



Securities Note

Sør Boligkreditt AS

FRN Sør Boligkreditt AS Covered Bond Issue 2011/2016

(Extendable to 29.06.2017)

Sør Boligkreditt AS

Vesterveien 1

4836 Arendal

www.sor.no

Arranger:



Important information

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. Finanstilsynet (The Financial Supervisory, Authority of Norway) has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

Only the Borrower and the Arrangers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Finanstilsynet implies that the Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Arrangers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Borrower or the Arrangers to receive copies of the Securities Note.

This Securities Note together with the registration document of even date herewith (the "**Registration document**") constitutes the "**Prospectus**".

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1. Risk Factors

The Issuer believes that the factors described below represent the principal market risks inherent in investing in the Loan, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out in the Registration Document 01. August 2011 and reach their own views prior to making any investment decision.

Risks related to the market generally

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are three main risk factors that sums up the investors total risk exposure when investing in interest bearing securities: liquidity risk, interest rate risk and market risk (both in general and issuer specific).

The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating coupon rate do however in general carry a lower price risk compared to loans with a longer tenor and/or with a fixed coupon rate.

The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 5 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants view of the credit quality of the Issuer as well as established and available credit lines.

2. Persons Responsible

Responsible for this prospectus

Sør Boligkreditt AS, Vesterveien 1, 4836 Arendal, is responsible for the content in this Securities Note.

Declaration by persons responsible

This Listing Prospectus has been prepared by Sør Boligkreditt AS with a view to providing a description of relevant aspects of Sør Boligkreditt AS in connection with the Bond Issue and an investment therein. We confirm that, taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Arendal, 01 August 2011

Rolf H. Søraker
Managing Director

3. Detailed information about the securities

ISIN code:	NO 001 0614688
The Loan/ The reference name:	Sør Boligkreditt AS Covered Bond Issue 2011/2016 (extendable to 29.06.2017)
Borrower / Issuer:	Sør Boligkreditt AS
Security Type:	Covered Bond Issue with floating rate
Maximum amount:	NOK 1 000,000,000
Initial amount:	NOK 1 000,000,000
Denomination:	NOK 500,000
Disbursement Date:	29 June 2011
Coupon accrual date:	29 June 2011
Interest Bearing to:	Maturity
Maturity:	29.06.2016 (Extended Maturity Date 29.06.2017)
NIBOR:	NIBOR 3 months
Margin:	0.50 % p.a.
Coupon Rate:	NIBOR + Margin
Current Coupon Rate	3.39 %
Day Count Fraction – Coupon:	Act/360 – in arrears
Issue Price:	100 %
Yield:	Dependent in the market price. Yield for the first interest period will be notified in 2 Banking Days prior to Disbursement Date. For future Yield, the Coupon rate will be set two Banking Days prior to each Interest Payment Date. The current Coupon rate is 3.39%

Interest Payment Date:	29 March, 29 June, 29 September, 29 December each year. If the Interest Payment Date is not a Banking Day, the Interest Payment Date shall be postponed to the next Banking Day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first Banking Day preceding the original date.
Business Day Convention:	Modified Following If the Interest Payment Date is not a Banking Day, the Interest Payment Date shall be postponed to the next Banking Day. However, if this day falls in the following calendar month. The Interest Payment Date is moved to the first Banking Day preceding the original date.
Interest Rate Determination Date:	Two Banking Days prior to each Interest Payment Date
Interest Period:	The interest is paid in arrears on the Interest Payment Date. The first interest period matures on the first Interest Payment Date after the Disbursement Date. The next period runs from this date until the next Interest Payment Date. The last period of interest ends on Maturity Date.
Redemption:	VPS (the Norwegian central securities depository) will credit due interest and principal to the bondholders. The limitation period for any interest and principal claims is in accordance with Norwegian legislation, i.e. currently 3 years for interest and 10 years for principal. This is a bullet loan with redemption date 29 June 2016
Maturity of the loan:	The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.
Purpose:	The purpose of the Issue is general financing of the Issuer.
Approvals:	The Bonds will be issued in accordance with the Borrower's Board approval 14 Mars 2011

Payments:

On each Coupon Date the Issuer shall in arrears pay the accrued Coupon amount to the Bondholders.

On the Maturity Date the Issuer shall pay in respect of each Bond the Face Value multiplied by the Redemption Price to the Bondholders.

On the Maturity Date the Issuer shall pay any Additional Return (if applicable) to the Bondholders.

The Issuer may not apply any counterclaims in set-off against its payment obligations pursuant to this Bond Agreement.

If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Coupon Date occurring thereafter up to (and including) the relevant Extended Maturity Date.

If a Call or Put is exercised, the Issuer shall at the relevant date indicated under Call or Put pay to the Bondholders the Face Value of the Bonds to be redeemed multiplied by the relevant price for the relevant date plus accrued Coupon on the redeemed Bonds.

Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to this Bond Agreement.

In the event that the Issuer has not fulfilled its payment obligations pursuant to this Bond Agreement, interest shall accrue on the amount due at the higher of:

- a) the seven day NIBOR plus 3.0 percentage points (to be fixed two Business Days before due date and thereafter weekly), and
- b) the applicable Coupon at the due date plus 3.0 percentage points.

Default interest shall be added to the amount due on a monthly basis and accrue interest together with this (compound interest).

Amortisation:

The bonds will run without instalments and be repaid in full at Maturity at par.

Exercise of put and Call:

Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least thirty Business Days prior to the relevant Call Date.

Partial exercise of Call shall be carried out by drawing of lots randomly between the Bonds (and with full repayment of each drawn Bond).

Exercise of Put shall be notified by the Bondholder to its Securities Register agent no later than fifteen Business Days prior to the relevant Put Date (to be forwarded to the Paying Agent).

