and O&M experience) to further expand renewable energy generation in the Nordic market.

Grow customer business

Energy markets are becoming increasingly complex and customers are taking a stronger interest in renewable energy. Statkraft's customer business is founded on market leading energy management and hedging of revenues from its own assets. Statkraft supplies industrial and commercial consumers with power from own- and third-party assets, matching their individual needs, managing their risk profile and helping them become carbon-neutral. Statkraft's ambition is to become a leading provider of market solutions for renewable energy.

Within market operations, Statkraft will further strengthen its industry leading role in PPAs, market access solutions and trading. Statkraft aims to grow its customer business by expanding products and services and ramp up market solutions for Statkraft's assets, external power producers and its customers. In 2020, Statkraft has entered into a substantial number of power purchase agreements with several large customers, including Daimler and Bosch in Europe, as well as a range of power purchase agreements in South America.

District heating based on renewable energy can contribute to the decarbonisation of heating and cooling in Europe. Statkraft's district heating business amounts to an annual production of around 1 TWh of heating and is well-positioned with good profitability. Statkraft will continue to strengthen its core business and implement new growth initiatives, aiming to be among the top three most profitable and customer-oriented players in Norway and Sweden.

Develop new business

Norway and Europe are early movers in electrification and other ways to reduce carbon emissions outside the power sector. This gives Statkraft testing ground and learnings on new business opportunities. From these, Statkraft aims to create new profitable growth opportunities with international potential.

Currently, the main initiatives are to:

- Develop the Mer EV-charging business into a North-European market leader with attractive services for fast- and slow-charging along roads and at destinations, such as offices, apartments and homes, in addition to exploring adjacent energy services.
- Develop attractive sites for data centres and other power-intensive industries in Norway and provide them with wider energy management services.
- Develop biodiesel production from wood residue feedstock through a joint venture with Södra. A pilot biodiesel production plant is currently under construction, with completion planned during 2021.
- Produce hydrogen from water electrolysis for use in industry and transport. Statkraft is working on several initiatives, including partnerships with Mo Industripark and Celsa.

Moreover, Statkraft is continuously screening new opportunities where its existing capabilities and portfolios can give a competitive advantage.

Statkraft's ambition for 2025

Statkraft aspires to be one of the world's leading renewables companies in 2025, with sustainable, ethical and safe operations. The aim is to be:

- The largest hydropower company in Europe and a significant player in South America and India.
- A major wind and solar developer with 8 GW developed capacity.
- A leading provider of market solutions for renewable energy.
- One of the top three most profitable and customer-oriented district heating players in Norway and Sweden.
- A developer of 1-2 new commercial and green business areas.

Investments

Statkraft has an ambitious growth strategy within renewable energy. Statkraft manages its exposure to the Nordic markets actively through several strategies. This ranges from owning multi-year storage hydropower reservoirs, actively pursuing the Group's hedging strategy and working to improve regulatory conditions for hydropower producers. Nevertheless, the severe drop in Nordic power prices has negatively impacted cash flows in 2020, resulting in reduced investment capacity in the short term. Statkraft is managing this through the prioritisation of the portfolio and is planning annual investments of about NOK 10 billion in renewable energy by 2025, while maintaining the Issuer's current credit rating. The pace and total amount of investments in the strategic period will depend on market opportunities and market development and investments will be adapted to Statkraft's financial capacity and rating target.

About one third of the net investments up to 2023 are planned to take place in the Nordics, and one third is planned to take place in the rest of Europe. Of the gross investments, the European share is even higher, as divesting developed wind and solar projects in this region will recycle significant amounts of capital. There will also be substantial growth in other markets where Statkraft is already present, like South America and India.

The investment programme will be financed through retained earnings from existing and future operations, external financing and divestments of completed solar and wind projects to financial investors. The investment programme has a large degree of flexibility and will be adapted to Statkraft's financial capacity, rating target and market opportunities.

Strategic targets

The Board of Directors has set financial and non-financial targets for the Group. The main targets are listed in the table below. The performance related to several of the targets will be assessed over a longer time horizon. The main targets and the status at the end of 2020 are listed in the table below.

AMBITION	TARGET	STATUS IN 2020
HSSE and sustainability		
Prevent incidents and be committed to a workplace without injury or harm	Zero serious injuries	7
Prevent corruption and unethical practices in all activities	Zero serious compliance incidents	0
Deliver climate-friendly, renewable power and taking responsible environmental measures	Zero serious environmental incidents	0
Financial performance		
Deliver a solid return on capital	>7% ROACE	5.7%
Value creation in ongoing business		
Efficient management of energy resources in the Nordic hydropower fleet	>3.5% higher realised prices than the average spot price in the market	5.0%
Growth		

Grow capacity in renewable energy (hydro-, wind- and solar power)	9 GW growth by 2025	2.2 GW
Organisational enablers		
Improve diversity in background, competence and gender across the company	Long-term target of 40% women in top management positions	29%

HSSE and sustainability

There were three fatal accidents in 2020. The fatal accidents have been investigated according to Statkraft's procedures and all safety measures have been followed up. There were also four other serious injuries in 2020. Statkraft's target is for no serious injuries to occur, so Statkraft is not satisfied with the status of this ambition in 2020. Strengthening the safety culture and performance across the organisation and among contractors is a top priority for Statkraft, and is a significant priority across the organisation.

Statkraft has zero tolerance for corruption and unethical practices in all activities, and there were zero serious compliance incidents in 2020.

Assessing environmental risks is part of Statkraft's daily risk management procedures and practices and there were no serious environmental incidents in 2020.

Financial performance

Statkraft aims to deliver a solid return on capital employed. At the end of 2020, the return of average capital employed (**ROACE**) was 5.7 per cent. This was below Statkraft's target, but still considered satisfactory considering the very low Nordic power prices.

Value creation in ongoing business

With Europe's largest portfolio of flexible hydropower plants and reservoir capacity, Statkraft is well positioned to achieve a higher average price for generation from the Nordic hydropower fleet than the average Nordic spot price. In 2020, Statkraft's realised prices were 5 per cent. higher than the average spot price in the Nordics.

Growth

Statkraft has a growth target of 9 GW by 2025. At the end of 2020 Statkraft has taken final investment decisions for 2.2 GW, up from 1.4 GW at the end of 2019. The increase relates primarily to onshore wind projects, with the 0.5 GW Ventos de Santa Eugenia wind farm in Brazil representing the largest share of the increase.

Organisational enablers

Statkraft aims for a diverse workforce and has a long-term ambition of having at least 40 per cent. women in top management positions. At the end of 2020 the share was 29 per cent., up from 28 per cent. at the end of 2019. The 40 per cent. target was reached for Statkraft's corporate management in 2020.

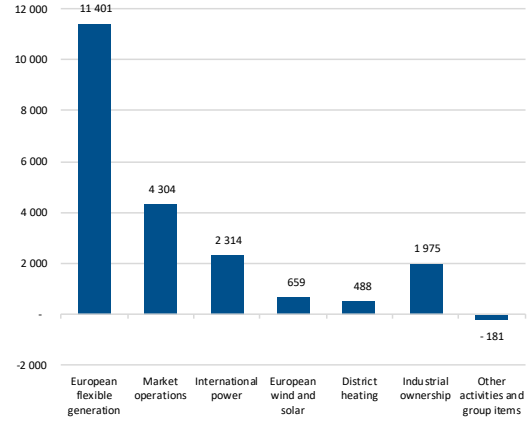
Segments

Statkraft is organised into four business areas and two corporate staff areas. The business areas are Production and industrial ownership, International power, European wind and solar, and Markets and IT. The staff areas are Corporate staff and Chief financial officer. All business areas and staff areas are headed by an Executive Vice President. The Chief Executive Officer and the Executive Vice Presidents form the Corporate Management.

