

# AB ELECTROLUX (publ)

(Incorporated as a public company with limited liability under the laws of Sweden with Swedish registration number 556009-4178)

EUR 3,000,000,000

## Euro Medium Term Note Programme

Under the EUR 3,000,000,000 Euro Medium Term Note Programme (the **Programme**), AB Electrolux (publ) (reg. no. 556009-4178) (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 under the Programme will not exceed EUR 3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement as defined herein), subject to increase as described herein.

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

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

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**) as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CSSF only approves this Base Prospectus as meeting standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or the quality of the Notes. Investors should make their own assessment as to the sustainability of investing in the Notes. Pursuant to Article 6(4) of the Prospectus Regulation, by approving this Base Prospectus, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, **MiFID II**).

**This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.**

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation.

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*") will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF on or before the date of issue of the Notes of such Tranche.

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

The Programme has been rated A- by S&P Global Ratings Europe Limited (**S&P**). S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation. S&P is not established in the United Kingdom but the ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited 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 **EUWA**) (the **UK CRA Regulation**) and have not been withdrawn. As such, the rating issued by S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by the rating agency 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 S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR, EURIBOR, STIBOR, TIBOR or CHF LIBOR (the **Programme Benchmarks**), as specified in the applicable Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) (the **EMMI**) is included in in the European Securities and Markets Authority's (**ESMA**) register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (as amended) (the **EU Benchmarks Regulation**). As at the date of this Base Prospectus, ICE Benchmark Administration Limited (as administrator of LIBOR) (the **ICE**), the Japanese Bankers Association (as administrator of TIBOR) (the **JBA**), the Swedish Financial Benchmark Facility (as administrator of STIBOR) (the **SFBF**) and SIX Swiss Exchange (as administrator of CHF LIBOR) (the **SIX**) are not included in ESMA's register of administrators under the EU Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that the ICE, the JBA, the SFBF and the SIX are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

**Arranger**  
**DEUTSCHE BANK**

**Dealers**

**BNP PARIBAS**  
**CITIGROUP**  
**DANSKE BANK**  
**HANDELSBANKEN CAPITAL MARKETS**  
**J.P. MORGAN**  
**SWEDBANK**

**BRADESCO BBI**  
**DEUTSCHE BANK**  
**HSBC**  
**MORGAN STANLEY**  
**SEB**

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. *Prospectus Regulation* means Regulation (EU) 2017/1129.

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

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus 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.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

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

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

Save for the Issuer, no other party has independently 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 as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

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

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as Green Bonds or makes any representation, warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds, nor is any such opinion or certification a recommendation by any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Group during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

**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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the *Insurance Distribution Directive*), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the *PRIPs 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 PRIPs 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 United Kingdom (the *UK*). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the 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. 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 PRIPs 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 PRIPs Regulation.

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

A determination will be made in relation to each issue about whether, for the purpose of the 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.

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 specified in the relevant Final Terms, 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).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the *Securities Act*) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see "*Subscription and Sale*").

Certain information in respect of the description of ratings set out on page 11 this Base Prospectus has been extracted from the website of S&P. 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 the relevant rating agencies, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus 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 Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Belgium), the United Kingdom, Singapore and Japan (see "*Subscription and Sale*").

Neither this Prospectus nor any Final Terms nor any financial statements nor any other information supplied in connection with the Programme or the Notes constitutes an offer by the Issuer or the Dealers to any person to subscribe for or to purchase any Notes.

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus.

All references in this document to "*U.S. dollars*", "*U.S.\$*" and "*\$*" refer to the lawful currency of the United States of America, all references to "*SEK*" refer to the lawful currency of the Kingdom of Sweden, all reference to "*£*" and "*Sterling*" refer to the lawful currency of the United Kingdom, all references to "*¥*" or "*Yen*" refer to the lawful currency of Japan and all references to "*CHF*" refer to the lawful currency of the Swiss Confederation. In addition, all references to "*euro*", "*EUR*" 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.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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

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 Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

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## GENERAL DESCRIPTION OF THE PROGRAMME

The following general description is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus 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 general description.

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

<b>Issuer:</b>	AB Electrolux (publ)
<b>Legal entity identifier (LEI):</b>	549300Y3HHZB1ZGFPJ93
<b>Risk Factors:</b>	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". In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	Deutsche Bank Aktiengesellschaft
<b>Dealers:</b>	Banco Bradesco BBI S.A. BNP Paribas Citigroup Global Markets Europe AG Citigroup Global Markets Limited Danske Bank A/S Deutsche Bank Aktiengesellschaft HSBC Continental Europe J.P. Morgan Securities plc Morgan Stanley & Co. International plc Skandinaviska Enskilda Banken AB (publ) Svenska Handelsbanken AB (publ) Swedbank AB (publ) and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain Restrictions:</b>	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") including the following restrictions applicable at the date of this Base Prospectus. <b>Notes with a maturity of less than one year</b> 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 (the <b>FSMA</b> ) 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".



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

<b>Principal Paying Agent:</b>	Deutsche Bank AG, London Branch
<b>Programme Size:</b>	Up to EUR 3,000,000,000 (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.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes will be issued in Series. Each Series may be issued in Tranches.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
<b>Maturities:</b>	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.
<b>Issue Price:</b>	Notes are issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par. The issue price will be indicated in the applicable Final Terms.
<b>Form of Notes:</b>	The Notes will be issued in bearer form as described in " <i>Form of the Notes</i> ".
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and relevant Dealer.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none"><li>(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</li><li>(ii) on the basis of the reference rate set out in the applicable Final Terms.</li></ul> Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer. 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.
<b>Benchmark Event:</b>	If a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark specified in the relevant Final Terms, then such rate of interest may be substituted (subject to certain conditions) with a successor or alternative rate (with consequent amendment to the terms of such Series of Notes and the application of an

adjustment spread (which could be positive, negative or zero)) as described in Condition 4.2(vi).

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Redemption:**

The applicable Final Terms will indicate either that the relevant Notes 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 notice 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 other terms as may be agreed between the Issuer and the relevant Dealer.

The applicable Final Terms may provide that, upon a Change of Control (as defined in Condition 6.6(b)) occurring and certain other conditions being satisfied, Notes will be redeemable at the option of the Noteholders, see "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of the Noteholders - Change of Control Put*". If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased, as the case may be, pursuant to Condition 6.6(b), the Issuer may redeem or purchase all, but not some only, of the Notes then outstanding at their principal amount together with interest accrued to but excluding the date for such redemption.

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer at least at 100 per cent. of its nominal value on its scheduled maturity date.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes with a maturity of less than one year*" above.

**Make-Whole Redemption:**

If the Make-Whole Redemption is specified as applicable in the 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.

**Denomination of Notes:**

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes with a maturity of less than one year*" above, and save that Notes admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation will be issued in a denomination of not less than EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:**

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

**Negative Pledge:**

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

**Cross Default:**

The terms of the Notes will contain a cross default provision in respect of any indebtedness for borrowed money of the Issuer or any guarantee or indemnity given by the Issuer in respect of any

borrowed money as further described in Condition 9.

**Status of the Notes:**

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 2) 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 is rated A- by S&P.

As per the rating services of S&P, an obligation rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong. The modifier "-" appended to the rating denotes relative standing within the rating category.

Source:

[https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)

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

**Approval, listing and admission to trading:**

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

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to each Tranche. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in, inter alia the United States, the EEA (including Belgium), the United Kingdom, Singapore and Japan 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*".

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Certain risks which the Issuer currently deems not to be material as at the date of this Base Prospectus may become material as a result of the occurrence of events outside the Issuer's control. The Issuer believes that the following factors are the risks which are specific to the Issuer and/or to the Notes and which are material for making an informed investment decision.*

*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.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out or incorporated by reference elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Factors that may have a material impact on (i) the Issuer's ability to fulfil its obligations under Notes issued under the Programme and (ii) the assessment of market risks associated with Notes issued under the Programme are noted below, with the most material risk factors appearing first in each numbered category.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### **1. Risks related to the Issuer's business activities and industry**

##### ***Risks related to the coronavirus***

Different regions in the world have from time to time experienced outbreaks of various viruses. A wide-spread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as **coronavirus**) and the infectious disease **COVID-19**, caused by the virus, is currently taking place. The pandemic has led governments and local authorities across the world to impose strict countermeasures to stop the spread of the virus including shutdowns of countries, cities and various business operations as well as regional and global travel restrictions. These measures have had a negative impact on consumer demand in some areas. In Asia-Pacific, Middle East and Africa, overall consumer demand for appliances is estimated to have declined in 2020, mainly due to lockdowns to limit the spread of the coronavirus and recessions. The Group also has been and continues to be affected by suppliers and logistics solutions causing disruptions in the Group's supply chain resulting in shortages of components and finished products for all business areas. The spread of the coronavirus has also led to temporary closure of several of the Group's factories. In addition, the measures have had a significant negative impact on the operations of many of the Group's customers. Retail shops have been temporarily closed and there has been an overall decline in demand. This has ultimately affected the sale of the Group's products to end-customers.

Whilst 2020 was volatile, with a challenging first half during the onset of the coronavirus pandemic, it was followed by a significant recovery in the second half. This resulted in a strong performance improvement for the full year, with an operating margin of 5.0% (3.8% in 2019, excluding non-recurring items). Organic sales growth in the fourth quarter was 17.5%, with sales continuing to benefit from consumers allocating more of their household budgets to home improvement. Visibility into 2021 remains limited due to the ongoing pandemic but we consider it possible that the strong consumer demand from increased home-improvement spending experienced during the second half of 2020 will remain to some extent. However, the outlook into 2021 will be affected by any further supply chain issues, which reduces the capacity to fulfil orders.

In addition to the above, the Group may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic and any possible future outbreaks. The outbreak of communicable diseases, such as the coronavirus COVID-19 outbreak, on a global scale may affect investment sentiment, result in heightened volatility in global capital markets and impact commodity prices. The recent emergence of COVID-19 has led to significant volatility in financial markets, lower oil prices, reduced global liquidity and the potential for lower economic growth both regionally and

globally. While the final effects of the COVID-19 pandemic are at this stage difficult to assess, it is likely that it will have substantial negative effects on the economies in which the Group operates. Similar effects could occur in the event of any further future outbreak. Any negative effect on the economy may decrease incomes of the end-consumers of the Group and impact demand for the Group's products. Such effects may also result in the insolvency of the Group's business partners, suppliers and customers. Furthermore, in case of an economic downturn, the price of the Group's securities (including the Notes) and the ability of the Group to access further financing may be adversely affected. The Group has tried to mitigate the potential impact from the coronavirus pandemic to reduce these risks. In March 2020, the Board of Directors approved a temporary exception from the long-term borrowing limits adopted by the Group. The maximum amount of long-term borrowings maturing in any given 12 month period was SEK 5,744m at the end of 2020. However, any further macroeconomic downturns may increase the borrowing costs of the Group and result in further refinancing to allow for financial flexibility.

Any of the factors above may continue to adversely affect the Group's business, results of operations and financial performance and may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

### ***Global economic factors and geopolitical conditions***

Demand for the Group's products depends on the general economic climate within the home appliances industry, which in turn is affected by macroeconomic factors in the countries and regions where the Group conducts operations, including the rate of growth in the global and local economy, employment levels, disposable household income, population growth, currency rate fluctuations, tariffs and other measures restricting trade, commodity prices and inflation. Political uncertainties, a lengthy recession or periods of sustained unemployment and loss of consumer confidence in the markets in which the Group operates could trigger a significant industry-wide decline in sales. For example, the global outbreak of the coronavirus has significantly affected the general economic development, both globally and regionally, and has negatively impacted demand in the Group's markets (see further "*Risk related to the coronavirus*" above). The global economy has also been impacted by geopolitical uncertainties such as the trade dispute between the United States and China, resulting in trade barriers and increased costs for the home appliances industry. A significant negative economic development or sustained political uncertainties in any of the markets in which the Group operates could have a material adverse effect on the Group's net sales and operations. Furthermore, a decline in demand could, besides a decline in sales, also result in a shift in demand to lower priced products for which margins may be lower. In the short term, an economic decline can affect the Group's utilisation of production capacity, all of which could have an adverse impact on the operations of the Group.

Uncertainty about future economic and industry conditions also makes it challenging for the Group to forecast its operating results, make business decisions, and identify and prioritise the risks that may affect its businesses, sources and uses of cash, financial condition and results of operations. The Group may be required to implement additional cost reduction efforts, including restructuring activities, which may adversely affect its ability to capitalise on opportunities in a market recovery.

On January 31, 2020 the United Kingdom ceased to be a member of the EU and the European Economic Area (the "**EEA**"). By virtue of the EUWA, EU law and EU-derived domestic legislation continued to apply to and in the UK during a transition period lasting until December 31, 2020. During the transition period, the UK continued to be treated as a member state under EU law unless otherwise specified. On December 24, 2020, an agreement in principle was reached in relation to the EU-UK Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), to govern the future relations between the EU and the UK following the end of the transition period. The Trade and Cooperation Agreement was provisionally applicable from January 1, 2021 until 30 April, 2021 and formally entered into force on 1 May, 2021.

Uncertainties remain concerning the economic consequences of the withdrawal of the UK from the European Union, commonly referred to as "Brexit". The continuing effects of Brexit are difficult to predict and there remains both short-term and long-term political and economic uncertainty around the departure that may have a negative impact on the UK economy, affecting its growth. Accordingly, no assurance can be given that Brexit will not adversely affect the Group's business, financial condition and results of operations. Due to a lack of precedent on withdrawals from the EU, Brexit could have unpredictable consequences for credit markets, the EU single market and other important financial and trade relationships, which could adversely affect the Group's business, results of operations and financial performance, in particular in the Eurozone.