Call dates are 29.06.2016, 29.09.2016, 29.12.2016 and 29.03.2017, i.e. call can only be exercised if the maturity of the bond is extended. The maturity will be extended only if the amount due is not paid in full on the Maturity Date (see clause 3.6.4.).

Status of the Bonds:

The Bonds are unsubordinated obligations issued as covered bonds (obligasjoner med fortrinnsrett) in accordance with Chapter 2, Sub-chapter IV and appurtenant regulations of the Financial Institutions Act and rank *pari passu* among (i) themselves, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool and (iii) any obligations of the Issuer to counterparties under derivative contracts, if any, as referred to in Section 2-28 (e) of the Financial Institutions Act that have been provided the same preferred rights to settlement against the Cover Pool.

To the extent that claims in relation to the Bonds, other covered bonds and relating derivative agreements (both as registered in the Cover Pool Register) are not met out of the Cover Pool, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer, save for those preferred by law.

Cover Pool Register No. 1/2009

The Bonds are issued as covered bonds with preferential rights in the Issuer's first established pool of covered bonds, the Cover Pool Register No 1/2009.

Security:

The Bonds are unsecured. In accordance with the Financial Institutions Act, the Bonds, together with (i) other covered bonds issued by the Issuer and registered in the Cover Pool Register at any time and (ii) any derivative contracts, as referred to in Section 2-28 (e) of the Financial Institutions Act and registered in the Cover Pool Register at any time, shall in the event of bankruptcy, negotiation of debt under the Bankruptcy Act, winding up of the Issuer or public administration of the Issuer, have an exclusive, equal and proportional preferential claim over the Cover Pool.

Covenants:

1. The Issuer undertakes not to (either in one action or as several actions, voluntarily or involuntarily):

- a) sell or otherwise dispose of all or parts of its assets or business,
- b) change the nature of its business, or
- c) merge, demerge or in any other way restructure its business,

if such action will materially and adversely affect the Issuer's ability to fulfil its obligations under this Bond Agreement.

2. Notwithstanding 1, the Issuer shall be entitled to:

- (a) acquire, sell or dispose of and/or replace assets covered by the Cover Pool at any time (including to terminate and/or enter into new derivative contracts pursuant to Section 2-28 (e) of the Financial Institutions Act), and
- (b) issue new bonds with the same preferred rights to settlement against the Cover Pool as the Bonds, provided always that the Cover Pool subsequent to such transaction(s) complies with the

requirements in clause 3.5.3 in the Bond Agreement

3. Notwithstanding Clause 1 and 2, the Issuer undertakes to keep an over-collateralisation in the Cover Pool of at least 11.5% while the bonds are outstanding. If the parent bank's rating is changed to A2 or better, the Issuer's commitment of over-collateralisation will lapse.

4. For further information about covenants, see Clause 4.7 in the Bond Agreement.

Bond Agreement:

The Bond Agreement has been entered into between the Borrower and the Trustee. The Bond Agreement regulates the Bondholder's rights and obligations in relations with the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement. For more information on the authority of the Loan Trustee, please see clause 5 and 6 in the Bond Agreement.

When bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.

The Bond Agreement is available through the Arranger or from the Borrower.

Bondholders' meeting:

At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Register. Whoever opens the Bondholders' Meeting shall adjudicate any question concerning which Bonds shall count as the Issuer's Bonds. The Issuer's Bonds shall not have any voting rights.

For further description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights, see clause 5 in the Bond Agreement

Availability of the Documentation:	www.sor.no
Listing:	<p>At Oslo Børs.</p> <p>The Securities Note will be sent to Finanstilsynet for control and approval in relation to a listing application of the Loan at Oslo Børs.</p> <p>An application for listing will be sent after the Disbursement Date and as soon as possible after the Securities Note has been approved by Finanstilsynet.</p>
Trustee:	Norsk Tillitsmann ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Arranger:	Nordea Markets, Middelthunsgt. 17, P.O.Box 1166 Sentrum, 0107 Oslo
Paying Agent:	Sparebanken Sør, Vesterveien 1, 4836 Arendal
Calculation Agent:	The Trustee
Securities Depository:	<p>The Securities depository in which the Loan is registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is Verdipapirregisteret ("VPS"), P.O. Box 4, 0051 OSLO</p>
Market-Making:	There is no market-making agreement entered into in connection with the Loan.
Reuters:	Financial information electronically transmitted by the news agency Reuters Norge AS.
Fees and Expenses:	The Borrower shall pay all public fees in connection with the Loan. Any public fees or taxes on trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law on any payments to the Bondholders.
Legislation under which the Securities have been created:	Norwegian law.

4. Definitions

Account Manager:	means a Bondholder's account manager in the Securities Register.
Additional Return:	If YES is specified, certain conditions set forth in Attachment apply regarding yield. If NA is specified, no provisions regarding Additional Return apply.
Bondholder:	means a holder of Bond(s), as registered in the Securities Register, from time to time.
Bond Reference Rate:	means 3 months NIBOR.
Bonds:	means the securities issued by the Issuer pursuant to this Bond Agreement, representing the Bondholders' underlying claim on the Issuer.
Business Day:	Any day when the Norwegian Central Bank's Settlement System is open and when Norwegian banks can settle foreign currency transactions.
Coupon:	Rate of interest applicable to the Bonds; (i) If the Coupon is stated in percentage points, the Bonds shall bear interest at this rate per annum (based on the Day Count Fraction set forth in Section 1), from and including the Coupon Accrual Date to the Maturity Date. If the Coupon is stated as Reference Rate + Margin the Bonds shall bear interest at a rate per annum equal to the Reference Rate + Margin (based on the Day Count Fraction set forth in Section 1), from and including the Coupon Accrual Date to the first Coupon Date, and thereafter from and including each Coupon Date to the next Coupon Date until Maturity Date.
Coupon Accrual Date:	The date on which interest on the Bond starts to accrue. If NA is specified, Coupon Accrual Date does not apply.
Coupon Date:	Date(s) on which the payment of Coupon falls due. The Coupon Date shall be adjusted pursuant to the Business Day Convention.
Cover Pool:	The pool of assets to which:

- (i) the Bondholders,
- (ii) any other holders of bonds issued by the Issuer that have been given the same preferential rights in the same cover pool, and
- (iii) counterparties to derivative contracts that have been given the same preferential rights in the same cover pool, if any, as referred to in Section 2-28 (e) of the Financial Institutions Act,

have a preferential right in accordance with the Financial Institutions Act Chapter 2, Sub-chapter IV and regulations given pursuant thereto, and which are registered in the designated Cover Pool Register at any time, subject to changes pursuant to Clause 02 of the Bond Agreement.