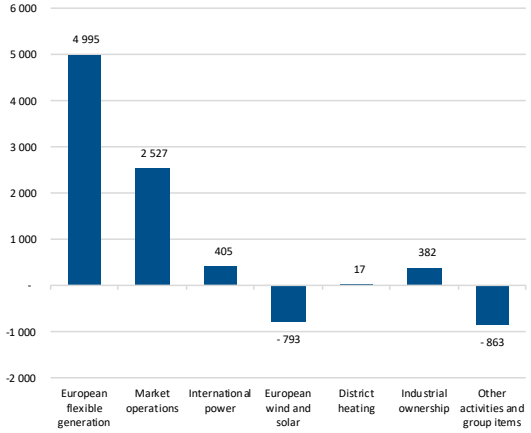
The Group's reportable segments are organised in accordance with how the Chief Executive Officer makes, follows up and evaluates his decisions. The operating segments have been identified on the basis of internal management information that is periodically reviewed by the Corporate Management Team and used as a basis for resource allocation and key performance review.

The reportable segments are defined as European flexible generation, Market operations, International power, European wind and solar, District heating and Industrial ownership. In addition, the Group reports Other activities and Group items. Other activities include cost related to governance of the Group, new business within biomass and electric vehicle charging as well as venture capital investments. Unallocated assets are also reported as Other activities. Group items include eliminations.

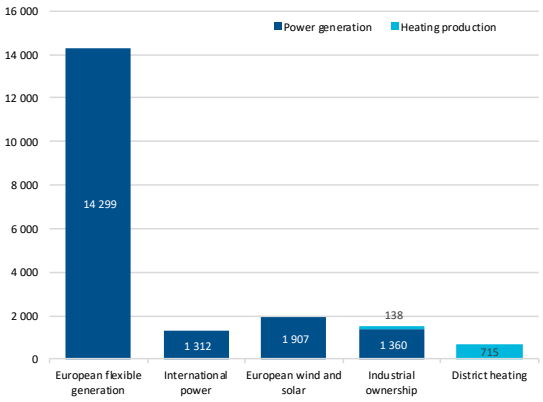
Net operating revenues and other income
(NOK mill.)



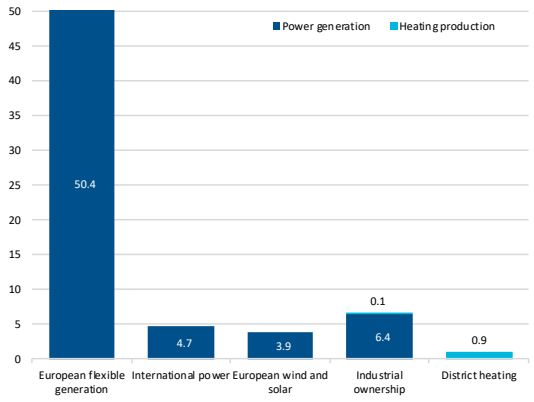
EBIT
(NOK mill.)



Installed capacity
(MW)



Power generation/heating production
(TWh)



KEY FIGURES SEGMENTS

(for the financial year ended 31 December 2020)

Segments NOK million	Statkraft AS Group	European flexible generation	Market operations	Inter-national power	European wind and solar	District heating	Industrial ownership	Other activities	Group items
2020									
Gross operating revenues and other income, external	38 060	14 085	17 911	2 878	313	684	2 087	363	-261
Gross operating revenues and other income, internal	-	257	69	24	454	2	33	1 231	-2 070
Gross operating revenues and other income underlying	38 060	14 342	17 980	2 902	767	686	2 120	1 594	-2 331
Net operating revenues and other income underlying	20 960	11 401	4 304	2 314	659	488	1 975	1 574	-1 754
Operating profit/loss (EBIT) underlying	6 670	4 995	2 527	405	-793	17	382	-685	-178
Unrealised value changes from embedded euro derivatives	339	339	-	-	-	-	-	-	-
Gains/losses from divestments of business activities	119	-	-	119	-	-	-	-	-
Impairments/reversal of impairments	-1 379	1 708	-	45	-3 126	-6	-	-	-
Operating profit/loss (EBIT) IFRS	5 749	7 041	2 527	569	-3 919	10	382	-685	-178
Share of profit/loss in equity accounted investments	835	16	1	-539	8	-	1 472	-123	-
Assets and capital employed 31.12.20									
Property, plant and equipment and intangible assets	116 170	61 446	156	23 387	9 168	3 559	16 752	1 704	-
Equity accounted investments	13 492	-	-	2 247	839	-	10 297	135	-26
Loans to equity accounted investments	1 442	-	-	962	439	-	41	-	-
Inventory - work in progress and development projects	2 483	-	-	-	2 483	-	-	-	-
Other assets	47 669	2 520	16 193	2 039	711	223	1 279	24 606	97
Total assets	181 257	63 966	16 349	28 635	13 641	3 782	28 369	26 445	71
Capital employed	118 653	61 446	156	23 387	11 651	3 559	16 752	1 704	-
Average capital employed (rolling 12 months)	117 531	60 495	175	25 649	9 505	3 524	16 477	n/a	n/a
Return on average capital employed (ROACE)	5,7%	8,3%	n/a	1,6%	-8,3%	0,5%	2,3%	n/a	n/a
Return on average equity accounted investment (ROAE)	6,3%	n/a	n/a	-19,8%	0,9%	n/a	15,4%	n/a	n/a
Depreciations, amortisations and impairments	-5 445	-235	-34	-794	-3 478	-193	-503	-207	-
Maintenance and other investments	3 027	1 695	13	179	297	13	626	206	-
Investments in new capacity	4 516	185	-	1 064	2 676	203	388	-	-
Investments in shareholdings	2 357	-	-	43	1 850	-	-	465	-
Total investments	9 901	1 880	13	1 286	4 822	215	1 014	671	-

European flexible generation

European flexible generation includes most of the Group's hydropower business in Norway, Sweden, Germany and the United Kingdom, as well as gas-fired power plants in Germany, the subsea cable Baltic Cable and the biomass power plants in Germany.

European flexible generation is the largest segment in the Group, measured in terms of installed capacity, assets, net operating revenues and results. The assets are mainly flexible, with most of the capacity related to hydropower in Norway and Sweden.

Most of the segment's revenues stem from sales in the spot market and from long-term contracts. The segment also delivers concessionary power. The long-term contracts have a stabilising effect on the Group's revenues and profit.

Business model

European flexible generation owns and operates the Group's portfolio of flexible assets in Europe. Multi-year reservoirs in Norway and the flexibility of its power plants enable optimisation of power generation based on the hydrological situation and power prices. In addition, the optimisation balances availability, reinvestments and maintenance costs for the Group's assets.

Important events in 2020

- Statkraft entered into two 15-year prepaid power sales agreements for the period 2020-2035. The agreement resulted in Statkraft receiving NOK 4.7 billion in prepayments.
- Statkraft entered into a new long-term power contract with Glencore Nikkelverk for the period 2021-2029 with a total volume of 0.8 TWh.
- Changes in the market outlook led to reversals of previous year's impairments of NOK 1.7 billion, mainly related to German gas-fired power plants.

Financial performance

Key figures

NOK mill.	2020	2019
Gross operating revenues and other income	14 342	20 525
Net operating revenues and other income	11 401	17 184
Operating expenses	-6 407	-5 780
Operating profit (EBIT) underlying	4 995	11 404
Unrealised value changes from embedded EUR derivatives	339	42
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	1 708	1 035
Operating profit (EBIT) IFRS	7 041	12 482
Share of profit/loss in equity accounted investments	16	-
ROACE (%)	8.3	20.0
ROAE (%)	n/a	n/a
Maintenance investments and other investments	1 695	1 532
Investments in new capacity	185	194
Investments in shareholdings	-	-
Generation (TWh)	50.4	48.7

The decrease in the segment's net operating revenues and other income was mainly due to significantly lower Nordic power prices, partly offset by improved contribution from the segment's risk reducing portfolios and higher generation.