If the Group does not adapt in a timely and appropriate manner to changes resulting from the uncertain macroeconomic environment and industry conditions, or to difficulties in the financial markets, or if it is unable to continue to access the capital markets, the Issuer's ability to fulfil its obligations under Notes issued under the Programme may be affected.

### ***Risks associated with international operations***

As a result of its worldwide operations, the Group is subject to a wide variety of complex laws, regulations and controls, and various non-binding treaties and guidelines, such as those related to employee safety, employee relations, product safety and exchange controls. The Group expects that sales to, as well as manufacturing in, and sourcing from, emerging markets will continue to be an increasing portion of its total operations. Changes in regulatory requirements, economic and political instability, tariffs and other trade barriers and price or exchange controls could limit the Group's operations in certain countries, as well as in other markets where the Group operates, and make the repatriation of profits difficult.

In addition, terrorist attacks, armed conflicts, natural disasters, cyber attacks or other major disruptions to the information technology infrastructure, governmental actions as well as epidemics and pandemics that affect the Group's domestic and international operations in a significant way, disrupt its supply chain and impair its ability to produce and deliver its products, present a significant risk to the Group. Such events may directly impact the Group's physical facilities or those of its suppliers or customers around the world, which would adversely affect the Group's business and results of operations (see also "*Risks related to the coronavirus*" above).

The Group's international operations expose the Group to other risks, including unfavourable political changes, unforeseen legislative changes, inconsistent application of existing laws and regulations, ambiguous regulatory systems, customs compliance and tax systems as well as different methods and routines for conducting business operations. International operations in certain jurisdictions also expose the Group to potentially longer payment cycles, difficulties in obtaining payment of accounts receivable and repatriating cash funds from certain countries, as well as increased risks of customer losses. Such factors may lead to a decline in sales and thus adversely affect the Group's operations in the jurisdictions and region concerned. Uncertainty of the legal environment in certain of the countries in which the Group operates could limit its ability to effectively enforce its rights in those markets.

### ***Dependency on third-party suppliers***

The Group's manufacturing process depends on the availability and timely supply of components and raw materials, primarily from third-party suppliers. While supply problems can affect the performance of most of the Group's business areas, it is particularly sensitive to supply problems related to electronic components, compressors, steel, plastics, aluminium and copper. The Group works closely with its suppliers to avoid supply-related problems and is increasing its supply of sourced finished products, but there can be no assurances that it will not experience problems in the future.

The Group's operations and operations at suppliers' facilities are also subject to disruption for a variety of reasons, including, but not limited to, work stoppages, labour relations, breakdown in machinery, industrial accidents, intellectual property claims against suppliers, information technology failures, pandemics and hazards such as fire, earthquakes, flooding, or other natural disasters, insurance for any of which may not be available, affordable or adequate (see also "*Risks related to the coronavirus*" above). Such disruption could interrupt the Group's ability to manufacture certain products or interrupt the supply to the Group of certain sourced finished products. Any significant disruption could negatively impact the Group's revenue and earnings performance which could impact the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

### ***Development of new products***

The Group competes in a highly competitive industry characterised by rapidly changing technologies, evolving industry standards and continual improvements in performance characteristics and product features. Due to the highly volatile nature of the industries in which the Group operates, product innovation and development are critical factors in improving margins and enabling net sales growth in all of the Group's product lines. To meet the customers' needs in these businesses, the Group must continuously design new products, and update existing products and services and invest in and develop new technologies. Product development is also driven by customer demand for better environmental performance and lower cost of use. Introducing new products requires significant

management time and a high level of financial and other commitments to research and development, which may not result in success. The Group's sales and the Issuer's net income may suffer if it fails to successfully anticipate and appropriately react to changes in customer preferences or if investments are made in technologies that do not function as expected or are not accepted in the marketplace.

### ***Risks relating to the relocation of manufacturing capacity***

As part of its cost reduction strategy, the Group has in the past, and may in the future, relocate some of its manufacturing capacity. The Group has in the past conducted major programmes related to relocating production and is continuously evaluating or conducting other relocation projects to optimise production. For example, the Group is currently in the process of consolidating the U.S. production of refrigerators and freezers to a new manufacturing facility in Anderson, South Carolina. The transfer of production from one facility to another is a costly and complex process and presents a risk of additional disruptions and delays during the transition period. In addition, during relocation the Group will be dependent on cost-efficient deliveries of components and half-finished goods from suppliers. Furthermore, the Group may continue to incur additional costs after the relocation process during the time that the new facility is in ramp-up stage. The Group might not be able to successfully transition production to different facilities. Any prolonged disruption in the operations of any of its manufacturing facilities or any unforeseen delay in shifting manufacturing operations to new facilities, whether due to technical or labour difficulties or delays in regulatory approvals, could result in delays in shipments of products to the Group's customers, increased costs and reduced revenues.

### ***Market competition and price pressure***

Each of the Group's business areas operates in a highly competitive business environment and faces intense competition from a number of competitors, many of which have strong consumer brand equity. In recent years, manufacturers from Asia have increased their market share. Competition in the global appliance market is based on several factors including selling price, product features and design, performance, innovation, reputation, energy efficiency, quality, cost, distribution, and financial incentives, such as cooperative advertising, co-marketing funds, salesperson incentives, volume rebates and terms. The Group's competitors have introduced new products to increase market share and are increasingly expanding into new geographies. A number of the markets served by the Group have been experiencing, and continue to experience, strong price competition. This is particularly severe in the low-cost segments and in product categories with a great deal of overcapacity. Downturns in market conditions can increase such price competition. However, US trade tariffs and increased raw material costs have recently led to cost-based price increases in the industry, particularly in the North American and Latin American markets.

Some markets in which the Group operates are characterised by a high degree of consolidation, which may result in stronger competitors and a change in the Group's relative market position. In response to an increasingly competitive environment, the Group and other manufacturers may be forced to increase efficiency by further reducing costs along the value chain, including at the level of suppliers. Increased competition that requires the Group to lower its prices in order to retain customers and market shares would adversely affect its margins and results of operations. Furthermore, the development of alternative distribution channels, such as online sales, could also contribute to further price pressure within the Group's markets. There can be no assurances that the Group will be able to adapt to these changes and increase or maintain its market share.

### ***Exposure to retail chains and dependence on large customers***

In the markets in which the Group operates, the Group sells to a sophisticated customer base of large trade customers that have significant leverage as buyers over their suppliers. The customers have many choices and demand competitive products, services and prices. Most of the Group's products are not sold through long-term contracts, which allow for flexibility in pricing and volume terms and facilitates the trade customers' ability to change volume among suppliers. As the Group's trade customers continue to become larger, they may seek to use their position to improve their profitability by various means, including improved efficiency, lower pricing, and increased promotional programmes.

In addition, the loss of market share by any of the Group's key retail customers, major buying groups or any other trade customers to which the Group sells a significant volume of products or the loss of any one or more of such trade customers, could result in a substantial decline in the Group's sales volumes and adversely affect its financial performance. Moreover, in the event of a loss of a key trade customer, end consumers may choose to purchase products from alternative companies who are not customers of the Group. There is also a risk that the Group's key retail customers, major

buying groups or other trade customers face financial difficulties, insolvency or bankruptcy or, due to geopolitical factors or catastrophic events, fail in their sales efforts (see further “*Risks related to the coronavirus*” above). If the Group were to experience a material reduction in orders by volume or revenues, it would adversely impact its net sales and results of operations.

#### ***Information technology system failures and breaches in data security***

The Group depends on information technology to improve the effectiveness of its operations and to interface with its customers, as well as to maintain financial accuracy and efficiency. Cyber-attacks, information technology system failures, including suppliers' or vendors' system failures, could disrupt the Group's operations by causing transaction errors, processing inefficiencies, delays or cancellation of customer orders, the loss of customers, impediments to the manufacture or shipment of products, other business disruptions, or the loss of or damage to intellectual property through security breach. A significant information technology system failure or security breach could affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

The Group's cyber-security risk lies primarily in its sales and manufacturing, supply chain or connected products being hacked. Information about products, contracts, selling prices and costs constitutes sensitive information that could be subject to cyber threats. The Group is primarily exposed to the risk of malware and ransomware attacks, but cyber-related risks may also arise as a consequence of loss of information due to insufficient or erroneous internal processes, outages or technical faults, human error or natural disasters. These risks may occur at the Group's suppliers, customers and other external parties with whom the Group interacts. The degree to which cyber-related risks may affect the Group is uncertain and presents a significant risk to the Group since they could lead to business disruptions, loss of important data and reputational damage.

#### ***Acquisitions, partnership and disposals***

The Group has in the past, and may in the future, increase significant market positions in its product areas and/or may enter into new geographic and/or product areas through acquisitions partnership and by improving operational efficiencies.

Transactions that the Group has entered into or which it may enter into in the future, can also involve significant challenges and risks, including difficulties of integrating employees, operations, technologies and products. The Group may incur significant acquisition, administrative and other costs in connection with any such transactions, including costs related to the integration of acquired or restructured businesses. These costs may include unanticipated costs or expenses, including post-closing asset impairment charges, legal, regulatory and contractual costs, and expenses associated with eliminating duplicate facilities. In addition, the Group may incur unanticipated costs, expenses or other liabilities as a result of an acquisition target's violation of applicable laws and regulations, such as anti-bribery and anti-corruption regulations. There can be no assurances that the Group will be able to successfully integrate any businesses it acquires into existing operations or that any acquired business or partnership will perform according to expectations. Similarly, disposals of certain non-core assets may prove more costly than anticipated and may affect the Group's net sales and results of operations.

#### ***Risks relating to integrating and achieving expected benefits from past and future acquisitions***

The Group may not realise the degree or timing of benefits it anticipated when it first entered into a transaction. Anticipated synergies may not materialise, revenue improvements and cost savings may be less than expected and sales of products may not meet expectations. The Group cannot guarantee that recently acquired businesses or the integration of any future acquisitions will generate benefits for the Group that are sufficient to justify the expenses it incurred or will incur in completing such acquisitions.

Part of the Group's strategy depends on accelerating growth through profitable acquisitions. Execution of this strategy will require the continued pursuit of acquisitions and investments and will depend on the Group's ability to identify suitable acquisition candidates and investment opportunities. The Group cannot be certain that it will be able to identify and acquire, on reasonable terms, if at all, suitable acquisition candidates or investment opportunities. With continuing consolidation being a likely industry trend, the Group could be faced with increasing competition for attractive acquisition candidates. Compliance with antitrust or any other regulations may delay proposed acquisitions, or prevent the Group from closing such acquisitions or investments in the manner proposed, if at all. Such delay or failure to close proposed acquisitions could impair the Group's ability to achieve its strategic objectives. Also, failure to identify and/or acquire or the acquisition of unsuitable candidates



or the making of unsuitable investments could impair the Group's ability to achieve its strategic objectives.

### ***Inventory and other asset risk***

The Group writes down product and component inventories that have become obsolete or do not meet anticipated demand or net realisable value. The Group also reviews its non-current assets, including goodwill, for impairment whenever events or changed circumstances indicate the carrying amount of an asset may not be recoverable. If the Group determines that impairment has occurred, it records a write-down to adjust carrying value to fair value. If no market data is available to determine the fair value, the Group estimates fair value by using the discounted cash-flow method based on expected future results. Differences in the estimation of expected future results and the discount rates used could have resulted, or result in the future, in different asset valuations. Such differences and any inventory or asset related write-downs could affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

### ***Risks relating to product quality***

The Group's value chain comprises all the steps in its operations, from research and development, through production, marketing and sales. Operational and other failures in its value chain processes (including through the use of components received from third-party suppliers) could result in quality problems or potential product, labour safety, regulatory or environmental risks. Such risks are particularly present in relation to the Group's production facilities. Unforeseen product quality problems in the development and production of new and existing products could result in loss of market share and significantly higher warranty expenses. While there is a provision in the Group's financial statements to cover warranty expenses, there can be no assurances that it will be adequate to cover all future contingencies.

### ***Risks related to a failure to maintain the Group's reputation and brand image***

The Group's brands have worldwide recognition, and its success depends on its ability to maintain and enhance its reputation and brand image. Maintaining, promoting and growing the Group's brands depend on its design and marketing efforts, including advertising and consumer campaigns, as well as product innovation. The Group could be adversely impacted if it fails to achieve any of these objectives or if, whether or not justified, the reputation or image of any of its brands is tarnished or receives negative publicity. In addition, adverse publicity about regulatory or legal action against the Group could damage its reputation and brand image, undermine customer confidence in the Group and reduce long-term demand for its products, even if the regulatory or legal action is unfounded or not material to its operations.

In addition, the Group's success in maintaining, extending and expanding its brand image depends on its ability to adapt to a rapidly changing media environment, including its increasing reliance on social media and online dissemination of advertising campaigns. Negative posts or comments about the Group on social networking and other websites that spread rapidly through such forums could seriously damage its reputation and brand image.

In March 2020 Electrolux Professional AB (***Electrolux Professional***), the former business for professional products, was distributed pro rata to Electrolux shareholders and listed on Nasdaq Stockholm. Following the listing of Electrolux Professional, there are two separate global groups whose brands and trademarks consist of "Electrolux". Accordingly, since both Electrolux Professional and the Group use a commercial name and trademark that include "Electrolux", any negative occurrences or publicity about Electrolux Professional could potentially affect the Group's reputation and brand image, undermine confidence in the Group and reduce demand for its products, even if the Group is not involved in the potential negative occurrence or publicity, which may affect the Group's net sales and results of operations.

### ***Retaining executives and qualified employees***

Dedicated employees and committed managers play an important role in the Group achieving its targets and visions. The Group depends upon the continued services and performance of its key executives, senior management and skilled personnel, particularly its professionals with experience in its business and operations and the home appliance industry. The Group cannot be sure that any of these individuals will continue to be employed by it. A lengthy period of time is required to hire and develop replacement personnel when skilled personnel leave the Group. In addition, as digitalisation and connectivity are becoming increasingly important differentiators within the industry, hiring and

retaining engineers possessing the relevant qualifications is key for the Group. An inability to hire, develop, engage and retain a sufficient number of qualified employees could materially hinder the Group's business by, for example, impairing its ability to successfully develop new products, delaying its ability to bring new products to market or impairing its ability to successfully identify new business opportunities and execute its strategy.

Recruitment and retention can be particularly challenging in emerging markets where there is intense competition for skilled employees and the overall pool of skilled workers may be limited. An increase in remuneration levels to attract and retain talent could adversely affect the Group's results of operations.

## **2. Risks related to the Issuer's financial situation**

### ***Liquidity and financing risks***

The Group is exposed to the risk that financing of the Group's capital requirements and refinancing of existing borrowings becomes more difficult, costly or impossible which may in turn arise from matters outside of its control, such as a credit crisis or severe adverse economic conditions in the countries in which the Group operates (see further "*Risks related to the coronavirus*" and "*Global economic factors and geopolitical conditions*" above). The Group's financing agreements may also contain certain restrictive conditions with respect to, for example, divestments and pledging of assets. Such conditions may limit the Group's ability to obtain additional capital or financing through new loans or the sale of assets.

A significant increase in the Group's indebtedness could increase the Group's vulnerability to, and reduce its flexibility to address, general economic and industry-related conditions. Moreover, it would restrict the Group's flexibility with respect to planning for, or reacting to, changes in the Group's business, competitive landscape and the industry in which the Group operates, and adversely affect the Group's competitiveness, especially if its indebtedness exceeds that of its competitors.

There is a risk that extensive decreases in the Group's creditworthiness or profitability, significant increases in interest rates and considerable decreases in the availability of credit or the tightening of terms required by lenders would limit the Group's access to capital, including its ability to issue additional debt and equity, and that the Group may therefore not be able to meet its payment obligations.

### ***Exposure to credit risk from its customers***

The Group sells products to a substantial number of customers in the form of large retailers, buying groups, independent stores and professional users. The Group has a concentration of credit exposures to a number of major customers, particularly in the United States, Latin America and Europe. The uncertain market conditions and intense competition in some of the Group's major markets in recent years has impacted the Group's customers, some of which are facing difficult business conditions. Financial difficulties, including bankruptcy, of any of the Group's key trade customers could have a material adverse effect on the Group's business. If the Group were to become unable to fully collect its accounts receivable from any major trade customer, its net sales and results of operations could be adversely affected. As a consequence of the ongoing coronavirus outbreak, payment cycles are expected to be prolonged, which may have a negative effect on the Group's liquidity and cash flow and require an increase of provisions for expected credit losses (see further "*Risks related to the coronavirus*" above). Any changes in circumstances such as significantly higher than expected defaults or changes in the financial situation of a significant customer could lead to significantly different valuations and could affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

### ***Risks related to changes in commodity prices***

The Group is subject to risks related to changes in commodity prices as the ability to recover increased costs through higher pricing may be limited by the competitive environment in which the Group operates. Raw materials account for a substantial share of the Group's costs. The raw materials to which the Group is mainly exposed are carbon steel, stainless steel, plastics, copper and aluminium. On a global as well as a regional basis, the sources and prices of those materials and components containing those materials are susceptible to significant price fluctuations due to supply/demand trends, transportation costs, government regulations and tariffs, changes in currency exchange rates, price controls, the economic climate and other unforeseen circumstances. The Group's commodity risk is, to a large extent, managed through bilateral contracts with suppliers but there can be no assurances that

this activity will be sufficient or effective in reducing the costs associated with increased commodity prices.

### ***Risks in currency exchange and interest rates***

The Group operates in more than 120 countries around the world and as a result is subject to the risks associated with cross-border transactions. In particular, the Group is exposed to currency exchange rate risks and risks relating to delayed payments from customers in certain countries or difficulties in the collection of receivables generally. The Group is subject to currency exchange rate risks arising from export of products and sales outside the country of manufacture, i.e., transaction exposure as well as through translation of balance sheets and income statements of foreign subsidiaries to Swedish Krona. Changes in exchange rates also affect Group equity. The difference between assets and liabilities in foreign countries is subject to these changes and comprises a net foreign investment.

While the Group's geographically widespread production, its hedging transactions and its ability to increase prices reduce the effects of changes in exchange rates, there can be no assurances that these measures will be sufficient to protect the Group from currency exchange movements.

In addition, the Group holds assets and liabilities to manage the liquidity and cash needs of its day-to-day operations. These interest rate-sensitive assets and liabilities are subject to interest rate risk. While these interest rate exposures are minimised to some extent by the use of derivative financial instruments, there can be no assurances that these hedging activities will be effective or sufficient.

### ***Risks related to its insurance coverage***

The Group maintains third-party insurance coverage and self-insures through wholly owned insurance subsidiaries (captives) for a variety of exposures and risks, such as property damage, business interruption and product liability claims. However, while the Group believes it has adequate insurance coverage for all anticipated exposures in line with industry standards, there can be no assurances that (i) the Group will be able to maintain such insurance on acceptable terms, if at all, at all times in the future or that claims will not exceed, or fall outside of, its third-party or captive insurance coverage or that its third-party insurers at all times will be able to meet its undertakings, or (ii) its provisions for uninsured or uncovered losses will be sufficient to cover its ultimate loss or expenditure.

### ***Pension commitments***

The Group has pension and healthcare benefit obligations in various countries of which the main part is funded via investments in equities, bonds, and other external assets in pension schemes. Changes in the value of assets and obligations year-on-year depend primarily on trends in interest rates and stock markets. Changes in the assumptions regarding average life expectancy and the costs of health care are also factors that affect pension obligations. Any shortfall in the Group's funding obligations may require significant additional funding to the detriment of the Issuer.

Significant differences between actual results and estimates of the amount of future funding for the Group's pension obligations, and significant changes in funding assumptions or significant increases in funding obligations, could require significant additional funding to the detriment of the Group.

## **3. Environmental, social and governance risks**

### ***Environmental risks***

The Group's operations are subject to numerous international, national and local environmental, health and safety directives, laws and regulations, including those pertaining to the storage, handling, treatment, transportation and disposal of hazardous and toxic materials, the construction and operation of its plants and standards relating to energy efficiency and the discharge of pollutants to air, soil and water.

Certain of the Group's manufacturing facilities require permits for their operations, which include thresholds or maximum permissible amounts for air- and water-borne emissions and noise, and also require the Group to submit notifications to the relevant authority. While the Group monitors that its manufacturing facilities adjust their operations, apply for necessary permits and report to the

authorities in accordance with applicable environmental legislation, any significant non-compliance or disputes could adversely affect the Group's operations and financial performance.

Although the Group believes its operations are in substantial compliance with presently applicable environmental, health and safety laws and regulations, violations of such laws and regulations have occurred from time to time and may occur in the future and could result in the imposition of fines, penalties, or give rise to civil or criminal liability. For example, claims for damage to property or injury to persons resulting from environmental, health or safety impacts of the Group's past or present operations, including assets or operations that the Group has disposed of, could expose the Group to liability and costs. Risks of substantial costs and liabilities, including for the investigation and remediation of past or present contamination, are inherent in the Group's ongoing operations and its ownership or occupation of industrial properties.

Other developments, such as increased requirements under environmental, health and safety laws and regulations that are applicable to the Group's operations and products, increasingly strict enforcement of them by governmental authorities, and any material new requirements, could prevent or restrict the Group's operations and increase the Group's compliance costs.

Moreover, any material change in, or in the interpretation of, applicable regulatory requirements and/or any material new requirements, could require the Group to update existing products and/or develop new products, which could result in significant unanticipated costs.

The Group maintains liability insurance at levels that management believes are appropriate and in accordance with industry practice. In addition, the Group maintains provisions on its balance sheet for certain environmental remediation matters. There can be no assurances, however, that (i) the Group will not incur environmental losses beyond the limits, or outside the coverage, of any insurance or that any such losses would not have a material adverse effect on the Group's business, results of operations or financial condition, or (ii) the Group's provisions for environmental remediation will be sufficient to cover the ultimate loss or expenditure.

#### **4. Legal and regulatory risk**

##### ***Pending lawsuits in the United States claiming asbestos-related personal injuries***

Litigation and claims related to asbestos are pending against the Group in the U.S. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Group.

As of 31 March 2021, the Group had a total of 3,097 (3,884 as at 31 March 2020) cases pending, representing approximately 3,103 (approximately 3,920 as at 31 March 2020) plaintiffs. During the first quarter of 2021, 281 new cases with 281 plaintiffs were filed and 587 pending cases with approximately 618 plaintiffs were resolved.

The Group continues to operate under a 2007 agreement with certain insurance carriers who have agreed to reimburse the Group for a portion of its costs relating to certain asbestos lawsuits. The agreement is subject to termination upon 60 days' notice and if terminated, the parties would be restored to their rights and obligations under the affected insurance policies.

It is expected that additional lawsuits will be filed against Electrolux. It is not possible to predict the number of future lawsuits. In addition, the outcome of asbestos lawsuits is difficult to predict and the Group cannot provide any assurances that the resolution of these types of lawsuits will not have a material adverse effect on its business or on results of operations in the future.

##### ***Risks associated with increased or additional tax liabilities***

The Group is subject to taxes in Sweden and other foreign jurisdictions where the Group operates. The Group's future effective tax rates are affected by the mix of earnings in countries where the Group operates with differing tax rates. Furthermore, changes in corporation or other taxes (including withholding taxes) or changes in tax laws or their interpretation may impact the Group's future effective tax rate. Any of these changes could have a material adverse effect on the Group's tax cost. Similarly, the Group's profitability could be affected by changes in customs duty legislation or other indirect taxes. The Group is regularly subject to tax examination by the tax authorities in the countries where the Group operates. The Group routinely assesses the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of its provision for taxes. The Group's provisions for uncertain outcome of tax examinations and tax litigations are based on

management's best estimates and recorded in the balance sheet. These estimates might differ from the actual outcome and the timing of the potential effect on the Group's cash flow is normally not possible to predict. In recent years, tax authorities have been focusing on transfer pricing, which is normally very complex, includes high amounts and might take several years to reach a conclusion. The Group is also from time to time subject to re-assessment from tax authorities that may, depending on provision coverage, have additional negative impact on the Group's tax cost and/or profitability. Such processes can lead to drawn-out proceedings over many years.

Any significant adverse outcome of any such tax examination and/or tax investigation, and/or any other increased or additional tax liabilities for the Group, could affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

### ***Risks related to compliance***

The Group's global operations expose the Group to risks related to sustainability factors such as human rights and employment conditions, across several phases of the production chain, such as in purchasing and sales. Violations of anti-corruption legislation that lead to extensive fines and other criminal, civil or administrative sanctions or lead to the Group being excluded from participating in public tenders could have a material adverse effect on the Group's reputation, business, results of operations and financial position. Corruption-related incidents or accusations against suppliers and other third parties with whom the Group has a commercial relationship risk leading to adverse publicity that could damage the Group's reputation, even if the Group is not involved.

The Group is also exposed to risks related to economic or political sanctions, or other trade embargoes in force (**sanctions**). Sanction laws are adopted by various countries around the world, and each country's sanctions laws are unique, often driven by specific national policies or goals. Political or economic sanctions are imposed at an increasing rate, and change frequently. Restrictions range from extremely targeted measures to country-wide embargoes. Enforcement of these laws is increasing, notably in Europe, and certain enforcement actions can be taken against companies who cause another third party to violate applicable sanctions or companies who engage with a non-compliant third-party. Given their complexity, specificity and the fact that they are often imposed without much notice, there is a risk that the Group will not be fully compliant with all applicable political or economic sanctions laws at all times. Compliance with such laws may also expose the Group to contractual liability vis-à-vis third parties. Finally, there is a risk of loss of business in existing markets if they become prohibited or restricted by newly-imposed sanctions.

The Group's product portfolio has historically been of such a nature that the products have generally been deemed not to be subject to export control rules. However, the increasing importance of digitalisation and connectivity means that the Group's products in the future will contain more advanced technology and software solutions. As several major trading parties around the world are creating and broadening their regulations concerning, for example, export controls and national security, there is a risk that the Group's products may, in the future, fall within the scope of export control rules, which could demand greater future cash flows, increased administration, additional internal controls and, in certain cases, trading restrictions.

The Group has implemented management information and internal control systems to seek to ensure compliance with laws and regulations, corporate governance practices, internal guidelines and policies throughout the Group and that unfavourable developments within the Group are identified and adequately responded to. There can be no assurances that these management information and internal control systems are and will be at all times adequate and fully effective, particularly if the Group is confronted with risks that it has not fully or adequately identified or anticipated. The Group faces the risk that its executives make decisions that are not in compliance with the Group's strategies, corporate governance practices, internal guidelines and policy documents. Furthermore, employees of the Group and others with a close relation to the Group, as well as its customers and suppliers, could commit acts that are unethical, illegal or that otherwise conflict with applicable laws and regulations or the Group's internal guidelines and policy documents. Such behaviour include, for example, non-compliance with laws and regulations related to public procurement and competition law, anti-corruption and anti-bribery laws, money laundering, IT security and data protection (including the General Data Protection Regulation), corporate governance, export controls and trade sanctions, International Financial Reporting Standards (**IFRS**) and other rules relating to accounting and financial reporting, the environment, the work environment, business ethics and equal treatment. The Group's risk management and internal control systems may not always be able to detect such acts. If the Group's internal controls and other measures to safeguard compliance with laws, regulations, internal

guidelines and policies prove insufficient, the Group's reputation could be damaged, the Group could be subject to fines, penalties and other sanctions and/or exposed to civil or criminal liability.

### ***Intellectual property rights***

The Group's intellectual property rights, including patents, trademarks, design, copyright, trade secrets and licensing agreements, are a significant and valuable aspect of its business. The Group attempts to protect its intellectual property rights through a combination of patent, trademark, design, copyright and trade secret laws, as well as licensing agreements and third-party non-disclosure and assignment agreements. The Group's failure to obtain, renew or adequately protect its intellectual property, products, new features of its products or processes may diminish its competitiveness.

The Group has applied for patent protection in multiple jurisdictions with respect to certain innovations and new products, product features, and processes. There can be no assurances that the applications for patent protection in any of these jurisdictions will be approved by the relevant authority. Additionally, the patents that the Group owns could be challenged, invalidated, or others could design around its patents and the patents may not be of sufficient scope or strength to provide the Group with any meaningful protection or commercial advantage.

Further, the laws of certain foreign countries in which the Group operates, or contemplates operating in the future, do not recognise intellectual property rights or protect them to the same extent as, for example, European intellectual property rights or United States intellectual property rights. This could weaken the Group's competitive advantage with respect to its products, services, and brands in those countries, which could affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

Given the nature of the Group's business operations, the Group is from time to time alleged to infringe intellectual property rights of third parties which may cover some of its technology, brands, products, or services. Any litigation regarding patents or other intellectual property could be costly and time-consuming and could divert the attention of the Group's management and key personnel from the Group's business operations. Claims of intellectual property infringement might also require the Group to enter into costly license agreements. The Group also may be subject to significant damages or injunctions against development, production and sale of certain products.

### ***Other legal disputes***

The Group is involved in other disputes in the ordinary course of business. The disputes concern, among other things, warranty undertakings, alleged defects in delivery of goods and services, patent rights and other rights and other issues on rights and obligations in connection with the Group's operations. The Group may also be exposed to product liability claims in the event that one of its products is alleged to have caused property damage, bodily injury or other adverse effects (including through the use in such products of components received from third-party suppliers). Disputes may also arise in connection with mergers and acquisitions. The Group may also be subject to investigations and legal proceedings brought by antitrust or competition authorities.

Disputes and investigations may prove costly and time consuming and may disrupt normal operations. In addition, the outcome of complicated disputes and investigations is difficult to foresee. It cannot be ruled out that a disadvantageous outcome of any such dispute or investigations may prove to have a material adverse effect on the Group's earnings and financial position.

### ***Risks associated with product recalls and product liability actions***

Under laws in many countries regulating consumer products, the Group may be forced to recall or repurchase some of its products under certain circumstances, and more restrictive laws and regulations may be adopted in the future. Any repurchase or recall of products could be costly to the Group and may damage its reputation. If the Group were to be required to remove, or if it voluntarily removed, its products from the market, the Group's reputation could be tarnished and it might have large quantities of finished products that could not be sold.

The Group also faces exposure to product liability claims in the event that one of its products is alleged to have resulted in property damage, bodily injury or other adverse effects (including through the use in such products of components received from third-party suppliers). The Group has become implicated in certain lawsuits in the ordinary course of its business, including suits involving allegations of improper delivery of goods or services, product liability and product defects and quality problems. The Group is largely self-insured for product liability matters expected to occur in the normal course of business and funds these risks, for the most part, through wholly owned insurance subsidiaries. The

Group accrues for such self-insured claims and litigation risks when it is probable that an obligation has been incurred and the amount can be reasonably estimated. In addition, for large losses, the Group maintains excess product liability insurance with third-party carriers in amounts that it believes are reasonable. However, there can be no assurances that product recalls or product liability claims will not affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

### ***Risks associated with employment law***

The Group is subject to separate collective bargaining agreements with certain labour unions, with different durations. The Group periodically negotiates with certain of the unions representing its employees and may be subject to employee work stoppages. Further, the Group cannot be assured that it will be able to renew collective bargaining agreements on the same or similar terms, or at all. Such renegotiations may also cause disruptions to the operations and increase the risk of industrial conflict measures. Accordingly, within its own business or within the business of suppliers or other third parties, the Group is exposed to risks related to strikes or other industrial conflict measures, which, if they last for a long period or encompass a substantial part of the workforce in a major or important part of the business, could create disruptions and delays in the operations. If such events were to occur, the Issuer's ability to fulfil its obligations under Notes issued under the Programme may be affected.

### ***Uncertainty regarding whether English court judgments relating to the Notes would be enforceable in Sweden***

The only treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes between the United Kingdom and Sweden is the Hague Convention of 30 June 2005 on Choice of Court Agreements (the "**Hague Convention**"). Pursuant to the provisions of the Hague Convention, a judgment entered against a Swedish entity in the courts of a Contracting State (as defined in the Hague Convention) and which is enforceable in such Contracting State, will be directly enforceable in Sweden only upon the satisfaction of certain requirements, one of which is that the relevant judgment relates to an agreement which includes an exclusive choice of court provision (as described in the Hague Convention). As such, a judgment entered against the Issuer based on an asymmetric jurisdiction clause (i.e. a jurisdiction clause which is non-exclusive), as is the case in relation to the terms and conditions of the Notes, is likely to fall outside of the application of the Hague Convention and would most likely not be recognised or enforceable in Sweden as a matter of right without a retrial on its merits. As a result, a final judgment in the courts of England or in any other jurisdiction which does not have an applicable treaty with Sweden providing for reciprocal recognition and enforcement of judgments relating to the Notes, would most likely not be enforceable in Sweden. Any retrial on a judgment's merits could therefore significantly delay or prevent the enforcement by Noteholders of the Issuer's obligations under the Notes, as applicable.

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

### **1. Risks related to the structure of a particular issue of Notes**

#### ***Notes subject to optional redemption by the Issuer***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of 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.

#### ***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" (including the Programme Benchmarks) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or

have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions to the provision of benchmarks (which apply until the end of 2023), the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (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 EUWA (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 United Kingdom Financial Conduct Authority (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 Programme Benchmark, in particular, if the methodology or other terms of the relevant Programme Benchmark are changed in order to comply with the requirements of the 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 international or national reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors. Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30 June 2023 for certain other USD 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 states that consequently, these LIBOR settings will no longer be representative of the underlying market that such setting 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.

Separately, the euro risk free-rate working group 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 (without robust fallback provisions) may increase the risk to the euro area financial system.

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

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an Original Reference Rate and/or any page on which an Original Reference Rate may be published, becomes unavailable, or if the Issuer, the Calculation



Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Notes by reference to such an Original Reference Rate under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions), with the application of an Adjustment Spread and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser (acting in good faith and in a commercially reasonable manner) and after consultation with the Issuer. An Adjustment Spread could be positive, negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (with the application of an adjustment spread) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, the Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate and (in either case) Adjustment Spread is determined, the ultimate fallback for the purposes of calculation of the Rate 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. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

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

***The Issuer may have the right to redeem or purchase all Notes following a Change of Control Put***

The applicable Final Terms may provide that, upon a Change of Control (as defined in Condition 6.6(b)) occurring and certain other conditions being satisfied, Notes will be redeemable at the option of the Noteholders. If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased, as the case may be, pursuant to Condition 6.6(b) the Issuer may redeem or purchase all, but not some only, of the Notes then outstanding at their principal amount together with any interest accrued to, but excluding, the date of redemption. Investors who have not exercised their right to require the Issuer to redeem or purchase the Notes under Condition 6.6(b) may find, in this situation, that their Notes are redeemed. At that time, an investor generally may 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.

***Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where

the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

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

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for 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.

***In respect of any Notes issued with the specific purpose of financing or refinancing Eligible Green Assets in accordance with the Issuer's Green Bond Framework, 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 to finance or re-finance certain green assets that meet the eligibility requirements set out in the Issuer's Green Bond Framework (Eligible Green Assets and thereto related Notes, Green Bonds). Prospective investors should have regard to the information set out in the relevant Final Terms and the Base Prospectus regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

In respect of Notes that are issued to finance or refinance Eligible Green Assets, no assurance is given by the Issuer or any of the Dealers that the use of such proceeds for any Eligible Green Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Assets. 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 asset or as to what precise attributes are required for a particular project or asset 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 assets or uses the subject of, or related to, any Eligible Green Assets will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or assets or uses the subject of, or related to, any Eligible Green Assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Green Assets 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 Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any of the Dealers or any other person to buy, sell or hold any such Notes or that any Eligible Green Assets fulfil any environmental, sustainability, social and/or other criteria. 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 listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or

securities market (whether or not regulated), no representation or assurance is given by the Issuer, any of the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, 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 assets or uses, the subject of or related to, any Eligible Green Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, any of the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Green Assets in, or substantially in, the manner described in the relevant Final Terms and the Issuer's Green Bond Framework, there can be no assurance that the relevant project or asset(s) or use(s) the subject of, or related to, any Eligible Green Assets will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for or towards such Eligible Green Assets. Nor can there be any assurance that such Eligible Green Assets 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 or towards any Eligible Green Assets as aforesaid and/or the withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance or re-finance Eligible Green Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for or towards "green" or "sustainable" purposes.

None of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

## **2. Risks related to 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 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 resolutions or give their consent electronically and including those Noteholders who voted in a manner contrary to the majority. In addition, at the request of the Issuer, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4.2(vi) without the consent or approval of the Noteholders or Couponholders.

### ***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 Base Prospectus. 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 Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

### ***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) 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.

### ***Potential conflicts of interest***

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

### **3. Risks related to the market generally**

#### ***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 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 EU 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 EU 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 EU 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 ESMA on its website in accordance with the EU 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 Base Prospectus.

***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 his Notes***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

***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 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.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to 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.

***Market value of the Notes***

The market value of the Notes may be affected by the creditworthiness or perceived creditworthiness of the Issuer and a number of additional factors, including market interest, yield rates and the market's perception of comparable debt instruments issued by other corporate or financial institutions.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published with the CSSF shall be incorporated by reference in, and form part of, this Base Prospectus:

- (a) the unaudited interim report of the Issuer for the period ended 31 March 2021 (the **Q1 2021 Interim Report**):

<https://www.electroluxgroup.com/wp-content/uploads/sites/2/2021/04/electrolux-electrolux-q1-2021-interim-report-delivering-strong-profitable-growth-210428.pdf>

### Interim Report January – March 2021

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- (b) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2020 (the **2020 Annual Financial Statements**):  
<https://www.electroluxgroup.com/wp-content/uploads/sites/2/2020/09/electrolux-annual-report-2020.pdf>

#### **2020 Annual Financial Statement**

Consolidated Statement of Comprehensive Income .....	Page 17
Consolidated Balance Sheet .....	Page 23
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Audit Report .....	Pages 78- 80
Corporate Governance Report 2020.....	Pages 100-118

- (c) the following pages of the audited consolidated annual financial statement of the Issuer for the financial year ended 31 December 2019 (the **2019 Annual Financial Statements**):

[www.electroluxgroup.com/annualreports/2019/files/AR\\_2019/PDF/Electrolux\\_AnnualReport\\_2019.pdf](http://www.electroluxgroup.com/annualreports/2019/files/AR_2019/PDF/Electrolux_AnnualReport_2019.pdf)

#### **2019 Annual Financial Statement**

Consolidated Statement of Comprehensive Income .....	Page 21
Consolidated Balance Sheet .....	Page 27
Notes.....	Pages 43 to 81
Audit Report .....	Pages 82 to 84
Corporate Governance Report 2019.....	Pages 101 to 118

- (d) the terms and conditions of the notes as contained in the base prospectus dated 20 May 2020 at pages 44 to 68 which is available for viewing on the following website:  
[www.electroluxgroup.com/en/long-term-bond-issues-363/](http://www.electroluxgroup.com/en/long-term-bond-issues-363/) ;
- (e) the terms and conditions of the notes as contained in the base prospectus dated 3 June 2019 at pages 42 to 65 which is available for viewing on the following website:  
[www.electroluxgroup.com/en/long-term-bond-issues-363/](http://www.electroluxgroup.com/en/long-term-bond-issues-363/) ;
- (f) the terms and conditions of the notes as contained in the base prospectus dated 31 May 2018 at pages 37 to 57 which is available for viewing on the following website:  
[www.electroluxgroup.com/en/long-term-bond-issues-363/](http://www.electroluxgroup.com/en/long-term-bond-issues-363/) ; and
- (g) the terms and conditions of the notes as contained in the base prospectus dated 31 May 2017 at pages 34 to 54 which is available for viewing on the following website:  
[www.electroluxgroup.com/en/long-term-bond-issues-363/](http://www.electroluxgroup.com/en/long-term-bond-issues-363/).

Only the terms and conditions of the notes set out at (d) to (g) above are incorporated by reference herein. Any other parts of the base prospectuses listed at (d) to (g) above (including any documents incorporated by reference therein) shall not be incorporated by reference in, or form part of, this Base Prospectus. In accordance with Article 19(1) of the Prospectus Regulation, the Issuer confirms that any non-incorporated parts of a document referred to herein (which for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for the investor or covered elsewhere in this Base Prospectus.

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

Unless otherwise contained in this document or the documents referred to above, the contents of the Issuer's website are not incorporated by reference in, and do not form part of, this document.

To the extent any document incorporated by reference incorporates further documents by reference such further information shall not form part of this Base Prospectus.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes in compliance with Article 23 of the Prospectus Regulation.

### **Alternative Performance Measures**

To supplement its consolidated financial statements presented in accordance with IFRS, the Group uses certain ratios and measures included or referred to in this Base Prospectus (including, without limitation, in the 2020 Annual Financial Statements incorporated by reference) that would be considered Alternative Performance Measures (*APMs*) as defined in the ESMA Guidelines. These measures are considered useful to investors to enhance their understanding of the Group's financial performance. The APMs should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. An explanation of each APM's components and calculation method can be found at page 76 (incorporated by reference herein) of the 2020 Annual Financial Statements.



## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

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

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether 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.

While any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the 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 for (i) interests in a Permanent Global Note of the same Series or (ii) Bearer Notes in definitive form (**Definitive Notes**) of the same Series with, where applicable, Coupons and Talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due presentation and due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts 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, Coupons and Talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the 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 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), and Coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

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

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

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

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), 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 at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Principal Paying Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, unless within the period of 30 days commencing on the relevant due date payment in full of the amount due in respect of the Global Note is received by the bearer, as the case may be, in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 26 March 2009 and executed by the Issuer.

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

## APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 100,000 (or its equivalent in another currency).

**[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 (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 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. 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.]<sup>1</sup>

**[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**); 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. 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 making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

**[<sup>3</sup>MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[<sup>4</sup>UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment

<sup>1</sup> Legend to be included on the 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".

<sup>2</sup> Legend to be included on the 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".

<sup>3</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

<sup>4</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA)** – The Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>56</sup>

[Date]

**AB ELECTROLUX (publ)**

**Legal entity identifier (LEI): 549300Y3HHZB1ZGFPJ93**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the EUR 3,000,000,000**

**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 base prospectus dated 7 May 2021 [and the supplement to the base prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [and the supplement to the base prospectus dated [date]] in order to obtain all relevant information. The Base Prospectus [and the supplement have] [has] been published and the Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and are available for viewing at <http://group.electrolux.com/en/long-term-bond-issues-363/> [and] during normal business hours at AB Electrolux (publ), St. Göransgatan 143, 105 45 Stockholm, Sweden [and copies may be obtained from AB Electrolux (publ), St. Göransgatan 143, 105 45 Stockholm, Sweden].]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [20 May 2020/3 June 2019/31 May 2018/31 May 2017] which are incorporated by reference in the Base Prospectus dated 7 May 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and must be read in conjunction with the Base Prospectus dated 7 May 2021 [and the supplement[s] to the base prospectus dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus in order to obtain all the relevant information. Copies of such Base Prospectus [and the supplement[s] have] [has] been published and the Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and are available for viewing at <http://group.electrolux.com/en/long-term-bond-issues-363/> [and] during normal business hours at AB Electrolux (publ), St. Göransgatan 143, 105 45 Stockholm, Sweden [and copies may be obtained from AB Electrolux (publ), St. Göransgatan 143, 105 45 Stockholm, Sweden].]

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

<sup>5</sup> Insert "prescribed capital market products" and "Excluded Investment Products" or, if not, amend Singapore product classification.

<sup>6</sup> Relevant Dealer(s) to consider whether it/they have received the necessary Singapore product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

(When adding any other information consideration should be given as to whether such information constitutes "significant new factors" and consequently triggers the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)

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

1. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
(iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount:  
(i) Series: [ ]  
(ii) Tranche: [ ]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from ([insert date] if applicable)]
5. (i) Specified Denominations: [ ]  
*(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*  
*(Note – where multiple denominations above EUR 100,000 or equivalent are being used the following sample wording should be followed:*  
*"EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including [EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000].")*  
(ii) Calculation Amount (in relation to calculation of interest in global form see Conditions): [ ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (i) Issue Date: [ ]  
(ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date: [Specify date or for Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]

8. Interest Basis:  per cent. Fixed Rate]  
 month  
 LIBOR/EURIBOR/STIBOR/TIBOR/CHF LIBOR] +/-  
 per cent. Floating Rate]  
 [Zero coupon]  
 (see paragraph [13]/[14]/[15] below)
9. Redemption/[Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
10. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there]*[Not Applicable]
11. Put/Call Options: [Not Applicable][Investor Put][Change of Control Put]  
 [Issuer Call]  
 [Make-Whole Redemption by the Issuer]  
 [Clean-up Call]  
 [(see paragraph[17]/[18]/[19]/[20]/[21] below)]
12. Date Board approval for issuance of Notes obtained:  ]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

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

13. **Fixed Rate Note Provisions** Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest:  per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s):  in each year up to and including the Maturity Date  
*(Amend appropriately in the case of irregular coupons)*
- (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]  
*(Applicable to Notes in definitive form.)*
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (vi) [Determination Date(s):]  in each year] [Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date*

or maturity date in the case of a long or short first or last coupon)

14. **Floating Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Specified Period(s)/Specified Interest Payment Dates:

[ ]

(ii) Business Day Convention:

[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[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 calculating the Rate of Interest and Interest Amount (if not the Agent):

[ ] (the **Calculation Agent**)

(vi) Screen Rate Determination:

– Reference Rate:

[ ] month [LIBOR/EURIBOR/STIBOR/TIBOR /CHF LIBOR]

*(Either LIBOR, EURIBOR, STIBOR, TIBOR, CHF LIBOR)*

– Interest Determination Date(s):

[ ]

*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR or CHF LIBOR), first day of each Interest Period if Sterling LIBOR, second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR and second Stockholm business day prior to the start of each Interest Period if STIBOR and second Tokyo business day prior to the start of each Interest Period if TIBOR)*

– Relevant Screen Page:

[ ]

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

(vii) ISDA Determination:

– Floating Rate Option:

[ ]

– Designated Maturity:

[ ]

– Reset Date:

[ ]

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

(viii) Linear Interpolation:

[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

- (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) 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)]

15. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]

[Actual/360]

[Actual/365]

*(Consider applicable day count fraction if not U.S. dollars denominated)*

**PROVISIONS RELATING TO REDEMPTION**

16. Notice periods for Condition 6:

Minimum period: [30] days

Maximum period: [60] days

17. Issuer Call

[Applicable/Not Applicable]

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

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):

[[ ] per Calculation Amount] [in the case of the Optional Redemption Date(s) falling [on [ ]]/[in the period (the **Par Call Period**) from and including [insert date] (the **Par Call Period Commencement Date**) to but excluding [date]] [and [[ ] per Calculation Amount] [in the case of the Optional Redemption Date(s) falling [on [ ]]/in the period from and including [date] to but excluding [date]]

(iii) If redeemable in part:

- (a) Minimum Redemption Amount:
- (b) Maximum Redemption Amount:

[ ]

[ ]

(iv) Notice periods:

[Minimum period: [10] days

Maximum period: [30] days]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example,*



*clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

18. Make-Whole Redemption by the Issuer: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Make-Whole Redemption Date: [ ]
- (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 Rate Determination Date: The [ ] Business Day preceding the relevant Make-Whole Redemption Date
- (vi) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- (vii) Notice periods: [Minimum period: [10] days  
Maximum period: [30] days]
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

19. Investor Put [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount: [ ] per Calculation Amount
- (iii) Notice periods: Minimum period: [15] days  
Maximum period: [30] days
- (N.B. when setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

20. Change of Control Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Amount: [[ ] per Calculation Amount]
21. Clean-up Call [Applicable / Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Notice Periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)*
22. Final Redemption Amount: [[ ] per Calculation Amount]
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[ ] per Calculation Amount]  
*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes:
- (i) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event.]  
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]  
[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event.]  
*[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.<sup>7</sup>]*  
*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]." Furthermore, such Specified*

<sup>7</sup> Include for Notes that are to be offered in Belgium.

*Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

- (ii) New Global Note: [Yes][No]
25. Additional Financial Centre(s): [Not Applicable/give details]
- (Note that this item relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which item 14(iii) relate)*
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [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]**

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

Signed on behalf of AB Electrolux (publ):

By:.....

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

### 2. RATINGS

- Ratings: [[The Notes to be issued [[have been]/[are expected to be] rated]/ The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details] by [insert the legal name of the relevant credit rating entity(/ies) and associated defined terms]*
- Each of *[defined terms]* is established in the [European Union] and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**).]
- [Each of *[defined terms]* is established in the [United Kingdom] and is registered under Regulation (EC) No. 1060/2009 (as amended) as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the UK CRA Regulation).]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*

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

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

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

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the Offer: [The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate

purposes.]

[The Issuer intends to apply an amount equal to the net proceeds from this offer of Notes specifically to finance or re-finance certain green assets that meet the eligibility requirements of Eligible Green Assets [/ other "Green Bond" description]]

[See "Use of Proceeds" wording in the Base Prospectus] If reasons differ from what is disclosed in the Base Prospectus, give details.)

(ii) Estimated net proceeds: [ ]

**5. YIELD (Fixed Rate Notes only)**

Indication of yield: [ ] [Not Applicable]

**6. OPERATIONAL INFORMATION**

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) CFI: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s) and address(es): [Not Applicable/give name(s), number(s) and address(es)]

(vi) Delivery: Delivery [against/free of] payment

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

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

(ix) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this

does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]; [TEFRA D/TEFRA C/TEFRA not applicable]]
- (vi) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]  
*(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.)*
- (vii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]  
*(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.)*
- (viii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]  
*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)*

### [Provisions relating to Green Bonds

- (i) Green Bonds: [Yes/No]
- (ii) [Reviewer(s):] [Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s) and availability]]
- (iii) [Date of third party opinion(s):] [Not Applicable/give details]]

## TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note (as defined below), 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 applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will 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 AB Electrolux (publ) (the **Issuer**) pursuant to the Agency Agreement (as defined below).

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 (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any bearer note in definitive form (**Definitive Notes**) issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 20 May 2020 and made between the Issuer and Deutsche Bank AG, London Branch as principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing Definitive Notes 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. Global Notes do not have Coupons or Talons attached on issue.

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

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

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

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 26 March 2009 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office for the time being of the Principal Paying Agent being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified offices of the other Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). 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 and the

Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at 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 are in bearer form and, in the case of Definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**, which shall not be less than EUR 100,000 or its equivalent in any other currency) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be 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.

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

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the 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 and the Paying Agents 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 such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of, Euroclear and Clearstream, Luxembourg, as the case may be. References to, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms (or as may otherwise be approved by the Issuer and the Paying Agents).

## **2. STATUS OF THE NOTES**

The Notes and the relative Coupons (if any) constitute unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations (subject to statutory preferred exceptions) of the Issuer.

## **3. NEGATIVE PLEDGE**

For as long as any of the Notes remain outstanding the Issuer shall not grant or permit to exist any mortgage, pledge, lien (not being a lien arising by operation of law) or other encumbrance over its present assets or revenues to secure any indebtedness represented by notes, bonds or debentures or other forms of debt securities:



- (i) which are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other similar securities market; and
- (ii) which are (A) payable in a currency other than Swedish Krona or (B) if payable in Swedish Krona issued as to more than 25 per cent. in aggregate principal amount thereof outside Sweden,

without at the same time equally and rateably according the same security to the Notes or such other security as shall have been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

#### 4. INTEREST

##### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(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 the 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 represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

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

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) 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 in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (i) 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 during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) 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
- (B) 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
- (b) 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 a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

**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.

#### 4.2 Interest on Floating Rate Notes

(i) *Interest Payment Dates*

Each 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 the 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 4.2(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 Conditions, **Business Day** means a day which is:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System, as defined below) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET 2 System is open.

(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 or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, 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 published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

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

For the purposes of this sub-paragraph (A), **Floating Rate, 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*

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR, STIBOR, TIBOR or CHF LIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR; Brussels time in the case of EURIBOR; Stockholm time, in the case of STIBOR, Tokyo time, in the case of TIBOR and Zurich time, in the case of CHF LIBOR) (the **Specified Time**) 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 the Principal Paying Agent or the Calculation Agent, as

applicable. 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 4.2(ii)(B)(1) above, no offered quotation appears or, in the case of Condition 4.2(ii)(B)(2), fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as applicable, 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 Principal Paying Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent or the Calculation Agent, as applicable, 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 a period equal to that which would have been used for the Reference Rate 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) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (London 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 the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the London inter-bank market 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).

For the purposes of this sub-paragraph (B):

**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, in the case of a determination of TIBOR, the principal Tokyo office of four major banks in the Tokyo inter-bank market, in the case of the determination of CHF LIBOR, the principal Zurich office of four major banks in the Zurich inter-bank market in each case selected by the Issuer or an agent selected by the Issuer;

*(iii) Minimum Rate of Interest 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, 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 or the Calculation Agent, as applicable, 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 for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case,

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) 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:

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

where:

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

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

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

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

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

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

- (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:

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

where:

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

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

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

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

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

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (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:

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

where:

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

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

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

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

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

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D2 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 the Principal Paying Agent or the Calculation Agent, as applicable, 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 calculate such rate at such time and by reference to such sources as the Issuer in consultation with an Independent Adviser (as defined in Condition 4.2(vi) below) determines appropriate.

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

(vi) *Benchmark Event*

Notwithstanding the provisions above in this Condition 4.2, if the Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), determines that a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner and after consultation with the Issuer) a Successor Rate, failing which an Alternative Rate and in either case, an Adjustment Spread and any Benchmark Amendments (each as defined and as further described below) no later than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 4.2(vi) during any other future Interest Period(s));
- (B) if the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:
  - (1) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4.2 (vi)(C)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 4.2(vi)); or
  - (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4.2(vi)(C)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the further operation of this Condition 4.2(vi));
- (C) if a Successor Rate or Alternative Rate is determined in accordance with Condition 4.2(vi)(B), the Independent Adviser (acting in good faith and in a commercially reasonable manner and after consultation with the Issuer) shall determine an Adjustment Spread (which may be expressed as a specified quantum 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 Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 4.2(vi);
- (D) if any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.2(vi) and the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(vi)(E), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall (at the Issuer's expense and direction), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments required to the Agency Agreement and these Conditions.

In connection with any such variation in accordance with this Condition 4.2(vi), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading; and

- (E) the Issuer shall promptly notify the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), the Principal Paying Agent, the Paying Agents and, in accordance with Condition 13 (Notices), the Noteholders of any Successor Rate, Alternative Rate, the applicable Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.2(vi). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Without prejudice to the obligations of the Issuer under this Condition 4.2(vi), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(ii)(B) will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be) no less than five Business Days prior to the Interest Determination Date, the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 4.2(vi)(E).

For the purposes of this Condition 4.2(vi):

**Adjustment Spread** means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (acting in good faith and in a commercially reasonable manner and after consultation with the Issuer) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (B) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser (acting in good faith and in a commercially reasonable manner and after consultation with the Issuer) determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if no such customary market usage is recognised or acknowledged) the Independent Adviser (acting in good faith and in a commercially reasonable manner and after consultation with the Issuer) determines to be appropriate;

**Alternative Rate** means an alternative to the Original Reference Rate which the Independent Adviser (acting in good faith and in a commercially reasonable manner and after consultation with the Issuer) determines in accordance with Condition 4.2(vi)(B) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines is most comparable to the Original Reference Rate;

**Benchmark Amendments** has the meaning given to it in Condition 4.2(vi)(D);

**Benchmark Event** means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist;
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (B)(i);



- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (D)(i);
- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i);
- (F) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Principal Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 4.2(vi) shall act in good faith as an expert and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4.2(vi);

**Original Reference Rate** means the originally-specified Reference Rate used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Events, such originally-specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate") shall include any such Successor Rate or Alternative Rate);

**Relevant Nominating Body** means, in respect of an Original Reference Rate:

- (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original 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 a successor to or replacement of the Original Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 4.2(vi)(B), such Successor Rate or Alternative Rate, as applicable, which is formally recommended by any Relevant Nominating Body.

*(vii) Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent or the Calculation Agent, as applicable, 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 and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest

Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will 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 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

*(viii) Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **4.3 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 until whichever is the earlier of:

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

## **5. PAYMENTS**

### **5.1 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 Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively); 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, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

### **5.2 Presentation of Definitive Notes and Coupons**

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes, and payments of interest in respect of Definitive 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 form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

If the due date for redemption of any Definitive Note is not 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 Note.

### **5.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or, on the instruction of the Paying Agent, in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### **5.4 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, or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes 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.

## 5.5 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 8) is:

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

## 5.6 Interpretation of principal and interest

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) the Make-Whole Redemption Amount(s) (if any) of the Notes; and
- (vi) 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 the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## 6. REDEMPTION AND PURCHASE

### 6.1 Redemption at maturity

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

### 6.2 Redemption for tax reasons

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 Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, or interpretation of, the laws, published practice or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

- (b) 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 Principal Paying Agent to make available at its specified office to the Noteholders (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 legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

If the Issuer would, on the occasion of the next payment in respect of the Notes, be prevented by Swedish law from making payment to the Noteholders or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and the Issuer shall, upon giving not less than seven days' prior notice to the Noteholders, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount referred to in Condition 6.7 below together, if appropriate, with interest accrued to the date fixed for redemption, provided that the due date for redemption, of which notice hereunder shall be given, shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes or, if later, as soon as practicable thereafter.

### **6.3 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 not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

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, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 10 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 or pursuant to a Make-Whole Redemption by the Issuer as described in Condition 6.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

### **6.4 Make-Whole Redemption by the Issuer**

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons pursuant to Condition 6.2 or pursuant to the Issuer Call described in Condition 6.3, such option being referred to as the **Make-Whole Redemption by the Issuer**). The applicable Final Terms contains provisions applicable to the Make-Whole Redemption by the Issuer and must be read in conjunction with this Condition 6.4 for full information on the Make-Whole Redemption by the Issuer. In particular, the applicable Final Terms will identify the Make-Whole Redemption Margin, the Reference Bond, the Quotation Time, the Reference Rate

Determination Date and, if redeemable in part, any minimum or maximum amount of Notes which can be redeemed.

If Make-Whole Redemption by the Issuer is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable (other than in the circumstances set out below) 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(s) together, if appropriate, with interest accrued to (but excluding) the relevant Make-Whole Redemption Date. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. 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, 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 13 not less than 10 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 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

In this Condition 6.4, **Make-Whole Redemption Amount** means: (A) the outstanding nominal amount of the relevant Note or (B) if higher, the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on such Notes to be redeemed to maturity (or, if a Par Call Period is specified in the applicable Final Terms, to the Par Call Commencement Date) (not including any portion of such payments of interest accrued to the date of redemption) discounted to the relevant Make-Whole Redemption Date on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Rate plus the Make-Whole Redemption Margin (if any) 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 Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed and 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;

**Calculation Agent** means a leading investment, merchant or commercial bank appointed by the Issuer for the purposes of calculating the relevant Make-Whole Redemption Amount, and notified to the Noteholders in accordance with Condition 13;

**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 Calculation Agent advises the Issuer that, at the time at which the relevant Make-Whole Redemption Amount is to be determined, 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 Calculation Agent may, after consultation with the Issuer and with the advice of Reference Market Makers, determine to be appropriate;

**Reference Bond Price** means (i) the average of five Reference Market Maker Quotations for the relevant Make-Whole Redemption Date, after excluding the highest

and lowest of such five Reference Market Maker Quotations (or, if there are two highest and/or two lowest quotations, excluding just one of such highest quotations and/or one of such lowest quotations, as the case may be), (ii) if the Calculation Agent obtains fewer than five, 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 Market Maker Quotations** means, with respect to each Reference Market Maker and any Make-Whole Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) quoted in writing to the Calculation Agent at the Quotation Time specified in the applicable Final Terms on the Reference Rate Determination Date specified in the applicable Final Terms;

**Reference Market Makers** means five brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the Issuer; and

**Reference 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 nominal amount) equal to the Reference Bond Price for such Make-Whole Redemption Date. The Reference Rate will be calculated on the Reference Rate Determination Date specified in the applicable Final Terms.

## **6.5 Clean-up Call**

If Clean-up Call is specified as being applicable in the applicable Final Terms, in the event that 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased and cancelled (other than as a result of the exercise by the Issuer of its redemption right under Condition 6.3 or 6.4), the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Principal Paying Agent and the Noteholders in accordance with Condition 13, 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 interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption.

## **6.6 Redemption at the option of the Noteholders**

### **(a) Investor Put**

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms, 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.

If this Note is in definitive form and held outside Euroclear or Clearstream Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must 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. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the

Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.6(a) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6(a) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

**(b) Change of Control Put**

If Change of Control Put is specified in the applicable Final Terms and if at any time while any Note remains outstanding:

- (i) a Change of Control occurs, and
- (ii) within the Change of Control Period (A) if the Notes are rated with the agreement of the Issuer, a Rating Downgrade in respect of that Change of Control occurs, or (B) 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 6.2 or (ii) pursuant to the provisions of this Condition 6.6(b)) 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 the Optional Redemption Amount specified in the Final Terms together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Put).

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6.6(b).

*If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the option to require the Issuer to redeem or, as the case may be, purchase any Notes under this Condition 6.6(b), the holder of that Note must deliver such Note, on any business day in the city of the specified office of the relevant Paying Agent falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **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 6.6(b). The Note should be delivered together with all Coupons appertaining thereto maturing after the date (the **Optional Redemption Date (Put)**) which is the seventh day after the last day of the Put Period failing which all such missing unmatured Coupons will be void.*

*If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 6.6(b) the holder of the Note must, within the Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.*

A non-transferable receipt (a **Put Option Receipt**) (issued by the relevant Paying Agent or the Principal Paying Agent, as the case may be) shall be delivered to each holder of Note(s):

- (a) in the case of a Note in definitive form held outside Euroclear or Clearstream, Luxembourg, which has delivered its Note(s) and Put Option Notice to such Paying Agent; or
- (b) in the case of a Global Note or note in definitive form held through Euroclear or Clearstream, Luxembourg, from whom notice has been 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/or purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a Euro 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 6.6(b).

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6.6(b), the Issuer may, having given not less than 30 days' notice to the Noteholders in accordance with Condition 13, 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 interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption (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.

In this Condition 6.6(b):

A **Change of Control** shall be deemed to have occurred if (whether or not approved by the Board of Directors or the Executive Board of the Issuer) any person (a **Relevant Person**), alone or together with its affiliates (as defined in the Swedish Act Concerning Public Takeover Bids in the Stock Market (2006:451)), at any time directly or indirectly own(s) or acquire(s) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights.

**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 120 days after the public announcement of the Change of Control having occurred.

**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 Baa3 (or equivalent thereof) in the case of Moody's (as defined below) 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.

**Rating Agency** means S&P Global Ratings Europe Limited (**S&P**) and Moody's Investors Service Limited (**Moody's**) 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 or (y) changed from an Investment Grade Rating to a non Investment Grade Rating (for example, from BBB- to BB+ by S&P, 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 is already below an Investment Grade Rating) lowered one full rating category (for example, from BB+ to BB by S&P 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 (or withdrawal of) rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in (or withdrawal of) rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction (or withdrawal) was the result of the applicable Change of Control.

**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 adviser 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.

## 6.7 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

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

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

where:

**RP** means the Reference Price;

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

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) 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).

or on such other calculation basis as may be specified in the applicable Final Terms.

## 6.8 Purchases

The Issuer or any Subsidiary (as defined in the Agency Agreement) of the Issuer may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

## 6.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.8 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

## 6.10 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 Condition 6.1, 6.2, 6.3, 6.4 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7(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 in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## 7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay, subject to Condition 6.2, such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment in the Kingdom of Sweden; or
- (ii) the holder of which is liable for such taxes or duties in respect of such Note, Talon or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of the Note, Talon or Coupon; or
- (iii) 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 5.5).

As used herein:

- (i) **Tax Jurisdiction** means the Kingdom of Sweden or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent 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 11.

## 8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

## 9. EVENTS OF DEFAULT

If:

- (i) there is failure to make payment in the Specified Currency for more than five days of any principal or any interest in respect of any Note when and as the same is due to be paid; or
- (ii) the Issuer fails to comply with any other terms of the Notes and such failure (unless it is not capable of being cured) continues unremedied for 30 days after written notice thereof shall have been given to the Issuer in the manner specified below; or
- (iii) any indebtedness for borrowed money of the Issuer becomes, or is declared due and payable prior to its scheduled maturity as a result of a default thereunder or any such indebtedness for borrowed money or interest thereon is not paid when due or within any applicable grace period therefor or any guarantee or indemnity given by the Issuer in respect of any indebtedness for borrowed money is not honoured when due and called upon or within any applicable grace period therefor, and, in each case, the aggregate

principal amount of such indebtedness amounts to a least 0.7 per cent. of Consolidated Total Assets; or

- (iv) a resolution is passed or an order of a court of competent jurisdiction is made that the Issuer be wound up or dissolved (otherwise than for the purposes of a reconstruction, merger or consolidation under which the Issuer is the continuing corporation or the terms whereof have previously been approved by an Extraordinary Resolution of the Noteholders); or
- (v) an encumbrancer takes possession or a receiver is appointed of the whole or substantially all of the assets or undertaking of the Issuer and is not paid out in full or discharged within thirty days; or
- (vi) a distress, execution or other process is levied or enforced upon or sued out against the whole or substantially all of the property of the Issuer and is not discharged within 30 days thereof; or
- (vii) the Issuer stops payment or (otherwise than for the purposes of such reconstruction, merger or consolidation as is referred to in sub-paragraph (iv) of this Condition) ceases or threatens to cease to carry on business or is unable to pay its debts as and when they fall due; or
- (viii) proceedings are initiated against the Issuer under any applicable bankruptcy, insolvency, composition or other similar laws and such proceedings are not discharged or stayed within a period of 30 days; or
- (ix) the Issuer initiates or consents to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition with, its creditors generally;

then any Noteholder may, by written notice to the Issuer at the specified office of the Principal Paying Agent, declare the Notes held by such Noteholder to be forthwith due and payable at their Early Redemption Amount referred to in Condition 6.7 together, if appropriate, with interest accrued to the date of payment, and the same shall become immediately due and payable, unless prior to the time when such written notice is received all such defaults shall have been remedied.

As used herein, **Consolidated Total Assets** means the value of the consolidated total assets of the Issuer and its Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Issuer prepared in accordance with IFRS as shown in the most recent published audited annual, unaudited semi-annual or unaudited quarterly interim, as the case may be, consolidated financial statements of the Issuer.

## 10. 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 upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 11. PAYING AGENTS

The names of the initial Paying 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 the applicable Final Terms.

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

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated; and
- (c) 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 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.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Notice of any variation, termination, appointment or change in Paying Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer 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.

## **12. EXCHANGE OF TALONS**

On and after the Interest Payment Date 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 Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

## **13. NOTICES**

All notices regarding the Notes will be deemed to be validly given if published in (a) a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu). It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given 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 all required newspapers.

Until such time as any Definitive Notes are issued, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any 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 such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder 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 through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

Pursuant to the Agency Agreement, the Issuer may at any time, and upon a request in writing made by Noteholders holding not less than one-tenth of the nominal amount of the Notes outstanding at any time after any Note shall have become payable owing to default shall, convene a meeting of Noteholders. Any such request in writing by Noteholders shall be made by lodging the same together with the relative Note or Notes at the specified office of the Principal Paying Agent or any Paying Agent. The provisions concerning meetings of Noteholders are contained in Schedule 5 to the Agency Agreement. The Principal Paying Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or which is made to correct a manifest error or to comply with any mandatory law.

## **15. CURRENCY INDEMNITY**

The Issuer agrees to indemnify any Noteholder or Couponholder against any loss incurred by such holder as a result of any judgment or order being given or made by any court for any reason not attributable to such holder for the payment of any amount due hereunder and such judgment or order being expressed by reason of applicable law in a currency other than the Specified Currency and as a result of any variation having occurred in rates of exchange between the date as of which the Specified Currency amount is converted for such judgment or order and the date of actual payment thereof.

This indemnity shall constitute a separate and independent obligation from the other obligations contained herein, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due hereunder or under any such judgment or order. Any such loss or damage as aforesaid shall be deemed to constitute a loss suffered by the Noteholder or Couponholder and no proof or evidence of any actual loss shall be required by the Issuer. Nothing in this Condition shall prevent the Issuer from discharging its obligations in respect of any Note or Coupon by making payment in accordance with Condition 7.

## **16. FURTHER ISSUES**

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

## **17. THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## **18. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **18.1 Governing law**

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

### **18.2 Submission to jurisdiction**

- (a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a *Dispute*) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, each of the Issuer and any Noteholders or Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Condition 18.2(c) is for the benefit of the Noteholders and the Couponholders only. To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **18.3 Appointment of Process Agent**

The Issuer irrevocably appoints Electrolux Plc. of Addington Way, Luton, Bedfordshire, LU4 9QQ, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Electrolux Plc. being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## USE OF PROCEEDS

The net proceeds from each issue of notes will be applied by the Issuer for its general corporate purposes, or, if specified in the relevant Final Terms, to finance or re-finance certain green assets that meet the eligibility requirements set out in the Issuer's Green Bond Framework, which is available for viewing on the Issuer's website (***Eligible Green Assets*** and thereto related notes, ***Green Bonds***) available at the following address: <https://www.electroluxgroup.com/en/green-bond-framework-29317/>.

## DESCRIPTION OF AB ELECTROLUX (PUBL)

### Business Overview

The Issuer is the parent company of the Group, which is a global leader in household appliances. The Group offers thoughtfully designed, innovative and sustainable solutions under well-established brands, such as Electrolux, AEG and Frigidaire. The Group's products include products for consumers comprising major appliances (including refrigerators, freezers, cookers, dryers, washing machines, dishwashers, room air-conditioners and microwave ovens). In addition to major appliances, other important areas for the Group include floor-care products, water heaters, heat pumps and small domestic appliances as well as consumables, accessories and the provision of servicing. The Group sells approximately 60 million products to customers in approximately 120 markets every year. In 2020, the Group had sales of SEK 116 billion and had approximately 48,000 employees.

### History

The Issuer was incorporated and operates under the laws of the Kingdom of Sweden on 10 February 1910 with registered number 556009-4178. The Issuer was the product of a merger between Elektromekaniska AB and AB Lux, and was subsequently listed on the London Stock Exchange (the **LSE**) in 1928 and on the Stockholm Stock Exchange (now Nasdaq Stockholm) (**Nasdaq Stockholm**) in 1930. In 1987, trading of American Depositary Receipts (**ADRs**) representing the Issuer's B-shares commenced on the NASDAQ National Market (**Nasdaq**). In 2005 and 2010 respectively, the Issuer de-listed its ADRs from Nasdaq and de-listed its B-shares from the LSE in response to the internationalisation of capital markets and the increase in international ownership of shares on the Nasdaq Stockholm. Following these de-listings, all trading in the Issuer's shares is now concentrated on the Nasdaq Stockholm.

The Issuer steadily expanded its business through the mid-twentieth century with a programme of gradual acquisition and product development. In 1984, following the acquisition of Italian company Zanussi, the Group emerged as a leader in the European household appliance and food-service appliance markets. In 1994, the Group acquired the white goods division of German manufacturer, AEG. In 1996, the Group acquired Refripar, one of the largest producers of appliances in Brazil at that time. A period of restructuring and strengthening of the Issuer's core business followed throughout the 1990s and into the next century, including significant expansion into the North American market and the development of the Group's global presence (for example, through the acquisition of the household division of the Australian company, Email Limited, in 2001). To increase its exposure to emerging markets, the Issuer acquired two companies in 2011: the Egyptian appliances company Olympic Group and the Chilean appliances company CTI. In 2014, the Group acquired Australian company, BeefEater Barbecues, and in 2015, it acquired Shanghai Veetsan Commercial Machinery, a manufacturer of professional dishwashers in China. In 2016, the Group acquired Vintec, a company based in Australia and Singapore, which supplies a wide range of climate-controlled wine cabinets throughout the Asia Pacific region.

The Group completed five further acquisitions in 2017, acquiring Kwikot Group, South Africa's leading water heater producer; Best, a European manufacturer of innovative kitchen-hoods; and the Continental brand of home appliances in Latin America. In the U.S., the Group completed the acquisition of Grindmaster-Cecilware, a U.S.-based company which manufactures beverage dispensing equipment, and Anova, the U.S. based provider of the Anova Precision Cooker, an innovative connected device for sous vide cooking that enables restaurant-quality results in the home.

During 2018 the Group acquired Schneidereit GmbH, a supplier of laundry-rental solutions for professional customers in Germany and Austria and SPM Drink Systems, a leading Italian manufacturer of professional dispensers of frozen and hot beverages and soft ice-cream and, in 2019, the Group acquired both Sydney Appliance Installations, an Australian appliance installation and repair service operator, and Unic S.A.S, a French producer of professional espresso coffee machines.

In December 2019, the Issuer's board made a proposal to the Issuer's shareholders, which was subsequently approved, to divide the Issuer (and the Group) into two listed companies: (i) Electrolux, for household appliances; and (ii) Electrolux Professional, for professional appliances. In March 2020, the equity in Electrolux Professional was distributed pro rata to the Issuer's shareholders and listed on Nasdaq Stockholm, resulting in the Issuer and Electrolux Professional



becoming separate entities and Electrolux Professional no longer forming part of the Group (the **Corporate Restructuring**). The split has enabled the Issuer to increase its focus on the opportunities in the household appliance sector, enabling the Group to drive profitable growth by employing distinct strategies for innovation with an increased customer focus, as well as increasing the capital efficiency within the Group.

In August 2020, the Group acquired 60 per cent. of the shares in the Chinese company Guangdong De Yi Jie Appliances Co., Ltd, which sells AEG household appliances in China. Prior to the acquisition, the Group held 40 per cent. of the shares in the company and it was accounted for as a fully owned subsidiary from 31 August 2020. The transaction has resulted in a preliminary goodwill of SEK 12 million and the net cash flow effect from the acquisition is SEK - 7 million.

## **Business profile**

### *Strategy*

The Group employs a focused strategy for profitable growth with the aim of achieving its purpose, to 'shape living for the better', and creating long-term value for its stakeholders. The strategy is primarily driven through two key areas: sustainable consumer experience innovation; and increased efficiency through continued digitalisation, automation and modularisation, supported by a solid financial position. The Group has three defined areas of innovation, 'Taste', 'Care' and 'Wellbeing', which allow it to maintain a streamlined and innovative product portfolio with proven consumer benefits. In addition, the Group is aiming to strengthen its position and expand in the aftersales market, which represents important business opportunities.

The Group has a strong track-record of delivering cost reductions. In 2018, the Group initiated a SEK 8 billion capex global re-engineering programme under which it has made, and continues to make, significant investments related to increasing both the modularisation and automation of its production processes. The programme drives efficiency, strengthens production cost competitiveness, increases both product flexibility and speed to market and reduces the Group's environmental footprint. In addition, the Group's digitally integrated supply chain manufacturing process further contributes to improving the productivity and flexibility of its operations.

Sustainability is an integrated part of the Group's strategy for profitable growth. The Group's most resource-efficient products accounted for 26 per cent. of total products sold and 36 per cent. of gross profit in 2020. Electrolux is recognised as a leader in the household durable goods industry and was included in the Dow Jones Sustainability Index World and Europe indexes in 2020, thereby ranking in the top 10 per cent. of the world's 2,500 largest companies for social and environmental performance.

### *Regional business areas*

The Group's operations are divided into four regional business areas: (i) Europe, (ii) North America, (iii) Latin America and (iv) Asia-Pacific, Middle East and Africa. This structure ensures a unified approach to each market with common branded platforms and interactions with consumers. In relation to the Group's sales in 2020, Europe accounted for 40 per cent., North America accounted for 33 per cent., Latin America accounted for 14 per cent., and Asia-Pacific, Middle East and Africa accounted for 13 per cent. The Group is aiming to strengthen its position in emerging markets, which represent important business opportunities.

## **Financial Overview 2020**

Following the completion of the Corporate Restructuring on 23 March 2020 Electrolux Professional AB is no longer part of the Group. The results for Electrolux Professional, for the time it was part of the Group, are reported as discontinued operations and this section refers exclusively to the Group's continuing operations, exclusive of Electrolux Professional.

### *Global*

In 2020, net sales amounted to SEK 115,960 million (2019: SEK 118,981 million) and operating income amounted to SEK 5,778 million (2019: SEK 3,189 million), corresponding to a margin of 5.0 per cent. (2019: 2.7 per cent.). The 2019 operating income included non-recurring items of SEK -1,344 million. Income for the period amounted to SEK 3,988 million (2019: SEK 1,820 million), corresponding to SEK 13.88 in earnings per share.

Although net sales declined by 2.5 per cent. in 2020 and currency translation had a negative impact of 5.8 per cent. as a result of the stronger Swedish Krona, organic sales increased by 3.2 per cent. (compared with a 1 per cent. decrease in 2019) and acquisitions had a positive impact of 0.1 per cent. The growth in organic sales was driven by higher sales of more innovative premium products as well as higher net prices, whilst sales of lower-end products decreased. Aftermarket sales, which is one of the Group's strategic focus areas, increased significantly and accounted for 7 per cent. of sales in 2020.

The increase in operating income was primarily driven by the organic contribution. The Group's product mix developed strongly across each of the business areas and higher net prices helped to offset significant currency headwinds whilst lower costs for raw materials impacted operating income positively.

#### *Market demand*

Market demand for core appliances in Europe increased by 3 per cent. in 2020, largely driven by growth of 8 per cent. in Eastern Europe and growth of 1 per cent. in Western Europe. In the U.S., market demand for core appliances increased by 6 per cent. Market demand in Brazil is estimated to have increased in 2020 while demand in Argentina and Chile is estimated to have declined due to restrictions to limit the spread of the coronavirus and political instability. In the Asia-Pacific, Middle East and Africa market demand for appliances is estimated to have declined in 2020, mainly due to government imposed lockdowns to limit the spread of the coronavirus and related recessions. However, consumer demand in Australia, one of the Group's main markets, grew strongly.

#### *Europe business area*

The Group's Europe business area reported an organic sales growth of 3.3 per cent. in 2020, driven by an improvement in its brand and product mix, while the sales volume of lower-end products declined. The improved product mix was primarily due to an increased focus on built-in kitchen and premium laundry products and the business area building an increased market share through its premium Electrolux and AEG brands. Aftermarket sales, which have increasing strategic importance, also increased.

Operating income and margin improved year-on-year, excluding the non-recurring items in 2019. This was mainly driven by an improved product mix as well as lower raw material costs; however, currency headwinds had a negative impact on earnings.

#### *North America business area*

The Group's North America business area reported an organic sales growth of 0.9 per cent. in 2020. Both price and product mix improved although there was a decline in sales volumes, which were adversely impacted by capacity constraints, largely due to the impact of the coronavirus pandemic on the industry as a whole but also as a result of inefficiencies related to the ongoing manufacturing consolidation for refrigerator and freezer appliances.

Operating income and margin improved year-on-year, excluding non-recurring items in 2019. Positive price and product mix development more than offset negative effects from lower sales volumes and cost inefficiencies related to the manufacturing consolidation and the impact of the COVID-19 pandemic. Continued growth in aftermarket sales also contributed to earnings.

#### *Latin America business area*

The Group's Latin America business area reported an organic sales growth of 10.0 per cent. in 2020, despite a reduction in net sales due to the effect of negative currency translations. The organic sales growth was mainly driven by Brazil, Argentina and Chile and aided by both higher prices and product mix improvements in all three countries as well as higher sales volumes in Brazil. Aftermarket sales increased and all main markets had strong growth in online sales.

Operating income decreased year-on-year, excluding non-recurring items in 2019. Sales volumes declined but product mix developed favourably, partly driven by increased sales of high-end products. Significant price increases outweighed large currency headwinds and initiatives to improve efficiency, driven mainly by digital transformation, also had a positive impact. Operating income was also positively affected by operation taxes and a reversal of a provision in Brazil.

### *Asia-Pacific, Middle East and Africa business area*

The Group's Asia-Pacific, Middle East and Africa business area reported an organic sales growth of 1.7 per cent. in 2020. Both price and product mix developed favourably although there was a slight decline in sales volumes. The Group's operations in Australia experienced significant organic growth with price increases and a number of successful product launches contributing.

Operating income and margin increased year-on-year, excluding non-recurring items in 2019. The positive organic development from price and product mix contributed to the improvement as well as operational efficiencies and lower costs of raw materials. Currency headwinds impacted operating income negatively.

### **Major financing arrangements**

The major financing arrangements of the Group as at 31 December 2020 are described in note 18 in the 2020 Annual Financial Statements and on page 8 of the Q1 2021 Interim Report. The Group mainly raises financing under its Euro Medium-Term Note programme (including through the issuance of green bonds) and via bilateral loans, with a majority of the Group's long-term borrowings being at the parent company level. As at 31 March 2021, the Group had unused committed revolving credit facilities of SEK 23,238 million (31 December 2020: SEK 23,057 million).

### **Pending lawsuits in the United States claiming asbestos-related personal injuries**

Litigation and claims related to asbestos are pending against the Group in the U.S. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Group.

As of 31 March 2021, the Group had a total of 3,097 (3,884 as at 31 March 2020) cases pending, representing approximately 3,103 (approximately 3,920 as at 31 March 2020) plaintiffs. During the first quarter of 2021, 281 new cases with 281 plaintiffs were filed and 587 pending cases with approximately 618 plaintiffs were resolved.

The Group continues to operate under a 2007 agreement with certain insurance carriers who have agreed to reimburse the Group for a portion of its costs relating to certain asbestos lawsuits. The agreement is subject to termination upon 60 days' notice and, if terminated, the parties would be restored to their rights and obligations under the affected insurance policies.

It is expected that additional lawsuits will be filed against the Group. It is not possible to predict the number of future lawsuits. In addition, the outcome of asbestos lawsuits is difficult to predict and the Issuer cannot provide any assurances that the resolution of these types of lawsuits will not have a material adverse effect on its business or on results of operations in the future.

### **Impact of COVID-19**

During the first half of 2020 the Group experienced a significant adverse revenue impact as a result of the coronavirus pandemic. However, in the second half of 2020 the Group recovered strongly, resulting in a significant financial improvement and an operating margin of 5.0 per cent. in 2020 (2019: 3.8 per cent.). Based on the recovery in earnings and cash flow, the Issuer's Board of Directors proposed to reinstate a dividend for the fiscal year 2019 and a dividend of SEK 7.00 per share was subsequently approved by the shareholders of the Issuer in November 2020.

In light of the ongoing impact of the COVID-19 pandemic, the Group has strengthened its liquidity buffer by adding new borrowings and the Group entered into one new committed credit facility.

### **Directors and management**

#### *Directors*

The Issuer's Board of Directors consists of eight members, without deputies, who are elected at the Annual General Meeting for a period of one year. Three additional members with deputies are appointed by the Swedish employee organisations in accordance with Swedish labour law.

The business address for all members of the administrative, management and supervisory

bodies of the Issuer is St Göransgatan 143, SE-105 45, Stockholm, Sweden.

Details of the Issuer's Board of Directors as at the date hereof are as follows and references to holdings in the Issuer are correct as at 31 March 2021 (and include holdings of related natural and legal persons, where applicable):

<b>Name</b>	<b>Position</b>	<b>External roles</b>	<b>Holdings in AB Electrolux (publ)</b>
<b>Staffan Bohman</b>	Elected Chairman 2018.  Member of the Electrolux Audit Committee and the Electrolux Remuneration Committee.	Chairman of the Board of the Research Institute of Industrial Economics, IFN, Ipco AB, Upplands Motor Holding AB and the German-Swedish Chamber of Commerce.  Board Member of Atlas Copco AB and the Royal Swedish Academy of Engineering Sciences (IVA).	100,000 B-shares  120,279 call options, issued by Investor AB entitling the right to purchase Electrolux B-shares.
<b>Jonas Samuelson</b>	President and CEO of AB Electrolux since 2016. Elected to the Board in 2016.	Board Member of Polygon AB, Axel Johnson AB and Volvo Cars	65,211 B-shares
<b>Petra Hedengran</b>	Elected to the Board in 2014.  Chairman of the Electrolux Remuneration Committee and member of the Electrolux Audit committee.	General Counsel and member of Group Management of Investor AB.  Board Member of Alecta and The Association for Generally Accepted Principles in the Securities Market (Swedish: Föreningen för god sed på värdepappersmarknaden).	11,000 B-shares
<b>Henrik Henriksson</b>	Elected to the Board in 2020.	President and CEO of Scania AB.  Board Member of Hexagon AB and Scania AB.	425 B-shares
<b>Ulla Litzén</b>	Elected to the Board in 2016.  Chairman of the Electrolux Audit committee.	Board Member of Epiroc AB, Husqvarna AB and Ratos AB.	4,000 B-shares
<b>Karin Overbeck</b>	Elected to the Board in 2020.	CEO of Freudenberg Home and Cleaning Solutions GmbH.	1,960 B-shares
<b>Fredrik Persson</b>	Elected to the Board in 2012.  Member of the Electrolux Audit Committee.	Chairman of the Board of JM AB, the Confederation of Swedish Enterprise (Sw. Svenskt Näringsliv) and Ellevio AB. Board Member of Hufvudstaden AB, ICA Gruppen AB and Ahlström Capital Oy.	5,000 B-shares
<b>David Porter</b>	Elected to the Board in 2016.	Head of Microsoft Stores, Corporate Vice President, Microsoft Corp.	3,315 B-shares

### Employee Representatives

<b>Name</b>	<b>Position</b>	<b>Employee body</b>	<b>Holdings in AB Electrolux (publ)</b>
<b>Mina Billing</b>	Elected to the Board in 2020.  Employee Representative Member.	Representative of the Federation of Salaried Employees in Industry and Services.	0 shares
<b>Viveca Brinkenfeldt-Lever</b>	Elected to the Board in 2018.  Employee Representative Member.	Representative of the Federation of Salaried Employees in Industry and Services.	0 shares
<b>Peter Ferm</b>	Elected to the Board in 2018.  Employee Representative Member.	Representative of the Federation of Salaried Employees in Industry and Services.	100 B-shares
<b>Ulrik Danestad</b>	Elected to the Board in 2020.  Employee Representative, Deputy Member.	Representative of the Federation of Salaried Employees in Industry and Services.	20 B-shares
<b>Richard Dellner</b>	Elected to the Board in 2013.  Employee Representative, Deputy Member.	Representative of the Federation of Salaried Employees in Industry and Services.	500 B-shares
<b>Wilson Quispe</b>	Elected to the Board in 2020.  Employee Representative, Deputy Member.	Representative of the Federation of Salaried Employees in Industry and Services.	500 B-shares

### Group Management

In addition to the President and Chief Executive Officer, the Group management includes each of the heads of the Issuer's business areas, the Chief Operations Officer, the Chief Experience Officer, the Chief Financial Officer and the Group staff heads.

The business address for all members of senior management is St Göransgatan 143, SE-105 45, Stockholm, Sweden.

Details of senior management as at the date hereof are as follows and references to holdings in the Issuer are correct as at 31 March 2021 (and include holdings of related natural and legal persons, where applicable):

<b>Name</b>	<b>Position</b>	<b>External roles</b>	<b>Holdings in AB Electrolux (publ)</b>
<b>Jonas Samuelson</b>	President and Chief Executive Officer since 2016.  In Group Management since 2008.	Board Member of Polygon AB, Axel Johnson AB and Volvo Cars.	65,211 B-shares

<b>Therese Friberg</b>	Chief Financial Officer. In Group Management since 2018.	N/A	10,527 B-shares
<b>Carsten Franke</b>	Chief Operations Officer and Executive Vice President. In Group Management since 2011.	N/A	5,096 B-shares
<b>Adam Cich</b>	Head of Business Area Asia Pacific, Middle East and Africa and Executive Vice President. In Group Management since 2020.	N/A	3,219 B-shares
<b>Ricardo Cons</b>	Head of Business Area Latin America and Executive Vice President. In Group Management since 2016.	N/A	11,906 B-shares
<b>Anna Ohlsson-Leijon</b>	Head of Business Area Europe and Executive Vice President. In Group Management since 2016.	Board member of Alfa Laval AB.	18,472 B-shares
<b>Ola Nilsson</b>	Chief Experience Officer and Executive Vice President. In Group Management since 2016.	N/A	25,457 B-shares
<b>Nolan Pike</b>	Head of Business Area North America and Executive Vice President. In Group Management since 2020.	N/A	7,170 B-shares
<b>Lars Worsøe Petersen</b>	Head of Human Resources & Communications and Senior Vice-President. In Group Management since 2011.	N/A	26,875 B-shares
<b>Mikael Östman</b>	General Counsel and Senior Vice President. In Group Management since 2017.	N/A	7,910 B-shares

### Interests of the Directors and Senior Management

Save as described in the Corporate Governance Report 2020 on pages 100 to 118 of the

2020 Annual Financial Statements of the Issuer, there are no potential conflicts of interests between any duties to the Issuer and the private interests of the members of the Board of Directors and the senior management.

## Major Shareholders

The ownership of the Group as at 31 March 2021 is set out in the table below:

	Share capital, %	Voting rights, %
Investor AB	16.4	28.4
Swedbank Robur Funds	4.6	3.7
Alecta Pension Insurance	4.1	4.5
Handelsbanken Funds	3.2	2.6
BlackRock, Inc.	2.5	2.1
Vanguard	1.8	1.5
Didner & Gerge Funds	1.7	1.4
AMF Insurance & Funds	1.5	3.6
Carnegie Funds	1.4	1.1
Life Insurance Skandia	1.3	1.3
<b>Total, ten largest shareholders</b>	<b>38.5</b>	<b>50.2</b>

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen) as of 31 March 2021

The list of shareholders is based on compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority as at 31 March 2021. It should be noted that the actual ownership may be different, since shareholders may have their shares registered in the name of a bank or trustee in the share register kept by Euroclear Sweden, and not in their own name.

So far as the Issuer is aware, none of the major shareholders listed above are indirect owners of share capital of the Group.

As at the date of this Base Prospectus, the share capital of the Issuer amounted to approximately SEK 1,545 million, corresponding to 308,920,308 shares. The share capital of the Issuer consists of Class A shares and Class B shares. A Class A share entitles the holder to one vote and a Class B share to one-tenth of a vote. All shares entitle the holder to the same proportion of assets and earnings and carry equal rights in terms of dividends. In accordance with the Swedish Companies Act, the Articles of Association of the Issuer also provide for specific rights of priority for holders of different types of shares, in the event that the company issues new shares or certain other instruments.

According to the Issuer's Articles of Association, owners of Class A shares have the right to have such shares converted to Class B shares. The purpose of the conversion clause is to give holders of Class A shares an opportunity to achieve improved liquidity in their shareholdings. Conversion reduces the total number of votes in the company. There were no conversion of shares in 2020.

As at the date of this Base Prospectus, the total number of registered shares in the company amounts to 308,920,308 shares, of which 8,192,539 are Class A shares and 300,727,769 are Class B shares, and the total number of votes amounts to 38,265,316.

## TAXATION

### Luxembourg Taxation

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

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

#### Withholding Tax

##### (i) Non-resident holders of Notes

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

##### (ii) Resident holders of Notes

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

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

### Swedish Taxation

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

#### Holders not tax resident in Sweden

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

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

#### Holders tax resident in Sweden

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be



taxable. Specific tax consequences may be applicable to certain categories of corporations, for example, life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on the Notes and to any currency exchange gains or losses.

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

## SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 7 May 2021 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*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any further 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.

### Selling Restrictions

#### **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 certain transactions exempt 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.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

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 or (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 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 this paragraph have the meanings given to them by Regulation S under the Securities Act.

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.

#### **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 Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. 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 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; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## **United Kingdom**

### **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 Base Prospectus 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 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; 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.

### **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:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **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.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Base Prospectus 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 Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (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 the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
  - (i) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), 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;
  - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Notification under Section 309B(1)(c) of the SFA* – Unless otherwise specified in the relevant Final Terms, 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).

### **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.

### **General**

Other than as described in this Base Prospectus, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed 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 Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and 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.

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

## GENERAL INFORMATION

### Authorisation

The establishment and 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 27 April 2021.

### Approval, Listing and Admission to Trading of Notes on the Luxembourg Stock Exchange

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the Articles of Association (with an English translation thereof) of the Issuer; and
- (ii) the Agency Agreement, the Deed of Covenant, and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons.

A copy of this Base Prospectus together with any future base prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) related to this Base Prospectus and any other documents incorporated herein or therein by reference, will be available for a period of 10 years following the date of this Base Prospectus at: <https://www.electroluxgroup.com/en/long-term-bond-issues-363/>. The telephone number of the Issuer is +46 8 738 6000 and its website address is <https://www.electroluxgroup.com>.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### 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.

### Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### Significant or Material Change

There has been no significant change in the financial performance or position of the Issuer or the Group since 31 March 2021.

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2020.

## **Litigation**

Save as disclosed in: (i) this Base Prospectus at page 20 under “*Pending lawsuits in the United States claiming asbestos-related personal injuries*”, at page 22 under “*Other legal disputes*” and page 77 under “*Pending lawsuits in the United States claiming asbestos-related personal injuries*”, (ii) in the 2020 Annual Financial Statements of the Issuer at page 21 as described under “*Asbestos litigation in the U.S.*” and at page 68 under Note 25 “*Contingent assets and liabilities*”, (iii) in the 2019 Annual Financial Statements of the Issuer at page 33 as described under “*Asbestos litigation in the U.S.*” and at page 72 under Note 25 “*Contingent assets and liabilities*”, and (iv) in the Q1 2021 Interim Report at page 22 under Note 4 “*Pledged assets and contingent assets and liabilities*”, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position of the Issuer.

## **Auditors**

The auditor of the Issuer is Deloitte AB, an authorised accounting firm in the Kingdom of Sweden and member of FAR, re-elected at the Annual General Meeting held on 31 March 2020. Deloitte AB has audited the Group financial statements, without qualification in accordance with IFRS, and the Issuer's financial statements, without qualification, in accordance with generally accepted auditing standards applicable in the Kingdom of Sweden for the financial years ended 31 December 2019 and 31 December 2020.

## **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 to the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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

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