Cover pool Register:

The register of:

- (i) the Bonds,
- (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool,
- (iii) the derivative contracts which have been given the same preferential rights as the Bonds, and
- (iv) the assets in the Cover Pool,

- to be established and maintained by the Issuer in accordance with the Financial Institutions Act and regulations given pursuant thereto, and which is named as the "Cover Pool Register No. 1/2009".

Day Count Fraction:

The convention for calculation of payment of Coupon.

- (i) If 30/360 is specified, the number of days in the relevant coupon period shall be calculated from and including the Coupon Accrual Date/Coupon Date to the next Coupon Date on basis of a year of 360 days with 12 months of 30 days divided by 360, unless (a) the last day in the relevant coupon period is the 31st calendar day but the first day of the relevant coupon period is a day

other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month, or (b) the last day of the relevant coupon period is the last calendar day in February, in which case February shall not be considered to be lengthened to a 30-day month.

- (ii) If Actual/360 is specified, the actual number of days in the relevant coupon period shall be from and including the Coupon Accrual Date/Coupon Date to the next Coupon Date. The number of days shall be divided by 360.

Extended Maturity Date:	The extended date on which the Bonds fall due, as set out in Clause 3.6.4 in the Bond Agreement. The Extended Maturity Date shall be adjusted pursuant to the Business Day Convention.
Financial Institution:	Entity with authorization according to the Norwegian Financial Institution Act (1988/40)
Financial Institutions Act:	The Norwegian Act No. 40 of 10 June 1988 on Financing Activity and Financial Institutions.
Face Value:	The face value of each Bond.
NIBOR-definition:	(Norwegian Interbank Offered Rate) means that the rate for an interest period will be the rate for deposits in Norwegian Kroner for a period as defined under Bond Reference Rate which appears on the Reuters Screen NIBR Page as of 12.00 noon, Oslo time, on the day that is two Business Days preceding that Interest Payment Date. If such rate does not appear on the Reuters Screen NIBR Page, the rate for that Interest Payment Date will be determined as if the Bond Reference Rate is NIBOR Reference Rate as the applicable floating rate option.
NIBOR Reference Rate:	means that the rate for an interest period will be determined on the basis of the rates at which deposits in Norwegian Kroner are offered by four largest authorized exchange banks in the Oslo market (the "Reference Banks") at approximately 12.00 noon, Oslo time, on the day that is two Banking Days preceding that Interest Payment Date to prime banks in the Oslo interbank market for a period as defined under Bond Reference Rate months commencing on

that Interest Payment Date and in a representative amount. The Bond Trustee will request the principal Oslo office of each Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Interest Payment Date shall be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Payment Date will be the arithmetic mean of the rates quoted by major banks in Oslo, selected by the Bond Trustee after consultation with the Issuer, at approximately 12.00 noon, Oslo time, on that Interest Payment Date for loans in Norwegian Kroner to leading European banks for a period as defined under Bond Reference Rate commencing on that Interest Payment Date and in a representative amount.

Payment Date:	means each date for payment of principal or interest
Redemption Price:	The price, stated as a percent of the Face Value, at which the Bonds shall be redeemed on the Maturity Date.
Securities Register:	The securities register in which the Bonds are registered.

5. Additional Information

The involved persons in Sør Boligkreditt AS have no interest, nor conflicting interests that are material to the Loan.

Sør Boligkreditt AS has mandated Nordea Bank ASA/ Nordea Markets as Arranger for the issuance of the Loan. The Arranger has acted as advisors to Sør Boligkreditt AS in relation to the pricing of the Loan.

Listing of the Loan:

The Securities Note will be published in Norway.

An application for listing at Oslo Børs will be sent as soon as possible after the Disbursement Date.

Each bond is negotiable.

Fees:

Listing 2011: NOK 16 875

Prospectus: NOK 10 000

Registrationdocument: NOK 40 000

Statement from the Arranger

Nordea Bank ASA, Nordea Markets have assisted the issuer in preparing the Listing Prospectus. Nordea Bank ASA, Nordea Markets has verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and the Arranger expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Listing Prospectus or any other information supplied in connection with bonds issued by Sør Boligkreditt AS or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Company. Each person receiving this Listing Prospectus acknowledges that such person has not relied on the Arranger or on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Oslo 01.08.2011
Nordea Bank Norge ASA
Nordea Markets

Covered Bond Agreement

Entered into:	21. June 2011
between the Issuer:	Sør Boligkreditt AS
Company No.	992 842 970
and the Bond Trustee:	Norsk Tillitsmann ASA
Company No.	963 342 624
on behalf of the Bondholders in:	FRN Sør Boligkreditt AS Covered Bond Issue 2011/2016 (Extendable to 29. June 2017)
with ISIN:	NO0010614688

The Issuer undertakes to issue the Bonds in accordance with the terms set forth in this Bond Agreement.