The segment's operating expenses increased primarily due to higher depreciations driven by the reversal of impairments in historic financial periods; higher property taxes in Norway; and currency effects due to a weaker NOK. In addition, there was a positive effect from pension scheme changes in Norway in 2019.

The segment's lower underlying EBIT was reflected in a lower ROACE. The average capital employed by the European flexible generation segment increased 6 per cent. year-on-year.

The increase in the segment's maintenance investments and other investments were primarily related to the maintenance of the Group's Nordic hydropower assets.

Market operations

Market operations includes trading, origination, market access for smaller producers of renewable energy, as well as revenue optimisation and risk mitigation activities related to Continental and Nordic power generation.

Business model

Market operations represents Statkraft's interface with markets where energy and energy-related products are traded. The segment is also responsible for developing new customer-oriented business models in Europe and in selected countries where Statkraft owns assets. The main activities of the segment are:

- Trading of standard financial contracts and structured products
- Origination, which includes customised agreements for industry and commerce
- Dynamic asset management by holding a varying amount of asset-backed positions to generate profit
- Provide market access for Statkraft's own assets, as well as to external generators of renewable energy
- Exploring and developing new business models, primarily targeting customer solutions in the distributed energy market

During previous years, the business activities of this segment have increased and have led to a significant geographical expansion with presence in many European countries, Brazil, Chile, Peru, USA (California) and India. Statkraft has an ambition to be a leading provider of market solutions for renewable energy. To reach this ambition, Statkraft's target is to grow profitable market access activities for third party generators and consumers and build up the market access for flexibility in demand response and batteries by 2025. Furthermore, the ambition is to grow the customer business by substantially increasing the volumes in profitable renewable PPAs, sale of power, guarantees of origin and green power supply by 2025. Statkraft is on track to ramp up these activities.

Important events in 2020

- Statkraft has entered into a substantial number of power purchase agreements with several large customers, including Daimler and Bosch in Europe, as well as a range of agreements in South America.

Financial performance

Key figures

NOK mill.	2020	2019
Gross operating revenues and other income	17 980	19 813
Net operating revenues and other income	4 304	4 556
Operating expenses	-1 777	-1 428
Operating profit (EBIT) underlying	2 527	3 127
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-	-
Operating profit (EBIT) IFRS	2 527	3 128
Share of profit/loss in equity accounted investments	1	3
ROACE (%)	n/a	n/a
ROAE (%)	n/a	n/a
Maintenance investments and other investments	13	73
Investments in new capacity	-	2
Investments in shareholdings	-	-
Generation (TWh)	n/a	n/a

The segment's underlying EBIT decreased compared with the high level in 2019, but was still at a very satisfactory level. The main contributors to the decrease were a decrease in EBIT from the segment's market access activities and long-term contracts. The major contributors to the segment's underlying EBIT were trading, dynamic asset management and origination activities. Trading and dynamic asset management activities were both stable compared with 2019, while the contribution from origination activities improved significantly.

The segment's operating expenses increased, primarily due to new employees and higher performance-related bonus costs due to the segment's positive results.

International power

International power includes development, ownership and operations of renewable assets outside Western Europe.

International power operates in growth markets with an increasing need for more energy. Statkraft is focusing on selected markets where the company can add value in a clear industrial role. Statkraft aims to expand the portfolio to include more wind and solar power, in addition to hydropower. Some of the investments are made in collaboration with local partners or international investors.

The segment currently operates in Brazil, Peru, Chile, India, Nepal, Turkey and Albania.

The segment's revenue stems from power sales, mainly on long-term contracts.

Business model

The primary strategy for International power is to develop new generation capacity and integrate it into the Group's existing operational portfolio to achieve efficient management, operations and route to market. International power has a pipeline of investment opportunities beyond Statkraft's investment capacity and may therefore sell entire projects or portfolios before or after construction. The segment's near term priority is to develop and test models for partnerships with customers and financial investors in Chile, India and Brazil.

Important events in 2020

- Full commercial operations started for the Moglicë hydropower plant in Albania. Statkraft's power generation in Albania will now reach 700 GWh per year, equal to approximately 13 per cent. of the country's total electricity generation. Statkraft has signed a three-year power sales agreement for a significant share of the generation of this plant.

- Investment decision was made for the Ventos de Santa Eugenia wind power project in Brazil. The estimated project cost is NOK 4.2 billion.
- Following the expiry of the Power Purchase Agreement (**PPA**) with the Nepal Electricity Authority (**NEA**) on 10 July 2020, Himal Power Limited (**HPL**) entered into an interim PPA with NEA, valid until mid-November 2021. During this period HPL and NEA shall continue to negotiate the transfer of ownership rights in the Khimti hydropower plant to a 50-50 joint venture between HPL and NEA as prescribed in the expired PPA. The ownership transfer to a joint venture was supposed to take place on 11 July 2020, but due to the Covid-19 pandemic and other delays, the negotiations were not able to conclude on time. Once the ownership transfer to a joint venture is completed and the joint venture has a new PPA with NEA, HPL and NEA shall reconcile payments for power and ownership as if NEA had become the 50 per cent. owner for the Khimti hydropower plant from 11 July 2020.
- An expected reduction in future generation for two hydropower plants in Chile led to an impairment of NOK 627 million, which was presented in Statkraft's consolidated financial statements for the year ended 31 December 2020 as share of profit/loss in equity accounted investments.

Financial performance

Key figures

NOK mill.	2020	2019
Gross operating revenues and other income	2 902	3 215
Net operating revenues and other income	2 314	2 702
Operating expenses	-1 909	-1 946
Operating profit (EBIT) underlying	405	756
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	119	-
Impairments/reversal of impairments	45	-564
Operating profit (EBIT) IFRS	569	192
Share of profit/loss in equity accounted investments	-539	-86
ROACE (%)	1.6	3.0
ROAE (%)	-19.8	-3.2
Maintenance investments and other investments	179	214
Investments in new capacity	1 064	808
Investments in shareholdings	43	349

The segment's net operating revenues and other income decreased, primarily due to the deconsolidation of the Khimti hydropower plant and lower generation in Peru due to lower than expected rainfall. In addition, net operating revenues and operating income in 2019 was increased by an insurance settlement for the tunnel collapse at the Kargi hydropower plant in Turkey.

The segment's operating expenses decreased by 2 per cent. compared with 2019, primarily due to the deconsolidation of the Khimti hydropower plant in Nepal.

The decrease in the segment's share of profit/loss in equity accounted investments was mainly due to impairments in Chile.

The decrease in the segment's ROACE was primarily due to a lower underlying EBIT. The segment's capital employed, which increased 3 per cent. year-on-year, remains relatively high mainly due to newly built and acquired assets leading to increased high carrying values.

The segment's return on average equity accounted investments (**ROAE**) was negative in 2020 as a result of the negative share of profit following the impairments in Chile.

The segment's investments in new capacity were mainly related to the construction of the hydropower plants Moglicë in Albania, Tidong in India and Los Lagos in Chile.

European wind and solar

European wind and solar includes development and construction of onshore and offshore wind and solar power plants with the purpose to either sell the plant before or at the time of completion or own and operate the plant. The segment has operating assets in Norway, Sweden, Ireland and the United Kingdom. In addition, the segment has development activities in several countries in Europe.

The segment's revenues come from power sales and support schemes.

Business model

European wind and solar is the owner of several wind farms in operations in Norway, Sweden, Ireland and the UK. In addition, the segment has a large pipeline of development projects which are either in construction or yet to reach the construction phase. Statkraft will often seek to divest these projects, either before or at the time of completion. European wind and solar will apply different business models to maximise value creation with the capital available.

Important events in 2020

- The Fosen wind projects were finalised. The six wind farms have an installed capacity of more than 1000 MW and will generate 3.6 GWh renewable energy annually.
- Statkraft acquired Solarcentury, a global solar developer headquartered in London. Solarcentury's 6 GW pipeline (gross) in Europe and South America positions Statkraft as a leading developer in the European solar market.
- The Kilathmoy wind farm (23 MW) entered into operation. This was Statkraft's first asset in operation in Ireland.
- Statkraft acquired several onshore wind projects in Europe.
- Statkraft secured 15-year contracts for two wind and two solar farms in Ireland's first auction for renewable energy. The contracts have a combined capacity of 333 MW. Statkraft decided to construct Cloghan (37.8 MW) and Taghart (25.2 MW) wind farms in Ireland. In addition, Statkraft agreed to sell the wind farms to Greencoat Renewables PLC while retaining responsibility for construction, long-term operation and management, in line with Statkraft's strategy to build, sell, operate and trade power.
- In January 2021, Statkraft signed a cooperation agreement with Aker Offshore Wind and Aker Horizons to explore the opportunity for an offshore wind project at Sørlige Nordsjø II (the Norwegian continental shelf).
- In February 2021, Statkraft signed a Letter of Intent with Aker Horizons and Yara International aiming to establish Europe's first large-scale green ammonia project in Norway.
- Statkraft expects lower power prices in the Nordic area to continue in the coming years, which will lead to reduced revenues for wind assets in Norway and Sweden. As a result, impairments amounting to NOK 3,126 million were recognised in Statkraft's consolidated financial statements for the year ended 31 December 2020.

Financial performance

Key figures

NOK mill.	2020	2019
Gross operating revenues and other income	767	1 388
Net operating revenues and other income	659	1 330
Operating expenses	-1 452	-1 103
Operating profit (EBIT) underlying	-793	227
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	55
Impairments/reversal of impairments	-3 126	-333
Operating profit (EBIT) IFRS	-3 919	-50
Share of profit/loss in equity accounted investments	8	12
ROACE (%)	-8.3	2.6
ROAE (%)	0.9	1.4
Maintenance investments and other investments	297	231
Investments in new capacity	2 676	2 215
Investments in shareholdings	1 850	188
Generation (TWh)	3.9	2.6

The segment's net operating revenues and other income dropped 50 per cent. compared with 2019, due to significantly lower Nordic power prices. This was partly offset by higher generation from existing wind farms and generation from new wind farms in operation.

The segment's operating expenses increased due to new employees, higher business development costs in line with the segment's growth strategy, costs from new wind farms in operations and costs related to inverter faults in Sweden.

The segment's negative ROACE was due to a negative underlying EBIT. Average capital employed increased by 11 per cent. The capital employed by the segment is relatively high, mainly due to newly built and acquired assets leading to high carrying values.

The segment's ROAE decreased compared with 2019 as a result of the lower share of profit.

The increase in the segment's investments in new capacity were mainly related to the Fosen project in Norway and wind power projects in the UK.

The increase in the segment's investments in shareholdings were related to the Solarcentury acquisition and the acquisition of onshore wind projects in Europe.

District heating

Statkraft owns and operate 13 facilities and concessions divided in sub-areas Trondheim and Bio Norden.

Trondheim is based on a waste-to-energy plant at Heimdal in Trondheim, with mainly electricity and gas plants to cover peak load. Bio Norden consists of twelve plants in different locations in Norway and Sweden, all based on biomass with some bio-oil and electricity for peak load.

District heating has a distribution grid of approximately 500 km, 40,000 end-users and the segment delivers 0.9 TWh of heating and cooling based on waste incineration and biofuels.

Business model

Statkraft's district heating activities include the full value chain, from sourcing and production to end-user sales of heating and cooling.

Important events in 2020

- New electric boilers were installed in Trondheim/Dragvoll (25 MW) and Namsos (2 MW). The boilers will contribute to increase in the segment's renewable share and optimise the segment's fuel mix.

Financial performance

Key figures

NOK mill.	2020	2019
Gross operating revenues and other income	686	919
Net operating revenues and other income	488	653
Operating expenses	-471	-437
Operating profit (EBIT) underlying	17	216
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-6	-3
Operating profit (EBIT) IFRS	10	213
Share of profit/loss in equity accounted investments	-	-
ROACE (%)	0.5	6.2
ROAE (%)	n/a	n/a
Maintenance investments and other investments	13	6
Investments in new capacity	203	168
Investments in shareholdings	-	-
Delivered volume (TWh)	0.9	1.0

The segment's net operating revenues and other income decreased year-on-year due to both lower heating prices and delivered volume. The decrease in achieved heating prices was primarily a result of the low power prices in Norway, while the decrease in delivered heating volume was a result of relatively mild weather during the winter months. The segment's revenues from waste handling increased due to higher achieved prices.

The segment's lower EBIT was reflected in the segment's lower ROACE, which decreased significantly year-on-year. The segment's ROACE was mainly driven by district heating activities in Trondheim. The segment's average capital employed was stable compared with 2019.

The segment's investments were primarily related to pipelines, increased cooling capacity and modifications of existing assets in Norway.

Industrial ownership

Industrial ownership includes management and development of Norwegian shareholdings within the Group's core business and includes the shareholdings in Skagerak Energi AS, Agder Energi AS and BKK AS. Statkraft is the majority shareholder in Skagerak Energi AS, which is included in Statkraft's consolidated financial statements and holds large minority shareholdings in Agder Energi AS and BKK AS, which are reported as equity accounted investments in its consolidated financial statements.

The segement's revenues primarily come from power generation, distribution grid and district heating. In addition, Agder Energi AS has a significant power sales and energy service business and BKK AS delivers services within engineering, construction and telecommunications. All companies operated by this segment are actively working on solutions to develop environmentally friendly energy and infrastructure solutions and drive the transition to electrification.

Business model

As an owner, Statkraft focuses on optimising the industrial development of Skagerak Energi AS, Agder Energi AS and BKK AS to increase both shareholder value and each company's competitive position. The work is founded on Statkraft's ownership strategy, which has clear views on the development of each business as well as structural development of the industry. Statkraft aims to maintain good relations with its co-shareholders and to contribute to professional board work in each of the companies.

Important events in 2020

- Skagerak Energi AS and BKK AS sold shares in Fjordkraft Holding ASA. In total, these transactions resulted in a recognised gain of NOK 739 million for Statkraft, of which NOK 450 million was recognised as share of profit/loss in equity accounted investments in Statkraft's consolidated financial statements for the year ended 31 December 2020.
- Agder Energi AS sold its 67 per cent. shareholding in the Swedish entrepreneur company Craftor, leading to a recognised gain for Statkraft of NOK 268 million as share of profit/loss in equity accounted investments in Statkraft's consolidated financial statements for the year ended 31 December 2020.

Financial performance

Key figures

NOK mill.	2020	2019
Gross operating revenues and other income	2 120	3 408
Net operating revenues and other income	1 975	3 159
Operating expenses	-1 592	-1 506
Operating profit (EBIT) underlying	382	1 653
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-	-
Operating profit (EBIT) IFRS	382	1 653
Share of profit/loss in equity accounted investments	1 472	1 396
ROACE (%)	2.3	10.4
ROAE (%)	15.4	14.7
Maintenance investments and other investments	626	603
Investments in new capacity	388	351
Investments in shareholdings	-	53
Generation (TWh)	6.4	4.9

The segment's net operating revenues and other income decreased, primarily due to significantly lower power prices, partly offset by higher generation.

The segment's operating expenses increased, mainly due to a positive effect from pension scheme changes in Norway in 2019.