1. Terms of the Issue

The terms of the Issue are as follows, supplemented by the definitions and clarifications set forth in Section 2:

Maximum Amount:	1,000,000,000	
Initial Amount:	1,000,000,000	
Face Value:	500,000	
Currency:	NOK (Norwegian Krone)	
Issue Date:	29. June 2011	
Maturity Date:	29. June 2016	
Extended Maturity Date:	29. June 2017	
Redemption Price:	100 % of Face Value	
Call:	NA	NA
Put:	NA	NA
Coupon Accrual Date:	Issue Date	
Coupon:	Reference Rate + Margin	
Reference Rate:	3 months (NIBOR)	
Margin:	0.50 percentage points p.a	
Coupon Date:	29 March, 29 June, 29 September and 29 December each year	
Day Count Fraction:	Actual/360	
Additional Return:	NA	
Business Day Convention:	Modified Following Business Day	
Listing:	Yes	
Exchange:	Oslo Børs	

2. Clarifications and definitions

When used in this Bond Agreement, the following words and terms shall have the following meaning and definition:

Additional Return:	If YES is specified, certain conditions set forth in Attachment apply regarding yield. If NA is specified, no provisions regarding Additional Return apply.
Attachment:	Any attachments to this Bond Agreement.
Bond Agreement:	This agreement including any Attachments to which it refers, and any subsequent amendments and additions agreed between the parties hereto.
Bond Trustee:	Norsk Tillitsmann ASA or its successor(s).
Bondholder:	Holder of Bond(s) as registered in the Securities Register.
Bondholders' Meeting:	Meeting of Bondholders as set forth in Section 5 of this Bond Agreement.
Bonds:	Covered Bonds (<i>obligasjoner med fortrinnsrett</i>) issued pursuant to this Bond Agreement and which are registered in the Securities Register and in the Issuer's Cover Pool Register, each a "Bond".
Business Day:	Any day when the Norwegian Central Bank's Settlement System is open and when Norwegian banks can settle foreign currency transactions.
Business Day Convention:	Convention for adjusting any relevant payment date ("Payment Date") if it would otherwise fall on a day that is not a Business Day; (i) If Modified Following Business Day is specified, the applicable Payment Date shall be the first following Business Day unless that day falls in the next calendar month, in which case the date shall be the first preceding Business Day. (ii) If No Adjustment is specified, the applicable Coupon Payment Date shall not be adjusted even if that day is not a Business Day (payments shall be made on the first following Business Day).
Call:	Issuer's early redemption right of Bonds at the date(s) stated (the "Call Date") and corresponding price(s) (the "Call Price"), ref. Clause 3.6. and 3.7. The Call Date shall be adjusted pursuant to the Business Day Convention. If NA is specified, the provisions regarding Call do not apply.
Coupon:	Rate of interest applicable to the Bonds; (i) If the Coupon is stated in percentage points, the Bonds shall bear interest at this rate per annum (based on the Day Count Fraction set forth in Section 1), from and including the Coupon Accrual Date to the Maturity Date. (ii) If the Coupon is stated as Reference Rate + Margin the Bonds shall bear interest at a rate per annum equal to the Reference Rate + Margin (based on the Day Count Fraction set forth in Section 1), from and including the Coupon Accrual Date to the first Coupon Date, and thereafter from and including each Coupon Date to the next Coupon Date until Maturity Date.

Coupon Accrual Date:	The date on which interest on the Bond starts to accrue. If NA is specified, Coupon Accrual Date does not apply.
Coupon Date:	Date(s) on which the payment of Coupon falls due. The Coupon Date shall be adjusted pursuant to the Business Day Convention.
Cover Pool:	<p>The pool of assets to which:</p> <ul style="list-style-type: none"> (i) the Bondholders, (ii) any other holders of bonds issued by the Issuer that have been given the same preferential rights in the same cover pool, and (iii) counterparties to derivative contracts that have been given the same preferential rights in the same cover pool, if any, as referred to in Section 2-28 (e) of the Financial Institutions Act, <p>have a preferential right in accordance with the Financial Institutions Act Chapter 2, Sub-chapter IV and regulations given pursuant thereto, and which are registered in the designated Cover Pool Register at any time, subject to changes pursuant to Clause 3.5.22 of this Bond Agreement.</p>
Cover Pool Register:	<p>The register of:</p> <ul style="list-style-type: none"> (i) the Bonds, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool, (iii) the derivative contracts which have been given the same preferential rights as the Bonds, and (iv) the assets in the Cover Pool, <p>- to be established and maintained by the Issuer in accordance with the Financial Institutions Act and regulations given pursuant thereto, and which is named as the "Cover Pool Register No. 1/2009".</p>
Currency:	The currency in which the Bonds are denominated.
Day Count Fraction:	<p>The convention for calculation of payment of Coupon.</p> <ul style="list-style-type: none"> (i) If 30/360 is specified, the number of days in the relevant coupon period shall be calculated from and including the Coupon Accrual Date/Coupon Date to the next Coupon Date on basis of a year of 360 days with 12 months of 30 days divided by 360, unless (a) the last day in the relevant coupon period is the 31st calendar day but the first day of the relevant coupon period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month, or (b) the last day of the relevant coupon period is the last calendar day in February, in which case February shall not be considered to be lengthened to a 30-day month. (ii) If Actual/360 is specified, the actual number of days in the relevant coupon period shall be from and including the Coupon Accrual Date/Coupon Date to the next Coupon Date. The number of days shall be divided by 360.