The segment's share of profit/loss in equity accounted investments increased, primarily due to the Agder Energi AS's divestments of Craftor and Skagerak Energi AS's and BKK AS's divestment of shares in Fjordkraft Holding ASA. This was partly offset by lower power prices.

The decrease in the segment's ROACE was due to the lower underlying EBIT. The average capital employed increased 4 per cent. year-on-year.

The increase in the segment's share of profit/loss in equity accounted investments was reflected in an increase in ROAE.

The segment's investments were primarily related to grid activities in Skagerak Energi AS.

Other Activities

Other activities include cost related to governance of the Group, new business within biomass, biofuel and electric vehicle charging as well as venture capital investments. Unallocated assets are also reported as Other activities.

Financial performance

Key figures

NOK mill.	2020	2019
Gross operating revenues and other income	1 594	1 252
Net operating revenues and other income	1 574	1 252
Operating expenses	-2 258	-1 778
Operating profit (EBIT) underlying	-685	-526
Unrealised value changes from embedded EUR derivatives	-	-
Gains/losses from divestments of business activities	-	-
Impairments/reversal of impairments	-	-
Operating profit (EBIT) IFRS	-685	-526
Share of profit/loss in equity accounted investments	-123	-50
ROACE (%)	n/a	n/a
ROAE (%)	n/a	n/a
Maintenance investments and other investments	206	54
Investments in new capacity	-	-
Investments in shareholdings	465	381
Generation (TWh)	n/a	n/a

The segment's decrease in underlying EBIT was primarily due to higher costs related to business development and newly consolidated companies within EV charging.

Recent developments in 2021

Statkraft acquired all the shares from the minority owners in Grønn Kontakt AS and now owns 100 per cent. of the company.

Statkraft sold its stake in Roan Wind Farm to TrønderEnergi and Stadtwerke Munchen. The operation of the Roan wind farm was transferred to TrønderEnergi in February 2021.

ALTERNATIVE PERFORMANCE MEASURES

This Offering Circular refers to, and contains, certain alternative performance measures (**APMs**). APMs are measures used by the Group within its financial publications to supplement disclosures prepared in accordance with International Financial Reporting Standards (**IFRS**) and interpretations from International Financial Reporting Interpretations Committee (**IFRIC**), as adopted by the EU. The Group considers that these measures provide useful information to enhance the understanding of its financial performance. The APMs should be viewed as complementary to, rather than a substitute for or in isolation from, the figures determined according to the applicable regulatory measures and financial reporting framework. An explanation of each such metric's components and calculation method can be found in the section titled "Alternative Performance Measures" on pages 182 to 184 of the annual report of the Issuer for the financial year ended 31 December 2019 and in the section titled "Alternative Performance Measures" on pages 210 to 211 of the annual report of the Issuer for the financial year ended 31 December 2020 (each of which is incorporated by reference herein).

MANAGEMENT OF THE ISSUER

Board of Directors

The board of directors is elected for a term of two years and must, according to Statkraft's articles of association, consist of a minimum of seven and a maximum of nine members. Currently, Statkraft's board has nine directors, of which six are shareholder representatives selected by the Ministry of Trade, Industry and Fisheries. The composition of the board aims at achieving continuity and diversity with respect to industrial understanding, professional background, geographical representation, gender, independence and impartiality. In agreement with employee representatives, the company has no Corporate Assembly. Three of the sitting board's nine members have been elected by and among the Group's employees.

The board has the ultimate responsibility for the performance of the company. The board shall ensure that the business is run in accordance with the company's objectives, Articles of Association and the guidelines established by the general meeting and ensure that it is adequately organised to meet its obligations. The board shall keep itself informed of the company's financial position and ensure that the company's activities, financial statements and asset management are subject to satisfactory controls. This also involves supervising management's day-to-day operation of the company and its business activities in general. The board must issue the necessary guidelines with respect to the business and its management, and must approve the company's strategy, financial plans and annual results. The board has drawn up a mandate which provides guidelines for the board's working practices and decision-making procedures. This mandate also defines the chief executive's duties and obligations at large and in relation to the board. The board evaluates its performance and its competence on an annual basis.

Statkraft's principles for corporate governance clarify the relative roles of Statkraft's owner, board of directors and management. Two board committees have been set up; an audit committee and a compensation committee.

Thorhild Widvey, Chair

Born: 1956.

Position: Business Advisor.

Education: BI Norwegian Business School.

Board member since: 2016.

Other directorships: Chair at Antidoping Norway, Concert Hall Stavanger and Bergen International Festival. Board member at Aker Solutions ASA and Solstad ASA.

Peter Mellbye, vice-chair

Born: 1949.

Position: Business Advisor.

Education: Master of Political Science.

Board member since: 2016.

Other directorships: Chair at Wellesley Petroleum AS, Otovo AS and Westgass AS. Board member at TechnipFMC plc, Competentia AS, Halfwave AS and Resoptima AS.

Mikael Lundin

Born: 1966.

Position: Advisor.

Education: Business Administration degree from Handelshögskolan in Stockholm.

Board member since: 2018.

Bengt Ekenstierna

Born: 1953.

Position: Business Advisor.

Education: Master of Science, Lund University of Technology.

Board member since: 2016.

Ingelise Arntsen

Born: 1966.

Position: Business Advisor.

Education: Bachelor of Science, Economics degree.

Board member since: 2017.

Other directorships: Chair of Asplan Viak AS. Board member at Export Credit Norway, Berenberg AS and Beerenberg Services AS.

Marit Salte

Born: 1970.

Position: Chief Financial Officer of Smedvig Family Office.

Education: Master of Science from The Norwegian School of Economics and Business Administration (NHH).

Board member since: 2020.

Other directorships: Board member at Green Mountain AS, Nordic Edge AS and Cercare Medical A/S. Board member in various subsidiaries in the Smedvig Family Office. Advisory board at Sparebankstiftelsen SR Bank.

Vilde Eriksen Bjerknes, employee representative

Born: 1975.

Position: Vendor Manager IT.

Education: Master in Environmental Management, from the Norwegian University of Life Sciences (UMB).

Board member since: 2014.

Asbjørn Sevlejordet, employee representative

Born: 1960.

Position: Employee representative for the Statkraft Group.

Education: Mechanical technician.

Board member since: 2014.

Thorbjørn Holøs, employee representative

Born: 1957

Position: Senior union representative, Skagerak Energi AS.

Education: Energy technician.

Board member since: 2002, member of Statkraft's Audit Committee.

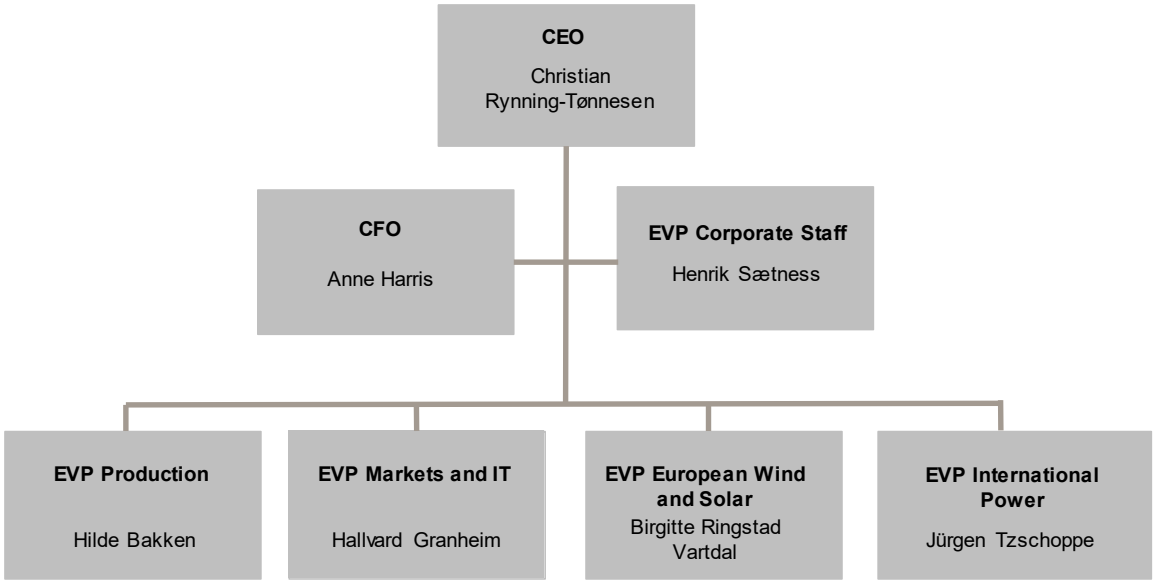
Other directorships: Chair of EL og IT Forbundet Vestfold/Telemark.

The business address of each member of the Issuer’s Board of Directors is Lilleakerveien 6, 0283 Oslo, Norway.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors and their duties to the Issuer.

Management

The Statkraft Group is managed by the President and CEO and a group of executive vice presidents constituting the Corporate Management Team. The operating activities are managed by separate Business Units and Support Units constituting the Management Team. Each Business and Support Team has clear performance targets and reports to the Executive Management Team.



Christian Rynning-Tønnesen

Born: 1959

Position: President and CEO Statkraft AS and Statkraft SF.

Education: Master of science in Engineering from the Norwegian University of Science and Technology (**NTNU**).

Background: CFO and CEO of Norske Skog, CFO and other executive positions within Statkraft, refinery commercial coordinator in Esso Norge and a consultant at McKinsey.

Joined Statkraft: 2010 (as CEO).

Directorships (external): Chair of Vcom AS. Board member of Rederiaksjeselskapet Torvald Klaveness, Umoe AS and Umoe Gruppen AS.

Hilde Bakken

Born: 1966

Position: Executive Vice President Production.

Education: Master of science in Petroleum Engineering, Norwegian University of Science and Technology (NTNU), studies in organisational psychology (University of Bergen) and National Defence University/Senior Executive Course.

Background: Various management and engineering positions in Norsk Hydro. Positions as chief of staff and various positions within the Generation and Market business in Statkraft.

Joined Statkraft: 2000.

Directorships (external): Chair: Skagerak Energi AS. Board member at Agder Energi AS

Birgitte Ringstad Vartdal

Born: 1977

Position: Executive Vice President European Wind and Solar

Education: Master of Science in Physics and Mathematics from the Norwegian University of Science and Technology (NTNU) and a Master of Science in Financial Mathematics from Heriot-Watt University in Edinburgh.

Background: CEO and CFO of Golden Ocean, various positions in Torvald Klaveness Group and Norsk Hydro.

Joined Statkraft: 2020

Directorships (external): Board member at Yara International ASA

Anne Harris

Born: 1960

Position: Chief Financial Officer

Education: Degree in economics from BI Norwegian Business School

Background: CFO in Multiconsult, Acting CEO and CFO in Entra Eiendom, EVP HR and Organization and SVP Corporate Financial Reporting and Performance in Norsk Hydro.

Joined Statkraft: 2019

Directorships (external): Board member IFE (Institutt for energieteknikk).

Henrik Sætness

Born: 1972

Position: Executive Vice President Corporate Staff

Education: Master of Science in Industrial Economics from The Norwegian University of Science and Technology (NTNU).

Background: SVP Corporate Strategy & Analysis and SVP Strategy and Development Markets in Statkraft. EVP Products and Consulting in Navita and various positions within energy Trading and Origination in Norsk Hydro.

Joined Statkraft: 2009

Directorships (external): Chair of FME NTRANS (Norwegian Centre for Energy Transition Strategies). Board member at BKK AS

Jürgen Tzschoppe

Born: 1968

Position: Executive Vice President International Power.

Education: PhD. in electrical engineering from Aachen University of Technology.

Background: EVP Market operations and IT and SVP Continental Energy in Statkraft. MD Statkraft Markets, GmbH and Knapsack Power GmbH & Co.KG. Power Trading Europe Associate in Enron and Chief Engineer at IAEW Aachen.

Joined Statkraft: 2002.

Hallvard Granheim

Born: 1976

Position: Executive Vice President Market Operations and IT.

Education: Master of business Administration from the Norwegian School of Economics and Business Administration (NHH).

Background: EVP and CFO, SVP Financial Reporting, Accounting and Tax in Statkraft. Director, Advisory and Auditor in Deloitte. VP Energy Sourcing and Trading in Norske Skog.

Joined Statkraft: 2012.

The business address of each member of the Issuer's Executive Management Team is Lilleakerveien 6, 0283 Oslo, Norway.

There are no potential conflicts of interest between the private interests or other duties of the members of the Executive Management Team and their duties to the Issuer.

Chief executive officer

The chief executive officer of Statkraft is appointed by the board of directors. The chief executive officer is responsible for the day-to-day operation of the company, including its asset management and consolidated financial results. The chief executive officer is responsible for the organisation of the Statkraft Group, however, material or principle changes shall be presented to the board for approval prior to implementation. The board evaluates the chief executive's performance and competence on an annual basis.

Governing bodies

The Kingdom of Norway, embodied in the Ministry of Trade, Industry and Fisheries, exercises its shareholder's rights through Statkraft SF's corporate meetings. Statkraft SF exercises its shareholder's rights through Statkraft's general meetings, but votes in accordance with the instructions given by Statkraft SF's corporate meetings. The chair of Statkraft SF's board of directors and the company's other directors hold the same positions in Statkraft. The two companies' boards of directors are therefore identical.

Corporate Audit

Statkraft's Corporate Audit function is an independent function which assists the Board of Directors and management in assessing whether the Group's most significant risks are sufficiently managed and controlled. The purpose of Corporate Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight related to the organisation's governance, risk management and internal control. Internal audits are conducted according to an annual rolling plan. The audit work is carried out in accordance with the International Standards for Internal Auditing. The annual corporate audit report is submitted to the Board of Directors, which also approves the audit plan for the coming year. Corporate Audit also presents a semi-annual report to the Audit Committee. The Audit Committee and Corporate Audit hold a minimum of one meeting per year without anyone from the Group's management being present. Implementation of the recommendations from Corporate Audit is regularly followed up. The Head of Corporate Audit is responsible for Statkraft`s system for independent reporting of concerns related to unethical or illegal matters. In cases where an investigation is required, this is the responsibility of the Head of Corporate Audit.

Code of Conduct

Statkraft's fundamental principles for responsible behaviour are described in its Code of Conduct, which has been approved by the Board of Directors. The Code of Conduct applies to all companies in the Statkraft Group and all individuals who work for them. Business partners are expected to adhere to standards consistent with Statkraft's Supplier Code of Conduct. These principles are further detailed in policies and governing documents covering the Group's key activities, including acquisition and construction projects. There is also a system for registration and follow-up of non-compliance with external and internal requirements. The system facilitates handling of cases, analysis of incidents, identification of improvements, and subsequent learning across the Group.

Statkraft does business globally. As a Norwegian entity, Statkraft complies with applicable Norwegian laws and regulations as well as with applicable laws and regulations of countries where the Group operates. When developing its policies, Statkraft also takes guidance from relevant international conventions and guidelines, including those from the United Nations and the Organization for Economic Co-operation and Development. Where differences exist between applicable laws, regulations and Statkraft's policies, Statkraft follows the highest standard.

The Group's management system

Statkraft's management system, called "The Statkraft Way", sets out how to conduct business in and on behalf of the Statkraft Group. The purpose is to promote efficiency, ensure responsible and thereby sustainable business practices and meet stakeholder requirements, including standards that Statkraft has decided to work by. The management system brings together all the governing documents, from the Vision and Values, Code of Conduct and Group Operating Model forming the core of the system to Group

Policies, requirements, and descriptions of processes, activities, roles and responsibilities. The management system provides the basis for risk management, internal control and improvement work. The governing documents provides the internal frameworks within which employees shall act in their work and a basis for securing quality and efficiency in daily operations, as well as in reporting to the company's management, the board of directors and capital markets.