Exchange:	Exchange or other recognized marketplace for securities, on which the Issuer has, or has applied for, listing of the Bonds. If NA is specified, the terms of this Bond Agreement covering Exchange do not apply.
Extended Maturity Date:	The extended date on which the Bonds fall due, as set out in Clause 3.6.4. The Extended Maturity Date shall be adjusted pursuant to the Business Day Convention.
Face Value:	The face value of each Bond.
Financial Institution	Entity with authorization according to the Norwegian Financial Institution Act (1988/40)
Financial Institutions Act	The Norwegian Act No. 40 of 10 June 1988 on Financing Activity and Financial Institutions.
Initial Amount:	The amount equal to the aggregate Face Value of the Bonds (minimum) issued under the first Issue.
ISIN:	The identification number of the Bonds (International Securities Identification Number).
Issue:	Any issue of Bonds pursuant to this Bond Agreement.
Issue Date:	The date of the first Issue.
Issuer:	The person or entity that has issued the Bonds and is the borrower (debtor).
Issuer's Bonds:	Bonds owned by the Issuer, any party who has decisive influence over the Issuer, or any party over whom the Issuer has decisive influence.
Listing:	Indicates listing of the Bonds. If YES is specified, the Issuer shall submit an application in order to have the Bonds listed on the Exchange(s). If NO is specified, no obligation for listing applies, but the Issuer may, at its own discretion, apply for listing.
Margin:	Margin expressed in percentage points to be added to the Reference Rate (if the Margin is negative, it shall be deducted from the Reference Rate). If NA is specified, no Margin applies.
Maturity Date:	The date on which the Bonds fall due. The Maturity Date shall be adjusted pursuant to the Business Day Convention.
Maximum Amount:	Amount stating the maximum aggregate Face Value of Bonds which may be issued pursuant to this Bond Agreement. If NA is specified, the aggregate Face Value of the Bonds issued may not exceed the amount specified as the Initial Amount.
NIBOR:	(Norwegian Interbank Offered Rate) Interest rate fixed for a defined period on Reuters page NIBR at 12.00 noon Oslo time. In the event that Reuters page NIBR is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the Reference Rate, an alternative Reuters page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate as the initial Reference Rate shall be used. If this is not possible, the Bond Trustee shall calculate the Reference Rate based on comparable quotes from major banks in Oslo.
Outstanding Bonds:	The aggregate value of the total number of Bonds not redeemed or otherwise discharged in the Securities Register.

Paying Agent:	The entity acting as registrar for the Bonds in the Securities Register and paying agent on behalf of the Issuer in the Securities Register.
Put:	Bondholders' right to demand early redemption of Bonds at date(s) stated (the "Put Date") and corresponding price(s) (the "Put Price"), ref. Clause 3.6 and 3.7. The Put Date shall be adjusted pursuant to the Business Day Convention. If NA is specified, the provisions regarding Put do not apply.
Redemption Price:	The price, stated as a percent of the Face Value, at which the Bonds shall be redeemed on the Maturity Date.
Reference Rate:	NIBOR rounded to the nearest hundredth of a percentage point on each Reset Date, for the period stated. If NA is specified, Reference Rate does not apply.
Reset Date:	Dates on which the Coupon is fixed for the subsequent coupon period for Bonds where Reference Rate applies. The first Reset Date is two Business Days before the Coupon Accrual Date. Thereafter the Reset Date is two Business Days prior to each Coupon Date.
Securities Register:	The securities register in which the Bonds are registered.
Voting Bonds:	Outstanding Bonds less Issuer's Bonds, subject to Clause 5.3.2.

3. Other terms of the Issue

3.1. The purpose of the Issue

3.1.1. The purpose of the Issue is general financing of the Issuer.

3.2. Listing and prospectus

3.2.1. In the event that the Bonds are listed on the Exchange, matters concerning the listing requiring the approval of the Bondholders shall be resolved pursuant to the terms of this Bond Agreement.

3.2.2. In the event that the Bonds are listed on the Exchange, the Issuer shall submit the documents and the information necessary to maintain the listing.

3.2.3. The Issuer shall ensure that this Bond Agreement shall be incorporated in any prospectus and other subscription or information materials related to the Bonds.

3.3. Status

3.3.1. Status of the Bonds

The Bonds are unsubordinated obligations issued as covered bonds (obligasjoner med fortrinnsrett) in accordance with Chapter 2, Sub-chapter IV and appurtenant regulations of the Financial Institutions Act and rank *pari passu* among (i) themselves, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool and (iii) any obligations of the Issuer to counterparties under derivative contracts, if any, as referred to in Section 2-28 (e) of the Financial Institutions Act that have been provided the same preferred rights to settlement against the Cover Pool.

To the extent that claims in relation to the Bonds, other covered bonds and relating derivative agreements (both as registered in the Cover Pool Register) are not met out of the Cover Pool, the residual claims will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer, save for those preferred by law.

3.3.2. Cover Pool Register No. 1/2009

The Bonds are issued as covered bonds with preferential rights in the Issuer's first established pool of covered bonds, the Cover Pool Register No 1/2009.

3.4. Security

3.4.1. The Bonds are unsecured. In accordance with the Financial Institutions Act, the Bonds, together with (i) other covered bonds issued by the Issuer and registered in the Cover Pool Register at any time and (ii) any derivative contracts, as referred to in Section 2-28 (e) of the Financial Institutions Act and registered in the Cover Pool Register at any time, shall in the event of bankruptcy, negotiation of debt under the Bankruptcy Act, winding up of the Issuer or public administration of the Issuer, have an exclusive, equal and proportional preferential claim over the Cover Pool.

3.5. Covenants

3.5.1. The Issuer undertakes not to (either in one action or as several actions, voluntarily or involuntarily):

- (a) sell or otherwise dispose of all or parts of its assets or business,
- (b) change the nature of its business, or
- (c) merge, demerge or in any other way restructure its business,

if such action will materially and adversely affect the Issuer's ability to fulfil its obligations under this Bond Agreement.