Performance management

In Statkraft, performance management reinforces interaction, value creation and continuous improvement in the Group and contributes to ensuring strategy implementation and achievement of goals.

The performance management process establishes a clear relationship between the Strategic Platform, operational targets and objectives, and monitoring and reporting of performance. In order to link the overall targets to the operational level individual targets are set.

Performance management is a fundamental line management process at all levels and ensures stretch targets to drive performance.

Scorecards are the main performance management tool where business targets and objectives are defined as key performance indicators and as prioritised actions. Scorecards are established at Group level and for each Business and Staff Area. Scorecards are used for evaluating and driving performance.

SUMMARY OF PROVISIONS RELATING TO DEFINITIVE REGISTERED NOTES

Registered Notes of a Series that are initially offered and sold in the United States pursuant to Section 4(2) of the Securities Act in private placement transactions exempt from registration under the Securities Act to Institutional Accredited Investors who execute and deliver to the Registrar an IAI Investment Letter substantially in the form attached to the Agency Agreement will be issued only as Definitive Registered Notes, registered in the name of the purchaser thereof or its nominee. Unless otherwise set forth in the applicable Final Terms, such Definitive Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Such Definitive Registered Notes issued to Institutional Accredited Investors will be subject to the restrictions on transfer set forth therein and in the Agency Agreement and will bear the applicable legend regarding such restrictions set forth under "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" below. Institutional Accredited Investors that hold Definitive Registered Notes may not elect to hold such Notes through DTC, but transferees acquiring such Notes in transactions exempt from registration under the Securities Act pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act (if applicable) may take delivery thereof in the form of an interest in a Restricted Global Note or a Regulation S Global Note, as the case may be, representing Notes of the same Series.

NOTICE TO PURCHASERS AND HOLDERS OF RESTRICTED NOTES AND TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Legended Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed as follows:

(1) Such offeree acknowledges that this Offering Circular is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any such distribution or disclosure, without the prior written consent of the Issuer, is prohibited; and

(2) Such offeree agrees to make no photocopies of this Offering Circular or any documents referred to herein.

Each purchaser of an interest in a Restricted Note offered and sold in reliance on Rule 144A will be deemed to have acknowledged represented and agreed as follows (terms used in this paragraph that are not defined herein will have the meaning given to them in Rule 144A or in Regulation S as the case may be):

(a) The purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring Notes for its own account or for the account of a QIB;

(b) The purchaser understands that such Restricted Global Note is being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Restricted Global Note has not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered, sold or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act or any other applicable securities law; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Restricted Global Note, such Restricted Global Note may be offered, sold, pledged or otherwise transferred only (A) to a person who the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of such Restricted Global Note from it of the resale restrictions referred to in (i) above and that (iii) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of Notes;

(c) Each Restricted Global Note will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THAT (A) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A

TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

Each Definitive Registered Note that is offered and sold in the United States to an Institutional Accredited Investor pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

"THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, ACKNOWLEDGES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THE RESTRICTIONS ON THE TRANSFER OF THIS NOTE SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER THIS NOTE ONLY AS PROVIDED IN THE AGENCY AGREEMENT ENTERED INTO BY THE ISSUER ON 29 MARCH 2021. THE PURCHASER REPRESENTS THAT IT IS ACQUIRING THIS NOTE FOR INVESTMENT ONLY AND NOT WITH A VIEW TO ANY SALE OR DISTRIBUTION HEREOF, SUBJECT TO ITS ABILITY TO RESELL THIS NOTE PURSUANT TO RULE 144A OR REGULATION S OR AS OTHERWISE PROVIDED BELOW AND SUBJECT IN ANY CASE TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PROPERTY OF ANY PURCHASER SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF, FOR THE BENEFIT OF THE ISSUER, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A AND OTHERWISE IN COMPLIANCE WITH RULE 144A, (D) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANINGS OF SUBPARAGRAPHS (a)(1), (a)(2), (a)(3) OR (a)(7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL "ACCREDITED INVESTOR", IN EACH CASE IN A MINIMUM NOMINAL AMOUNT OF THE SECURITIES OF U.S.$500,000 AND MULTIPLES OF U.S.$1,000 IN EXCESS THEREOF FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN

CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (F) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF AVAILABLE) OR (G) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E), (F) OR (G) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER AND, IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE PRINCIPAL PAYING AGENT. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS NOTE IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

Each purchaser of Definitive Registered Notes will be required to deliver to the Issuer and the Registrar and IAI Investment Letter substantially in the form prescribed in the Agency Agreement. The Definitive Registered Notes will be subject to the transfer restrictions set forth in the above legend, such letter and in the Agency Agreement. Inquiries concerning transfers of Notes should be made to any Dealer.

TAXATION

Norwegian Taxation

The information provided below gives a general overview, but does not purport to be a complete summary, of Norwegian tax law and practice related to the issue, purchase, holding and disposal of Notes, applicable as at the date of this Offering Circular, subject to any changes in law or practice occurring after such date. Such changes could possibly be made on a retroactive basis. Specific tax consequences may occur for different categories of holders of Notes, e.g. if the holder of Notes ceases to be tax resident in Norway etc. It is recommended that prospective investors consult with their own professional advisers as to their individual tax situation.

Holders of Notes resident in Norway for tax purposes will be subject to Norwegian income taxation on interest and capital gains at the applicable rate. The same applies to other persons and legal entities that are subject to taxation in Norway (including, but not limited to persons and legal entities carrying out business that is conducted in or managed from Norway, provided that the Notes are used in or connected with any such business activities). In such cases, interest and gains or profits realised by such persons or legal entities on the ownership, sale, disposal or redemption of the Notes will be subject to Norwegian taxation at the applicable rate. As of the date of this Offering Circular, the applicable ordinary tax rate is 22 per cent.

Payments of principal and interest on the Notes, or gains or profits realised on the sale, disposal or redemption of the Notes, to or for persons or legal entities who have no connection with Norway other than the holding of Notes issued by the Issuer are, under present Norwegian law, not subject to any withholding or deduction for or on account of any Norwegian taxes, duties, assessments or Governmental charges.

From 1 July 2021, Norway will introduce a new withholding tax on interest payments made to related enterprises (i.e. companies owned, directly or indirectly, or controlled, by at least 50 per cent.) that are resident within low-tax jurisdictions. As the new withholding tax will only apply to interest payments made to such related enterprises, it will not affect interest payments on Notes issued by the Issuer in the present circumstances.

Holders of Notes that are physical persons tax resident in Norway are subject to net wealth taxation in Norway. Notes are included as part of the taxable base for this purpose. The Notes will be valued at market value on 1 January in the year after the income year. The maximum aggregate rate of net wealth tax is currently 0.85 per cent. Holder of Notes that are limited liability companies and similar entities are not subject to net wealth taxation in Norway. Persons or legal entities having no connection with Norway other than the holding of Notes are not subject to net wealth taxation in Norway unless such Notes are held in connection with business activities conducted in or managed from Norway and the Holder is a physical person. Notes held by such Holders (i.e. with limited tax liability to Norway) will be included in the holder's taxable base net wealth tax purposes in Norway.

No Norwegian issue tax or stamp duties are payable in connection with the issue of the Notes.