3.5.2. Notwithstanding Clause 3.5.1, the Issuer shall be entitled to:

(a) acquire, sell or dispose of and/or replace assets covered by the Cover Pool at any time (including to terminate and/or enter into new derivative contracts pursuant to Section 2-28 (e) of the Financial Institutions Act), and

(b) issue new bonds with the same preferred rights to settlement against the Cover Pool as the Bonds,

provided always that the Cover Pool subsequent to such transaction(s) complies with the requirements in clause 3.5.3

3.5.3. Notwithstanding Clause 3.5.1 and 3.5.2, the Issuer undertakes to keep an over-collateralisation in the Cover Pool of at least 11.5% while the bonds are outstanding. If the parent bank's rating is changed to A2 or better, the Issuer's commitment of over-collateralisation will lapse.

3.5.4. For information covenants, see Clause 4.7.

3.6. Payments

3.6.1. On each Coupon Date the Issuer shall in arrears pay the accrued Coupon amount to the Bondholders.

3.6.2. On the Maturity Date the Issuer shall pay in respect of each Bond the Face Value multiplied by the Redemption Price to the Bondholders.

3.6.3. On the Maturity Date the Issuer shall pay any Additional Return (if applicable) to the Bondholders.

3.6.4. The Issuer may not apply any counterclaims in set-off against its payment obligations pursuant to this Bond Agreement.

If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Coupon Date occurring thereafter up to (and including) the relevant Extended Maturity Date.

- 3.6.5. If a Call or Put is exercised, the Issuer shall at the relevant date indicated under Call or Put pay to the Bondholders the Face Value of the Bonds to be redeemed multiplied by the relevant price for the relevant date plus accrued Coupon on the redeemed Bonds.
- 3.6.6. Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to this Bond Agreement.
- 3.6.7. In the event that the Issuer has not fulfilled its payment obligations pursuant to this Bond Agreement, interest shall accrue on the amount due at the higher of:
- (d) the seven day NIBOR plus 3.0 percentage points (to be fixed two Business Days before due date and thereafter weekly), and
 - (e) the applicable Coupon at the due date plus 3.0 percentage points.
- Default interest shall be added to the amount due on a monthly basis and accrue interest together with this (compound interest).

3.7. Exercise of Put and Call

- 3.7.1. Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least thirty Business Days prior to the relevant Call Date.
- 3.7.2. Partial exercise of Call shall be carried out by drawing of lots randomly between the Bonds (and with full repayment of each drawn Bond).
- 3.7.3. Exercise of Put shall be notified by the Bondholder to its Securities Register agent no later than fifteen Business Days prior to the relevant Put Date (to be forwarded to the Paying Agent).

4. Other terms and conditions

4.1. Conditions precedent

- 4.1.1. The Bond Trustee shall have received the following documentation, no later than 2 – two – Business Days prior to the Issue Date:
- (a) this Bond Agreement duly signed,
 - (b) the Issuer's corporate resolution to make the Issue,
 - (c) confirmation that the relevant individuals are authorised to sign on behalf of the Issuer this Bond Agreement and other relevant documents in relation hereto, (Company Certificate, Power of Authority etc.),
 - (d) the Issuer's Articles of Association,
 - (e) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (prospectus requirements) are fulfilled or not applicable,
 - (f) to the extent necessary, any public authorisations required for the Issue,
 - (g) confirmation that the Bonds have been registered in the Securities Register,
 - (h) any agreement regarding the Bond Trustee's fees and expenses as set forth in Clause 4.9.2 duly signed,
 - (i) confirmation according to Clause 4.2.2 if applicable,
 - (j) any other relevant documentation presented in relation to the Issue, and

(k) any statements (including legal opinions) required by the Bond Trustee regarding documentation in this Clause 4.1.1.

4.1.2. The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for the documentation as set forth in Clause 4.1.1.

4.1.3. The Issuance of the Bonds is subject to the Bond Trustee's written notice to the Issuer, the manager of the Issue and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.

4.2. Representations and warranties

4.2.1. At any Issue, the Issuer represents and warrants that:

- (a) all information which has been presented in relation to such Issue is, to the best knowledge of the Issuer, in accordance with the facts and contains no omissions likely to effect the importance of the information as regards the evaluation of the Bonds, and that the Issuer has taken all reasonable measures to ensure this,
- (b) the Issuer has made a valid resolution to make such Issue, and such Issue does not contravene any of the Issuer's other liabilities, and
- (c) public requirements have been fulfilled (i.a. Norwegian Securities Trading Act Chapter 7 and the Norwegian Issue Regulations 1996 no. 1247), and that any required public authorisations have been obtained.

4.2.2. The Bond Trustee may prior to any Issue require a statement from the Issuer confirming the Issuer's compliance with Clause 4.2.1.

4.3. Tap Issues (subsequent Issues)

4.3.1. If Maximum Amount is applicable (Section 1), the Issuer may make subsequent Issues ("Tap Issues") up to the Maximum Amount, provided that

- (a) the Tap Issue is made no later than five – 5 – Business Days prior to the Maturity Date, and that
- (b) all conditions set forth in Clauses 4.1.1 and 4.2.1 are still valid.

Each Tap Issue requires written confirmation from the Bond Trustee, unless (i) the Issuer is a Financial Institution and (ii) the Bonds constitute (senior) unsecured indebtedness of the Issuer (i.e. not subordinated).

4.3.2. The Issuer may, upon written confirmation from the Bond Trustee, increase the Maximum Amount. The Bondholders and the Exchange shall be notified of any increase in the Maximum Amount.

4.4. Registration of Bonds

4.4.1. The Issuer shall continuously ensure the correct registration of the Bonds in the Securities Register, and in the Cover Pool Register of the Issuer.

4.5. Interest Rate Fixing

4.5.1. If, pursuant to this Bond Agreement, the Coupon shall be adjusted during the term of the Bonds, any adjustments shall be carried out by the Bond Trustee. The Bondholders, the Issuer, the Paying Agent and the Exchange shall be notified of the new Coupon applicable until the next Coupon Date.

4.6. The Issuer's acquisition of Bonds

- 4.6.1. The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Register.

4.7. Information covenants

- 4.7.1. The Issuer undertakes to:

- a) without being requested to do so, inform the Bond Trustee of any other event which may have a material effect on the Issuer's ability to fulfil its obligations pursuant to this Bond Agreement,
- b) without being requested to do so, inform the Bond Trustee if the Issuer intends to sell or dispose of all or a substantial part of its assets or operations or change the nature of its business,
- c) upon request, provide the Bond Trustee with its annual and interim reports and any other information reasonably required by the Bond Trustee,
- d) upon request report to the Bond Trustee the balance of Issuer's Bonds,
- e) without being requested to do so, promptly upon the Issuer's receipt of the same, provide a copy to the Bond Trustee of any report(s) issued by the investigator to the Financial Supervisory Authority of Norway pursuant to the provisions of the Financial Institutions Act and regulations given pursuant thereto,
- f) without being requested to do so, provide a copy to the Bond Trustee of any notice to its creditors to be made according to applicable laws and regulations,
- g) without being requested to do so, send a copy to the Bond Trustee of notices to the Exchange which have relevance to the Issuer's liabilities pursuant to this Bond Agreement,
- h) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the Securities Register, and
- i) without being requested to do so, annually in connection with the release of its annual report, or upon request, confirm to the Bond Trustee compliance with any covenants set forth in this Bond Agreement.

4.8. Notices

- 4.8.1. Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the Securities Register with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at the web site www.stamdata.no.
- 4.8.2. The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the Securities Register with a copy to the Bond Trustee and the Exchange.

4.9. Expenses

- 4.9.1. The Issuer shall cover all its own expenses in connection with this Bond Agreement and the fulfillment of its obligations hereunder, including the preparation of this Bond Agreement, listing of the Bonds on the Exchange, and the registration and administration of the Bonds in the Securities Register.

- 4.9.2. The expenses and fees payable to the Bond Trustee shall be paid by the Issuer. For Financial Institutions, and Norwegian governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Trustee's web site (www.trustee.no) at the Issue Date, unless otherwise is agreed with the Trustee. For other issuers a separate fee agreement will be entered into.
- 4.9.3. Any public fees payable in connection with this Bond Agreement and fulfilling of the obligations pursuant to this Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
- 4.9.4. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.

5. Bondholders' Meeting

5.1. Authority of the Bondholders' Meeting

- 5.1.1. The Bondholders' Meeting represents the supreme authority of the Bondholders' community. If a resolution by or an approval of the Bondholders is required pursuant to this Bond Agreement or by law, such resolution shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding and prevail for all Bonds.

5.2. Procedural rules for the Bondholders' Meeting

- 5.2.1. A Bondholders' Meeting shall be held at the request of:
 - (a) the Issuer,
 - (b) Bondholders representing at least 1/10 of the Voting Bonds,
 - (c) the Bond Trustee, or
 - (d) the Exchange.
- 5.2.2. The Bondholders' Meeting shall be summoned by the Bond Trustee. A request for a Bondholders' Meeting shall be made in writing to the Bond Trustee, and shall clearly state the matters to be discussed.
- 5.2.3. If the Bond Trustee has not summoned a Bondholders' Meeting within 10 – ten – Business Days after having received such a request, then the requesting party may summon the Bondholders' Meeting itself.
- 5.2.4. Summons to a Bondholders Meeting shall be dispatched no later than 10 – ten – Business Days prior to the Bondholders' Meeting. The summons and a confirmation of each Bondholder's holdings of Bonds shall be sent to all Bondholders registered in the Securities Register at the time of distribution. The summons shall also be sent to the Exchange for publication.
- 5.2.5. The summons shall specify the agenda of the Bondholders' Meeting. The Bond Trustee may in the summons also set forth other matters on the agenda than those requested. If amendments to this Bond Agreement have been proposed, the main content of the proposal shall be stated in the summons.
- 5.2.6. The Bond Trustee may restrict the Issuer to make any changes in the number of Voting Bonds in the period from distribution of the summons until the Bondholders' Meeting.

- 5.2.7. Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Bondholders' Meeting may only be adopted with the approval of all Voting Bonds.
- 5.2.8. The Bondholders' Meeting shall be held on premises designated by the Bond Trustee. The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder, and be chaired by a representative elected by the Bondholders' Meeting.
- 5.2.9. Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the Bondholders represented at the Bondholders' Meeting with the appurtenant number of Bonds they may vote for. Further, the minutes shall record the resolutions passed at the meeting, and the result of the voting. The minutes shall be signed by the chairman and at least one other person elected by the Bondholders' Meeting. The minutes shall be deposited with the Bond Trustee and shall be available to the Bondholders.
- 5.2.10. The Bondholders, the Bond Trustee and representatives of the Exchange have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. Bondholders may attend by a representative holding proxy. Bondholders have the right to be assisted by an advisor. In case of dispute the Bond Trustee shall decide who may attend the Bondholders' Meeting.
- 5.2.11. Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present under the voting.

5.3. Resolutions passed at Bondholders' Meetings

- 5.3.1. At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Register. Whoever opens the Bondholders' Meeting shall decide any question concerning which Bonds shall count as Issuer's Bonds.
- 5.3.2. Issuer's Bonds have no voting rights, save in the event that the Issuer and/or Sparebanken Sør holds all Bonds issued under this Bond Agreement, in which case the Issuer's Bonds shall have ordinary voting rights and be deemed as Voting Bonds.
- 5.3.3. In all matters to be dealt with at the Bondholders' Meeting, the Issuer, the Bond Trustee and any Bondholder have the right to demand vote by ballot. In case of parity of votes, the chairman shall have the deciding vote, regardless of the chairman being a Bondholder or not.
- 5.3.4. In order to form a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting, see however Clause 5.4. Even if less than half (1/2) of the Voting Bonds are represented, the Bondholders' Meeting shall be held and voting completed.
- 5.3.5. Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, unless otherwise set forth in clause 5.3.5.
- 5.3.6. In the following matters, a majority of at least 2/3 of the votes is required:

- (a) any amendment of the terms of this Bond Agreement regarding the Coupon, the tenor, redemption price and other terms and conditions affecting the cash flow of the Bonds.
- (b) the transfer of rights and obligations of this Bond Agreement to another issuer (borrower), or
- (c) change of Bond Trustee.

5.3.7. The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.

5.3.8. The Bond Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented.

5.3.9. The Issuer, the Bondholders and the Exchange shall be notified of resolutions passed at the Bondholders' Meeting.

5.4. Repeated Bondholders' Meeting

5.4.1. If the Bondholders' Meeting does not form a quorum pursuant to Clause 5.3.3, a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance and the voting result of the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting.

5.4.2. When a matter is tabled for discussion at a repeated Bondholders' Meeting, a valid resolution may be passed even though less than half (1/2) of the Voting Bonds are represented.

6. The Bond Trustee

6.1. The role and authority of the Bond Trustee

6.1.1. The Bond Trustee shall monitor the compliance by the Issuer of its obligations under this Bond Agreement and applicable laws and regulations which are relevant to the terms of this Bond Agreement, including supervision of timely and correct payment of principal or interest, informing the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' Meetings, and make the decisions and implement the measures resolved pursuant to this Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in this Bond Agreement.

6.1.2. The Bond Trustee may take any step necessary to ensure the rights of the Bondholders in all matters pursuant to the terms of this Bond Agreement. The Bond Trustee may postpone taking action until such matter has been put forward to the Bondholders' Meeting.

6.1.3. The Bond Trustee may reach decisions binding for all Bondholders concerning this Bond Agreement, including amendments to the Bond Agreement, which, in the opinion of the Bond Trustee, do not have a material adverse effect on the rights or interests of the Bondholders pursuant to this Bond Agreement, see however Clause 6.1.5.

- 6.1.4. The Bond Trustee may reach decisions binding for all Bondholders in circumstances other than those mentioned in Clause 6.1.3 provided prior notification to the Bondholders are given, see however Clause 6.1.5. Such notice shall contain a proposal of the amendment and the Bond Trustee's evaluation. Further, such notification shall state that the Bond Trustee may not reach a decision binding for all Bondholders in the event that any Bondholder submit a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five (5) Business Days after the date of such notification.
- 6.1.5. The Bond Trustee may not reach decisions pursuant to Clauses 6.1.3 or 6.1.4 for matters set forth in Clause 5.3.5 except to rectify obvious incorrectness, vagueness or incompleteness.
- 6.1.6. The Bond Trustee may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 6.1.7. The Issuer, the Bondholders and the Exchange shall be notified of decisions made by the Bond Trustee pursuant to Clause 6.1 unless such notice obviously is unnecessary.
- 6.1.8. The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuer's approval, as provided for in Clause 5.3.5.

6.2. Liability and indemnity

- 6.2.1. The Bond Trustee is liable only for direct losses incurred by Bondholders or the Issuer as a result of negligence or wilful misconduct by the Bond Trustee in performing its functions and duties as set forth in this Bond Agreement. The Bond Trustee is not liable for the content of information provided to the Bondholders on behalf of the Issuer.
- 6.2.2. The Issuer is liable for and shall indemnify the Bond Trustee fully in respect of all direct losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer to fulfill its obligations under the terms of this Bond Agreement, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the establishment and performance of this Bond Agreement.

6.3. Change of Bond Trustee

- 6.3.1. Change of Bond Trustee shall be carried out pursuant to the procedures set forth in Section 5. The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.
- 6.3.2. The fees and expenses of a new bond trustee shall be covered by the Issuer pursuant to the terms set out in Clause 4.9, but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach of the Bond Trustee duties pursuant to the terms of this Bond Agreement or other circumstances for which the Bond Trustee is liable.
- 6.3.3. The Bond Trustee undertakes to co-operate so that the new bond trustee receives, without undue delay following the Bondholders' Meeting, the documentation and information necessary to perform the functions as set forth under the terms of this Bond Agreement.

7. General provisions

7.1. The Bondholders' community

- 7.1.1. Through their subscription, purchase or other transfer of Bonds, the Bondholders will be deemed to have acceded to this Bond Agreement and hereby accept that:
- (a) the Bondholders are bound by the terms of this Bond Agreement,
 - (b) the Bond Trustee has power and authority to act on behalf of the Bondholders,
 - (c) the Bond Trustee has, in order to administrate the terms of this Bond Agreement, access to the Securities Register to review ownership of Bonds registered in the Securities Register,
 - (d) this Bond Agreement establishes a community between Bondholders meaning that:
 - (i) the Bonds rank pari passu between each other,
 - (ii) the Bondholders may not, based on this Bond Agreement, act directly towards the Issuer and may not themselves institute legal proceedings against the Issuer,
 - (iii) the Issuer may not, based on this Bond Agreement, act directly towards the Bondholders,
 - (iv) the Bondholders may not cancel the Bondholders' community, and that
 - (v) the individual Bondholder may not resign from the Bondholders' community.
- 7.1.2. This Bond Agreement shall be publicly available from the Bond Trustee or the Issuer.

7.2. Dispute resolution and legal venue

- 7.2.1. Disputes arising out of or in connection with this Bond Agreement which are not resolved amicably shall be resolved in accordance with Norwegian law in the Oslo District Court.

7.3. Amendments

- 7.3.1. Amendments of this Bond Agreement may only be made with the approval of the parties to this Agreement, with the exception of amendments as set forth under Clause 6.1.8.

7.4. Contact information

- 7.4.1. The Issuer and the Bond Trustee shall ensure that the other party is kept informed of any changes in its postal address, e-mail address, telephone and fax numbers and contact persons.

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Issuer

.....
Bond Trustee