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 (other than Estonia, the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to 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 the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

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 Norway) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions—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.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Trustee, the Agents or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Agents or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participants records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Registered Global Note, will be legended as set forth under "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships, Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system,

The Issuer will apply to DTC in order to have each Tranche of Notes represented by Registered Global Notes accepted in its book-entry settlement system. Upon the issue of any Registered Global Notes, DTC or its custodian will credit, on its internal book-entry system, of the individual beneficial interests represented by such Registered Global Notes to the accounts of persons who have accounts with DTC. Such on behalf of the relevant Dealer. Ownership of beneficial Global Note will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect

participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

VPS Notes

Verdipapirsentralen ASA

Verdipapirsentralen ASA (**VPS**) is a Norwegian public limited liability company conducting business as a central securities depository (**CSD**) in Norway in accordance with the Act of 15 March 2019 no. 6 on the Registration of Financial Instruments, implementing Regulation (EU) No. 909/2014, (the **CSD Act**). The CSD Act requires that, among other things, all notes and bonds issued in Norway shall be registered in a central securities depositary authorized or recognized under Regulation (EU) No. 909/2014, unless they are (i) denominated in NOK and offered and sold outside of Norway to non-Norwegian tax residents only, or (ii) denominated in a currency other than NOK and offered or sold outside of Norway

VPS functions as a dematerialised CSD where registration of ownership, transfer and other rights to financial instruments are evidenced by book entries in the registry only. Any issuer of VPS Notes will be required to have an account (issuer's account) where all of its VPS Notes are registered in the name of the holder, and each holder is required to have her/his own account (investor's account) showing such person's holding of VPS Notes at any time. Both the issuer and the VPS Noteholder will, for the purposes of registration in the VPS, have to appoint an account operator which will normally be a Norwegian bank or Norwegian investment firm. It is possible for investors to hold VPS Notes indirectly through a nominee approved by the Financial Supervisory Authority of Norway.

SUBSCRIPTION AND SALE

The Dealers have in a programme agreement dated 29 March 2021 (the **Programme Agreement**) 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 and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States 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 accordance with Regulation S or pursuant to an exemption from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that 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 except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period (other than pursuant to Rule 144A) 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. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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.

Notwithstanding the foregoing, Dealers nominated by the Issuer may arrange for the offer and sale of Registered Notes in the United States pursuant to Rule 144A under the Securities Act. Each purchaser of such Notes is hereby notified that the offer and sale of such Notes may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. In addition, pursuant to the terms of the Programme Agreement, Definitive Registered Notes may be offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act. See "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" above.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a 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 and regulations 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 Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA 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 Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, 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 made and will not make an offer of Notes which are the subject of the offer contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member 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 such 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, the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to 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 Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the

final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom 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 section 86 of the FSMA,

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 section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression **an offer of Notes to the public** in relation to any Notes 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 the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

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

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons 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 FSMA by the Issuer;

(b) 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

(c) 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 represented and agreed and each further Dealer appointed under the Programme will be required to represent and 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 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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the Issuer has confirmed in writing to each Dealer that the Offering Circular has been filed with the Financial Supervisory Authority of Norway, it has not, directly or indirectly, offered or sold and will not directly or indirectly, offer or sell any Notes in Norway or to residents of Norway, other than:

(a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor; or

(b) to "qualified investors" as defined in Article 2(e) of the Prospectus Regulation; or

(c) to fewer than 150 natural or legal persons (other than "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation)), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or

(d) in any other circumstances provided that no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Prospectus Regulation.

The Notes shall be registered in a central securities depositary authorized or recognized under Regulation (EU) No. 909/2014 unless (i) the Notes are denominated in NOK and offered and sold outside of Norway to non-Norwegian tax residents only, or (ii) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

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

For the purposes of this provision, the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Singapore

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

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

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

(i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act (Chapter 289) of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) 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 Offering Circular 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 neither the Issuer, the Trustee nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee or 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.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Subscription Agreement.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 26 June 2019.

Listing of Notes

The admission of Notes to the Euronext Dublin Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Euronext Dublin Official List and to trading on Euronext Dublin's regulated market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Offering Circular to be admitted to the Euronext Dublin Official List and to trading on its regulated market. The listing of the Programme in respect of Notes is expected to be granted by Euronext Dublin on or around 29 March 2021. In the case of VPS Notes, application may be made to the Oslo Stock Exchange for such VPS Notes to be admitted to trading on the Oslo Stock Exchange's regulated market.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from https://www.statkraft.com/IR/funding/loan-documentation/:

(i) the Articles of Association (*Vedtekter*) and Company Certificate (*Firmaattest*) (with an English translation thereof) of the Issuer;

(ii) the Trust Deed, the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Coupons, the Talons, the Regulation S Global Notes, the Restricted Global Notes and the Definitive Registered Notes;

(iii) a copy of this Offering Circular; and

(iv) any future offering circulars, prospectuses, information memoranda, supplements to this Offering Circular and Final Terms (save that a Final Terms relating to a Note which 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 the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to its holding and identity) and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. In addition, the Issuer will make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system (including the VPS) the appropriate information will be specified in the relevant Final Terms. Euroclear, Clearstream, Luxembourg, DTC and the VPS are the entities in charge of keeping the records.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels; the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, NY 10041–0099, USA; and the address of the VPS is Fred. Olsens gate 1, 0152 Oslo, Norway.

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.

Significant or Material Change

There has been no significant change in the financial performance or position of the Issuer or the Group since 31 December 2020. There has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2020.

Litigation

Save as described in the Risk Factor entitled "*Regulatory Issues*" regarding the tax reassessments relating to Statkraft Treasury Centre SA on page 15 of this Offering Circular, there are no other, and have not been any other, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect in the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

Auditors

The auditors of the Issuer are Deloitte AS, members of The Norwegian Institute of Public Accountants (*DnR*), who have audited the Issuer's accounts, without qualification, in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway for the periods ended 31 December 2019 and 31 December 2020. The auditors of the Issuer have no material interest in the Issuer.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Trustee's Action

The Notes provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions and accordingly in such circumstances the Trustee will be unable to take such actions, notwithstanding the provision of an indemnity to it, and it will be for Noteholders to take action directly.

Reliance by Trustee

The Trust Deed provides that any certificate or report of the auditors of the Issuer or any other expert called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein, whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and/or such auditors and/or expert in connection therewith contains any limit

on liability (monetary or otherwise) of such auditors and/or expert. However, the Trustee will have no recourse to the Auditors in respect of such certificates or reports unless the Auditors have agreed to address such certificates or reports to the Trustee.

THE ISSUER

Statkraft AS
Lilleakerveien 6
0283 Oslo
Norway

THE TRUSTEE
Citicorp Trustee Company Limited
6th Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

PRINCIPAL PAYING AGENT, TRANSFER AGENT AND EXCHANGE AGENT

Citibank, N.A.
6th Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

REGISTRAR

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

OTHER PAYING AGENT AND TRANSFER AGENT

Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

VPS ACCOUNT MANAGER

Danske Bank A/S, Verdipapirservice
Søndre Gate 13-15
7466 Trondheim
Norway

IRISH LISTING AGENT

McCann FitzGerald Listing Services Limited
Sir John Rogerson's Quay
Riverside One
Dublin 2
Ireland

LEGAL ADVISERS

to the Issuer as to Norwegian Law

Advokatfirmaet Wiersholm AS
Dokkveien 1
0250 Oslo
Norway

to the Dealers and the Trustee as to English Law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

AUDITORS

to the Issuer

Deloitte AS
Dronning Eufemias gate 14
PO Box 221 Sentrum
0103 Oslo
Norway

DEALERS

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar
28660, Boadilla del Monte
Madrid

Barclays Bank Ireland PLC
One Molesworth Street
Dublin 2
D02RF29
Ireland

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

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

DNB Bank ASA
Dronning Eufemias Gate 30
0191 Oslo

Nordea Bank Abp
Satamaradankatu 5
FI-00020 Nordea

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

Société Générale
29 boulevard Haussmann
75009 Paris

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

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany