



# SECURITAS AB (publ)

(incorporated with limited liability in Sweden)

€3,000,000,000

## Euro Medium Term Note Programme

Under this €3,000,000,000 Euro Medium Term Note Programme (the **Programme**), Securitas AB (publ) (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). Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions herein. This does not affect any Notes already issued.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview 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 Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

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

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended (the **Prospectus Act 2005**) to approve this document as a base prospectus. The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Offering Circular or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005 on prospectuses for securities. Application has also 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 Offering Circular 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 (Bourse de Luxembourg) and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

The requirement to publish a prospectus under the Prospectus Directive (as defined below) only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive. References in this Offering Circular to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will, with respect to all Notes other than Exempt Notes, be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In the case of Exempt Notes, 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 will be set out in a pricing supplement document (the **Pricing Supplement**).

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR, EURIBOR, STIBOR or NIBOR as specified in the applicable Final Terms. As at the date of this Offering Circular, the administrators of LIBOR, EURIBOR, STIBOR and NIBOR are not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that administrators are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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

The Issuer has been rated BBB by Standard & Poor's Credit Market Services Europe Limited (**S&P**). The Programme has been rated BBB by S&P. S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **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 CRA Regulation. Notes issued under the Programme may be rated or unrated by S&P. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) 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, reduction or withdrawal at any time by the assigning rating agency.

Arranger  
**ING**  
Dealers

Citigroup  
Danske Bank  
HSBC  
KBC Bank  
SEB Banking

Commerzbank  
DNB BANK  
ING  
Nordea

Société Générale Corporate & Investment Banking

UniCredit Bank

The date of this Offering Circular is 21 February 2018

**This Offering Circular comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Offering Circular, Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant member state of the European Economic Area.**

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

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

**Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.**

**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 Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.**

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

**Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme 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 (or Pricing Supplement, in the case of Exempt 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 European Economic Area. 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 2002/92/EC (“*IMD*”), 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 (the “*PRIPs Regulation*”) for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIPs Regulation.

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

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

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or

pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular 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 document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Sweden and France) and Japan, see “*Subscription and Sale*”.

All references in this document to “*U.S. dollars*”, “*U.S.\$*” and “*\$*” refer to United States dollars, to “*SEK*” and “*Kronor*” refer to Swedish Kronor, to “*Sterling*”, “*GBP*” and “*£*” refer to pounds sterling, to “*EUR*”, “*euro*” and “*€*” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

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**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)) 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.**

## OVERVIEW OF THE PROGRAMME

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

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of the Commission Regulation (EC) No 809/2004 as amended (the **Prospectus Regulation**) implementing Directive 2003/71/EC.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

Issuer:	Securitas AB (publ)
Issuer Legal Entity Identifier (LEI):	635400TTYKE8EIWDS617
Description	Euro Medium Term Note Programme
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below and include operational risks and financial risks. 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 “ <i>Risk Factors</i> ” 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.
Arranger:	ING Bank N.V.
Dealers:	Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Danske Bank A/S DNB Bank ASA, Sweden Branch HSBC Bank plc ING Bank N.V. KBC Bank NV Nordea Bank AB (publ) Skandinaviska Enskilda Banken AB (publ) Société Générale UniCredit Bank AG  and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or

reporting requirements from time to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of this Offering Circular.

#### **Notes having a maturity of less than one year**

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

Issuing and principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Programme Size:	Up to €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.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms, or, in the case of Exempt Notes, the Pricing Supplement) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined:  (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps

and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

- (ii) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

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.

Zero Coupon Notes:

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

Exempt Notes:

The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

**Index Linked Notes:** Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

**Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

**Partly Paid Notes:** The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

**Notes redeemable in instalments:** The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:	<p>The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or 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.</p> <p>In addition, the applicable Final Terms may provide that Notes may be redeemable at the option of the Noteholders upon the occurrence of a Change of Control and a consequential rating downgrade or withdrawal (or refusal to provide a rating) in the circumstances set out in Condition 6(d)(B).</p> <p>Unless previously redeemed or purchased and cancelled, each Note, which is not a Zero Coupon Note or an Exempt Note, will be redeemed at an amount equal to at least 100 per cent. of its nominal amount on its scheduled maturity date.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "<i>Certain Restrictions – Notes having a maturity of less than one year</i>" above.</p>
Denomination of Notes:	<p>The 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 amount 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 "<i>Certain Restrictions – Notes having a maturity of less than one year</i>" above and save that the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p>
Taxation:	<p>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 provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.</p>
Negative Pledge:	<p>The terms of the Notes will contain a negative pledge provision as further described in Condition 3.</p>
Cross Default:	<p>The terms of the Notes will contain a cross default provision as further described in Condition 9.</p>
Status of the Notes:	<p>The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 3, unsecured obligations of</p>

the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Rating:	The Programme has been rated BBB by S&P. 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 (or applicable Pricing Supplement, in the case of Exempt Notes) 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, reduction or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	<p>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. 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 the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) 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.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are specific restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, Sweden and France) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".
United States Selling Restrictions:	Regulation S, Category 2, TEFRA D/TEFRA C/TEFRA not applicable, as specified in the Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*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 elsewhere in this Offering Circular (including the documents incorporated by reference) and reach their own views prior to making any investment decision.*

*In this section, the **Issuer** refers to, depending on the context, Securitas AB (publ) or the group in which Securitas AB (publ) is the parent company.*

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

#### *Ability to attract and retain appropriate staff*

The Issuer's services require development, marketing, sales and technical support. The Issuer's success depends on the Issuer's ability to attract, train and retain qualified personnel within all of these areas. The competition for staff within all of these areas is tough, and therefore there is a risk that the Issuer will not be able to hire enough staff to achieve the goals it aims for. If the Issuer fails to attract and retain qualified staff, the business and the development of the Issuer's services may suffer.

In addition, if the Issuer was to hire unsuitable staff, in permanent or temporary positions, or recruit such personnel as subcontractors, this could damage the Issuer's reputation and have an adverse effect on the growth and profitability of the Issuer.

#### *Price competition*

The security and guarding industry consists of markets that are highly exposed to competition. The market for manned security solutions is particularly fragmented, with low financial entry barriers for new actors, which results in the Issuer competing with a large number of actors of varying sizes. Actions taken by competitors may have an adverse effect on the Issuer's business, pricing, margins and profitability.

#### *Operating on international markets*

A major part of the Issuer's sales is carried out in markets outside Sweden. An important part of the Issuer's strategy is to continue to expand on international markets. The international sales are affected by costs and risks related to business on international markets, amongst others the following:

- the different and varying requirements and cultural factors of the jurisdictions the Issuer operates in, or may operate in, in the future;
- foreign exchange fluctuations;
- trade barriers;

- difficulties in supporting, managing and recruiting staff for operations abroad;
- longer payment cycles;
- difficulties with collecting accounts receivable and bad debt losses; and
- economic or political change or disturbance in the regions where the Issuer currently operates.

A negative development in any of these areas, in one or more countries, could lead to a reduction in the demand for the Issuer's services, cancelled or changed customer agreements, difficulties in collecting receivables and a higher cost of doing business. This could negatively affect the business, the operating result and the financial position.

*The Issuer's revenues and results varying from quarter to quarter due to fluctuating customer inflow and loss of customers*

The Issuer is dependent on contracts with a large number of customers, and the Issuer's results may vary over different time periods due to customer inflow and loss of customers. The Issuer's earnings and results for a given quarter cannot be used as a guide for future performance, and it is not always meaningful to compare the results for one quarter with another. This sometimes makes it difficult for investors to evaluate the Issuer's future prospects based on the results of previous quarters.

*Loss of one or more of the Issuer's most important customers in certain regions could result in a loss of a significant part of the Issuer's revenues*

In some of the regions where the Issuer operates, a small number of customers constitute a large part of the Issuer's income. If any of these customers or any of the Issuer's other large customers, does not generate the same volume of assignments in the future, or completely stops generating assignments, this could have a significant negative effect on the Issuer's financial results.

*Adverse global financial conditions could affect the Issuer's customers and the Issuer's business and results*

The Issuer's business and results are dependent on the Issuer's customers, both in the public and the private sector, having sufficient resources to purchase services from the Issuer. Customers may in the future reduce their purchases of the Issuer's services due to difficulties in obtaining credits, financial insecurity, budget deficits and concern for the stability of the market in general, which may reduce or delay the purchase of the Issuer's services. If the global economic conditions or the economic conditions on important markets are weakened, the Issuer's financial position and results may be significantly affected.

*A significant decrease in customers' budgets affects the Issuer's results*

There is a risk, particularly during periods of recession, that the Issuer's customers decrease, or are forced to decrease, their budgets for security solutions. This could have a significant adverse effect on the Issuer's business and the Issuer's revenues.

*Implementation of the Issuer's strategy may not be possible*

An important part of the Issuer's strategy is to focus on profitability and to differentiate itself from the competitors mainly through new technology. There is a risk that the Issuer will not be able to adhere to the established strategy and is not able to increase profitability in accordance with the strategy, which may have a negative effect on the Issuer. If the Issuer is successful in implementing the strategy, the Issuer may have to employ more staff in order to respond to the demands of the

customers, and if the Issuer is not able to recruit and retain qualified staff, it could have an adverse effect on the Issuer.

### *Acquisitions*

Part of the Issuer's strategy is to grow through acquisitions and during the last few years the Issuer has completed a number of acquisitions of companies within the security and guarding industry. There is a risk that the Issuer may not be able to carry out all desired acquisitions or investments in the future.

When acquiring other companies, there is a risk that the due diligence review performed by the Issuer does not include all the information that is required in order to make the correct decision from a financial as well as a cultural perspective. There is also a risk that the acquisition agreement is not correctly designed for management of the risks discovered during the due diligence review.

There is also a risk that the integration of acquired companies may result in unforeseen operational difficulties and costs. Apart from the usual acquisition markets, Europe and North America, acquisitions are now to a higher extent than previously made in markets such as Latin America, the Middle East, Asia and Africa or relate to acquisitions of security companies active within electronic security. Failing to successfully integrate acquired businesses with the Issuer, or to retain key personnel in acquired businesses, may have a significant negative effect on the Issuer's operations, financial position, results and future prospects.

There is also a risk that the Issuer may not be able to realise the expected benefits from a certain acquisition and that the profitability of the acquired company is lower than expected. Future acquisitions may also lead to incurrence of liabilities and contingent liabilities, as well as depreciation costs related to intangible assets. This could have a significant effect on the Issuer's results and financial position.

In general, given the Issuer's current strategy, technology acquisitions are by their nature considered to be higher risk than traditional guarding acquisitions.

### *The Issuer's ability to swiftly and efficiently respond to market developments*

The market for the Issuer's services is characterised by technical developments, changes in industry standards, changes in regulatory frameworks, and rapid changes of the requirements of customers. The introduction of products and services utilising new technology and the emergence of new industry standards and practices may make existing services difficult to sell. The future success of the Issuer depends on the Issuer's ability to improve its existing services, and on development and introduction of new services that are in line with technical advances and new industry standards.

In the future:

- the Issuer may not be able to develop and market new services that are in line with the technical improvements or industry standards that have been developed within the industry;
- the Issuer may experience difficulties that could delay or hinder successful development, introduction and marketing of new services; and
- the Issuer's services may not fully satisfy the demands of the market.

If the Issuer does not act swiftly and efficiently with regard to changing technology, the Issuer may not be able to compete effectively in the future.

#### *Maintenance of efficient internal control over financial reporting*

Neglecting to maintain an efficient internal control over financial reporting may lead to investigation or sanctions by the authorities, which could have a significant negative effect on the Issuer's business results and the confidence of investors in the financial information reported by the Issuer.

*Political, economic and military instability in the countries where the Issuer operates may disturb the Issuer's business and have a negative effect on the result*

Growth in new markets is a part of the Issuer's strategy for growth. Political, economic or military instability in these countries is a risk and may have a negative effect on both results and share price. The consequences of such instabilities are hard to overview and foresee, and are something that could further affect the business and the results in a negative manner.

#### *Unsatisfactory performance of assignments and services*

When the Issuer performs its assignments, there is a risk that agreed contractual terms are not fulfilled, which could have a negative effect on the contract portfolio's turnover speed, growth, customer relations and the Issuer's reputation. If, for example, the services do not correspond to the established requirements, the result may be a loss of property or damage to property or person, which in turn could lead to compensation claims levied against the Issuer. Another operational assignment risk which could affect profitability is the risk that the Issuer is not able to raise prices to customers, and thus is not able to fully compensate for salary rises and other cost increases. If the Issuer does not fulfill the operational requirements in relation to its customers, this could lead to compensation liabilities and also affect the Issuer's reputation, growth or ability to retain contracts, which may have an adverse effect on the Issuer's business and results.

#### *Burdensome contractual obligations*

The Issuer enters, through its business, into contracts with customers regarding the performance of the Issuer's services. In connection with such customer contracts, there is a risk that unrealistic undertakings and risks are included in the contract, which results in unbalanced terms for the type of assignment in question. Examples of such terms are unreasonable liabilities, unrealistic levels of service, adverse pricing mechanisms and disproportionately high compensation claims. These factors may affect margins and profitability and therefore have a negative effect on the Issuer's business and results.

#### *Interruption of and attack on IT systems*

The Issuer is, through its operations, dependent on a well-functioning IT infrastructure and its business operations involve areas that are vulnerable to cyber security incidents such as data breaches, intrusions, espionage and data privacy infringements and leakage. If service interruptions are not handled in an efficient manner, this may be a risk to the Issuer's operations as it could cause significant disruptions of the operations, affect the accuracy of reporting, cause delays and potentially lead to damage to the Issuer's reputation.

Attacks and cyber security incidents on the Issuer's and its customers' computers and systems could lead to economic loss, breach of contract, legal proceedings and damage to reputation, which could have an adverse effect on the Issuer's business and results.

#### *Criminal attacks*

An operational risk in the Issuer's business is linked to external or internal threats in the form of criminal attacks of various types, such as robbery, attempted robbery and theft, for example in connection with guarding and storing of valuable property, and also destruction and damage to life and property. The Issuer has a responsibility for the assets and facilities stored or guarded under an

assignment from its customers. If the proportion of such assets that are lost or otherwise damaged through criminal attacks increases, the costs of the Issuer's insurance may increase, and it may also have a negative effect on the market's confidence in the Issuer. Likewise, singular criminal events mean that the Issuer is liable for compensation and costs, which could have an adverse effect on the Issuer.

Due to the increased risk of terrorism and similar activities in the world, individuals may use employment at the Issuer to perform terrorism or similar activities. This could impact the Issuer's brand in a negative way as well as having a negative impact on the financial results.

#### *Legislation and other regulatory framework*

The Issuer's business is directly and indirectly affected by legislation, regulations and special requirements from authorities and other entities, such as insurance companies and industry organisations. Certain parts of the Issuer's business are subject to licensing. There are no guarantees that legislation, regulations and requirements issued by authorities and other entities will not change in the future and thus change the conditions for the Issuer's business. New directives from the authorities may be issued with regards to requirements for specific practices, security solutions, and training and certification of staff. It cannot be guaranteed that the Issuer manages to fulfil changed criteria for issuance of permits and authorisations. Such changed criteria may also lead to increased costs for the Issuer during a possible adjustment period to retain the required permissions, which could have a negative effect on the Issuer's business and results. Non-compliance could also result in lower quality, lost income, delays, penalties, fines or reputational damage. There is also a risk that the Issuer may not be able to obtain required and adequate insurances for its operations, or that the cost of these insurances increases. Further, there is the risk that the Issuer's tax situation may change in a negative direction as a result of new tax regulations or changed evaluations of tax authorities.

#### *Disputes*

The Issuer is subject to a number of disputes, see section "*Description of the Issuer – Disputes and other legal matters – Disputes*". Further, the Issuer has more than 335 000 employees and as such from time to time faces labour-related disputes with current or former employees in relation to various matters.

It cannot be excluded, and hence there is a risk, that the outcome of one or more of these disputes may have a negative effect on the Issuer due to compensation liability and/or deteriorated reputation. Neither can it be excluded that the Issuer may be subject to additional disputes or similar processes in the future, which may have an adverse effect on the Issuer, including for matters relating to performance under contracts, acquisitions or labour.

#### *Price risk related to cost increases*

As the Issuer operates on an open market, where the price of various products and services constantly fluctuates, there is a risk of lower margins if the Issuer is not able to manage increases in prices/salaries in a desirable manner, and the Issuer's costs increase at a faster pace than its revenues. One example of this particular risk facing the Issuer is the Introduction of the US Affordable Care Act, as described in "*Description of the Issuer – Strategy*".

#### *Management's estimates and evaluations*

There is a risk that certain balance sheet items and items outside the balance sheet, which must be evaluated with a high degree of subjectivity, such as goodwill, contract portfolio, pensions, legal exposure, risk reserves and deferred taxes, have not been sufficiently transparent. This can result in an incorrect presentation of the financial position.

### *Interest rate risk*

There is a risk that the Issuer's net income is affected as a result of changes in the general interest rate level. The Issuer has obtained loan financing in mainly USD, EUR and SEK, with both fixed and floating interest rates. Other external financing requirements may occasionally arise, for example in connection with acquisitions. Increased interest costs may have a negative effect on the Issuer's results.

### *Currency risk*

There is a currency risk as a result of the Issuer having operations in different countries, with different currencies. The Issuer's results may be negatively affected due to future foreign exchange fluctuations.

There is also a risk that the value of SEK regarding the equity in foreign currencies fluctuates due to changes in foreign exchange. Operating capital employed is financed through loans in local currencies and equity. This means that the Issuer, from a group perspective, has equity in foreign currencies which is exposed to changes in foreign exchange rates.

### *Liquidity risk*

Unforeseen cost increases and/or unforeseen income reductions may result in the Issuer's liquidity reserve being insufficient, which could have significant consequences for the Issuer's operations and results.

### *Financing risk*

If, due to adverse conditions on the financial markets, there are insufficient or only very expensive financial resources available, there is a risk that the Issuer will not be able to implement its strategy or invest in acquisitions or other investments, which could have a negative effect on its growth and profitability. This includes, inter alia, possible bankruptcy of banks, adverse foreign exchange rate fluctuations, lack of financing options through banks, bonds or other sources of financing, and downgrading of the Issuer's credit rating.

### *Credit and counterparty risk*

A large part of the Issuer's sales are based on contracts with medium-sized and large customers, where the relationship is established and long-term. Disruptions of these relationships may incur disruption of the stability of the payment flows that the Issuer is dependent on. Various deficiencies in the assessment of the creditworthiness of new customers may lead to services being rendered and products sold without any payment to the Issuer, if the customer experiences problems with payments or withholds payments. Disruptions and deficiencies of this kind may have an adverse effect on the Issuer's operations and results.

### *CSR Related Risks*

The Issuer is active in 57 jurisdictions throughout the world and has implemented Securitas' "Values and Ethics Code" to guide the performance of employees in all countries in ethical behaviour. The ethical risk level in many of these jurisdictions is higher than the risk level in many more established markets and there is a time of stricter legislation and increased enforcement activity and initiatives worldwide in areas such as sanction regimes, competition law and anti-corruption. Any breaches of or non-compliance with the Issuer's Values and Ethics Code, applicable law or other governance standards in the New Markets (as defined in "*Description of the Issuer – Business Segments*") or other jurisdictions in which the Issuer is active could have an adverse effect on the Issuer's operations and results, by subjecting it to, including but not limited to, fines, loss of operating licences and reputational harm.

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

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

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

### ***Risks applicable to all Notes***

- *Notes subject to optional redemption by the Issuer*

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

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

- *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, 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. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the prevailing market rates on its 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 to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

- *Floating Rate Notes which reference LIBOR*

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR rate is to be determined under the Terms and Conditions of the Notes, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

- *Notes linked to or referencing a “benchmark”*

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR, EURIBOR, STIBOR and NIBOR), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29 June 2016 and came into effect from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, 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 (as defined in Article 3(1)(17) of the Benchmarks Regulation) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of such "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "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. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead 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 or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

### ***Risks applicable to certain types of Exempt Notes***

- *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or

interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

- *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

- *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

- *Inverse 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.

### ***Risks related to Notes generally***

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

#### *Modification*

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### *Change of law*

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

#### *Notes where denominations involve integral multiples: definitive Notes*

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.

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

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

#### *The secondary market generally*

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.

### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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

### *Interest rate risks*

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

### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the 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 CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which are published simultaneously with this Offering Circular and have been filed with the CSSF shall be incorporated in, and form part of, this Offering Circular:

- (a) the Annual Reports of the Issuer for the financial years ended 31 December 2015 and 31 December 2016 respectively, which include the auditor’s report and audited consolidated and non-consolidated annual financial statements of the Issuer for the financial years ended 31 December 2015 and 31 December 2016 respectively, including the information set out at the following pages in particular:

<b>Consolidated Financial Information</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
Statement of income and statement of comprehensive income .....	Page 58	Page 58
Statement of cash flow .....	Page 60	Page 60
Balance Sheet .....	Page 62	Page 62
Statement of capital employed and financing .....	Page 63	Page 63
Statement of changes in shareholders' equity .....	Page 64	Page 64
Notes and Comments to the Consolidated Financial Statements .....	Pages 65-115	Pages 65-111

<b>Non-Consolidated Financial Information</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
Statement of income and statement of comprehensive income .....	Page 116	Page 112
Statement of cash flow .....	Page 116	Page 112
Balance Sheet .....	Page 117	Page 113
Statement of changes in shareholders' equity .....	Page 118	Page 114
Notes and Comments to the Non-Consolidated Financial Statements .....	Pages 119-125	Pages 115-121
Audit Report .....	Pages 127-131	Page 123

- (b) the review report and consolidated unaudited interim financial statements of the Issuer in respect of the fourth quarter and the 12 months ended 31 December 2017, including the information set out at the following pages in particular:

Statement of income and statement of comprehensive income .....	Page 16
Statement of cash flow .....	Page 17
Balance Sheet .....	Page 18
Statement of capital employed and financing .....	Page 18
Statement of changes in shareholders' equity .....	Page 19
Notes to the Financial Statements .....	Pages 22-25
Review Report	Page 15

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

- (c) the section entitled “Terms and Conditions of the Notes” from the offering circulars relating to the Programme dated 21 November 2011 (pages 39-60 inclusive), 12 September 2013 (pages 48-73 inclusive) and 29 February 2016 (pages 48-74 inclusive).

- (d) the sections entitled “Terms and Conditions of the Notes”, “Form of Final Terms” and “Overview of Programme” on page 3 to 7 inclusive of the second supplement dated 5 September 2012 to the Offering Circular dated 21 November 2011.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of this Offering Circular and each of the documents incorporated by reference in this Offering Circular will be published on the Luxembourg Stock Exchange’s website ([www.bourse.lu](http://www.bourse.lu)) and can be obtained from the office of the Issuer set out at the end of this Offering Circular and from the principal offices of the Issuing and Principal Paying Agent for the time being in Luxembourg.

Any parts of a document referred to herein which are not indicated in the cross-reference lists above are not incorporated by reference and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

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

## FORM OF THE NOTES

*Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

Each Tranche of Notes will be in bearer form and will, unless otherwise indicated in the applicable Final Terms, be initially issued in the form of a temporary global note (a **Temporary Global Note**) which 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 or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst 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 such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after the 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 (a **Permanent Global Note**) of the same Series or (ii) for definitive Notes of the same Series with, where applicable, receipts, interest 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 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, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event. 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 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 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 Agent.

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

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

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest 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 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 additional or alternative clearing system specified in the applicable Final Terms.

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 from 8.00 p.m. (London time) on such day, 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 29 February 2016, executed by the Issuer.

## FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes issued under the Programme.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC, 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 (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.]<sup>1</sup>

**[MiFID II product governance** – 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. 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.]

[Date]

**SECURITAS AB (publ)**

**Legal entity identifier (LEI): 635400TTYKE8EIWDS617**

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

**under the €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 Offering Circular dated 21 February 2018 [, as supplemented by the supplement[s] to the Offering Circular dated [date of supplement][ and [date of supplement],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive as amended (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at [www.bourse.lu](http://www.bourse.lu) and during normal business hours at the registered office of the Issuer and from the specified offices of the Paying Agents in London and Luxembourg.

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<sup>1</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products 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”.

*[The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular 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 Offering Circulars dated [21 November 2011 (and the supplement to it dated 5 September 2012) / 12 September 2013 / 29 February 2016]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 21 February 2018 [, as supplemented by the supplement[s] to the Offering Circular dated [date of supplement][ and [date of supplement],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions which are incorporated by reference into the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of the Offering Circular are available for viewing at *www.bourse.lu* and during normal business hours at the registered office of the Issuer and from the specified offices of the Paying Agents in London and Luxembourg.

*[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 subparagraphs. Italics denote directions for completing the Final Terms.]*

*[If the Notes have a maturity of less than one year from their date of issue, the minimum denomination may need to be £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 [ ] 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 21 below, which is expected to occur on or about [ ]][Not Applicable]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount:
  - (i) Tranche: [ ]
  - (ii) Series: [ ]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable)
5. (i) Specified Denominations: [ ]

*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*

*“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No*

Notes in definitive form will be issued with a denomination above [€199,000].")

- (ii) Calculation Amount (in relation to calculation of interest on Notes 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 Notes, Interest Payment Date falling in or nearest to [specify month and year]]

8. Interest Basis: [[ ] per cent. Fixed Rate]  
[[[ ] month LIBOR/EURIBOR/STIBOR/NIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified below)

9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount

10. Change of Interest Basis: [Specify any change from one Interest Basis to another and the date on which any such change occurs, or cross reference to paragraphs 12 and/or 13 and/or 14 below and identify there][Not Applicable]

11. Put/Call Options: [Investor Put]  
[Change of Control Put]  
[Issuer Call]  
[(further particulars specified below)]

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

12. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs 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  
(NB: 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]
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (vi) [Determination Date(s): [ ] in each year]  
(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.)
13. 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: [ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (vi) Screen Rate Determination:
- Reference Rate, Relevant Financial Centre and Specified [ ] month [LIBOR/EURIBOR/STIBOR/NIBOR]  
Relevant Financial Centre:

- Time:: [London/Brussels/Stockholm/Oslo]
- Specified Time: [11.00 a.m./12.00 p.m.]
- (Specified Time will be 11.00 a.m., except in respect of NIBOR where it will be 12.00 p.m.)*
- Interest Determination Date(s): [ ]
- (Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR and the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period if NIBOR)*
- Relevant Screen Page: [ ]
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (vii) ISDA Determination:
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]
- (In the case of a LIBOR or EURIBOR 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)]  
(See Condition 4 for alternatives)

14. 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]

#### PROVISIONS RELATING TO REDEMPTION

15. Notice periods for Condition 6(b): Minimum period: [ ] days  
Maximum period: [ ] days
16. 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: [[ ] per Calculation Amount]
- (iii) If redeemable in part: [Not Applicable - the Notes are not redeemable in part]
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- (iv) 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 Agent)*
17. 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] *(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)*
- (iii) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] 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 Agent)*
18. Final Redemption Amount: [ ] per Calculation Amount
19. Change of Control Put: [Applicable/Not Applicable]
20. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount

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

21. (a) Form of Notes:
- [Form:] Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]
- [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event] *(N.B: this option may only be used where "TEFRA not applicable" has been specified below.)*]
- [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>2</sup>]
- (N.B. The exchange upon notice/at any time options or Temporary Global Note exchangeable*

<sup>2</sup> Include for Notes that are to be offered in Belgium.

for Definitive Notes on and after the Exchange Date option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

- (b) [New Global Note: [Yes][No]]
22. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details] *(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 13(iii) relates)*
23. Talons for future Coupons to be attached to definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

### THIRD PARTY INFORMATION

*[[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 Securitas AB (publ):

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Applications [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Bourse de Luxembourg and listed on the Official List of the Luxembourg Stock Exchange] with effect from [ ].]

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

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

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert credit rating agency legal name(s)].][Not Applicable]

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

[Save for the fees [of [insert 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][Not Applicable]

*[(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 Offering Circular under Article 16 of the Prospectus Directive.)]*

### 4. YIELD (Fixed rate notes only) [Not Applicable]

Indication of yield: [ ]

### 5. OPERATIONAL INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CFI: [[ ]/Not Applicable]
- (iv) FISN: [[ ]/Not Applicable]

- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Date of Subscription Agreement: [ ]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D Rules/TEFRA C Rules/TEFRA not applicable]]

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

## FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC, 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 (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>

**[MiFID II product governance** – 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. 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.]

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.**

[Date]

**SECURITAS AB (publ)**

**Legal entity identifier (LEI): 635400TTYKE8EIWDS617**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €3,000,000,000  
Debt Issuance Programme**

### **PART A – CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 21 February 2018 [as supplemented by the supplement[s] dated [date[s]]] (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular is available for viewing during normal business hours at

<sup>1</sup> Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products 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".

www.bourse.lu and during normal business hours at the registered office of the Issuer and from the specified offices of the Paying Agents in London and Luxembourg.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular [dated [21 November 2011 (and the supplement to it dated 5 September 2012) / 12 September 2013 / 29 February 2016] which is incorporated by reference in the Offering Circular]<sup>2</sup>. Any reference in the Conditions to "relevant Final Terms" shall be deemed to include a reference to "relevant Pricing Supplement", where relevant.

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

*[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 £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 [*identify 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 23 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: [ ]
- (ii) Calculation Amount (in relation to calculation of interest on Notes 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.)*

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<sup>2</sup> Only include this language for a fungible issue where the original tranche was issued under an Offering Circular with a different date.

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 Notes, Interest Payment Date falling in or nearest to [specify month and year]*]
8. Interest Basis: [[ ] per cent. Fixed Rate]  
[[*specify Reference Rate*] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[*specify other*]  
(further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[*specify other*]
10. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
11. Put/Call Options: [Not Applicable]  
[Investor Put]  
[Change of Control Put]  
[Issuer Call]  
[(further particulars specified below)]

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

12. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs 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]
- (v) Day Count Fraction: 30/360/Actual/Actual (ICMA)/specify other
- (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)*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]
13. 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:  [, subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention: Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other][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/specify other
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):
- (vi) Screen Rate Determination:
- Reference Rate, Relevant Financial Centre and Specified Time: Reference Rate:   month  [LIBOR/EURIBOR/STIBOR/NIBOR].  
 Relevant Financial Centre:  [London/Brussels/Stockholm/Oslo]  
 Specified Time:  [11.00 a.m./12.00 p.m.]

(Specified Time will be 11.00 a.m., except in respect of NIBOR where it will be 12.00 p.m.)

- Interest Determination Date(s): [     ]
 

(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period if STIBOR and the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period if NIBOR )
  
- Relevant Screen Page: [     ]
  
- (vii) ISDA Determination:
  - Floating Rate Option: [     ]
  - Designated Maturity: [     ]
  - Reset Date: [     ]
 

(In the case of a LIBOR or EURIBOR 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) *Other*] (See Condition 4 for options)
  
- (xiii) Fallback provisions, rounding provisions and any other terms relating to the method of [     ]

calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:

14. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
  - (iii) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [ ]
  - (iv) Day Count Fraction in relation to Early Redemption Amounts: [30/360  
[Actual/360]  
[Actual 365]
15. Index Linked Interest Note [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: *[give or annex details]*
  - (ii) Calculation Agent *[give name]*
  - (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
  - (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
  - (v) Specified Period(s)/Specified Interest Payment Dates: [ ]
  - (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
  - (vii) Additional Business Centre(s): [ ]
  - (viii) Minimum Rate of Interest: [ ] per cent. per annum
  - (ix) Maximum Rate of Interest: [ ] per cent. per annum
  - (x) Day Count Fraction: [ ]

16. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

**PROVISIONS RELATING TO REDEMPTION**

17. Notice Periods for Condition 6(b): Minimum period: [ ] days  
Maximum period: [ ] days
18. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part: [Not Applicable – the Notes are not redeemable in part]
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- (iv) 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 Agent or Trustee)*

- (v) Option period: [ ]
19. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (iii) 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 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 Agent or Trustee)*
- (iv) Option period: [ ]
20. Change of Control Put: [Applicable][Not Applicable]
21. Final Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix]
22. Early redemption amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required): [[ ] per Calculation Amount/specify other/see Appendix]

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

23. Form of Notes:
- (i) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]  
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]  
 [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event] ((N.B.: this option may only be used where "TEFRA not applicable" has been specified below.))]  
 [Notes shall not be physically delivered in Belgium except to a clearing system, a depositary or other

institution for the purpose of their immobilisation in accordance with article 4 of the Belgium Law of 14 December 2005<sup>3</sup>]

*(N.B. The exchange upon notice/at any time options or Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

- (ii) New Global Note: [Yes][No]
24. Additional Financial Centre(s): [Not Applicable/give details]
- (Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub paragraphs 13(iii) ad 15(vii) relate)*
25. 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]
26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. [Not Applicable/give details. *N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]*
27. Details relating to Instalment Notes: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Instalment Amount(s): *[give details]*
- (ii) Instalment Date(s): *[give details]*
28. Other final terms: [Not Applicable/give details]

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<sup>3</sup> Include for Notes that are to be offered in Belgium.

**RESPONSIBILITY**

The Issuer accept[s] responsibility for the information contained in this Pricing Supplement. [[*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 Securitas AB (publ):

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

1. **LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market - note this must not be a regulated market*] with effect from [ ].][Not Applicable]

2. **RATINGS**

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [Standard & Poor's Credit Market Services Europe Limited]].

*(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 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]

4. **[USE OF PROCEEDS**

Use of Proceeds: [ ]

*(Only required if the use of proceeds is different to that stated in the Offering Circular)*

5. **OPERATIONAL INFORMATION**

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) CFI: [[ ]/Not Applicable]

(iv) FISN: [[ ]/Not Applicable]

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

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

- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) [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 this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 6. 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 2; [TEFRA D Rules/TEFRA C Rules/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail Investors [Applicable/Not Applicable]
- (vii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

## 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, in the latter case only if permitted by the rules of the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. 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 Securitas AB (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 definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 29 February 2016 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agent named therein (together with the 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. Exempt Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, 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 completes these Terms and Conditions (the **Conditions**) or if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an **Exempt Note**), the final terms (or the relevant provisions thereof) of such Exempt Note are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the **applicable Final Terms** are unless otherwise stated to Part A of the Final Terms (or the relevant provisions thereof) attached to, or endorsed on, this Note. Any reference in this section to **applicable Final Terms** shall be deemed to include a reference to **applicable Pricing Supplement** where relevant. The expression **Prospectus**

**Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

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 **Receiptholders** shall mean the holders of the Receipts and 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) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders, the Receiptholders 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 29 February 2016 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary or common safekeeper, as the case may be, 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 of each of the 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)). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, 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 these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **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)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

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

Subject as set out below, title to the Notes, Receipts 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, Receipt 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 additional or alternative clearing system specified in Part B of the applicable Final Terms.

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

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank pari passu among themselves and (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.

## **3. NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will ensure that no Relevant Indebtedness (as defined below) of the Issuer or any of its Subsidiaries (as defined below) will be secured by any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Subsidiaries unless the Issuer shall, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Extraordinary Resolution (which is defined in the Agency Agreement as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders

EXCEPT THAT the foregoing provision shall not apply to any Security Interest (i) arising by operation of law or (ii) created by an entity which becomes a Subsidiary of the Issuer after the date of the creation of such Security Interest, which Security Interest was not created in connection with or in contemplation of such entity becoming a Subsidiary of the Issuer and does not extend to or cover any assets of the Issuer or any of its other Subsidiaries PROVIDED THAT the amount of Relevant Indebtedness secured by such Security Interest shall not be increased after the date such entity becomes a Subsidiary of the Issuer.

For the purposes of these Terms and Conditions:

- (a) **Relevant Indebtedness** means (i) any present or future indebtedness which has an initial maturity of more than 12 months (whether being principal, premium, interest or other amounts) represented or evidenced by notes, bonds, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended to be, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity of any such indebtedness; and
- (b) **Subsidiary** means a subsidiary within the meaning of the Swedish Companies Act (2005:551).

#### 4. INTEREST

- (a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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

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

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

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); 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, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the

Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

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

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) 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 (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days specified in the applicable Final Terms) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) 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 these Terms and 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.

(b) *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 (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

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

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

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Luxembourg and each Additional Business Centre (other than TARGET2 System) 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 Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 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 Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

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

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

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

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being LIBOR, EURIBOR, STIBOR or NIBOR as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time in the Relevant Financial Centre 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 Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent

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 (1) above, no offered quotation appears or, in the case of (2) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent 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 Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent 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 Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for 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), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent 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 the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In the case of Exempt Notes, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, STIBOR or NIBOR, the Rate of Interest in respect of the Notes will be determined as provided in the applicable Pricing Supplement.

In this Condition 4(b)(ii), **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of

four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Agent.

(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 Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent 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, if they are Partly Paid Notes, the aggregate amount paid up); 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 is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

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

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

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (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:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> 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 Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

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

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer 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 Luxembourg 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 **Luxembourg 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 Luxembourg.

(vii) *Certificates to be final*

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

(c) *Exempt Notes*

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 4.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(d) *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 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 Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## **5. PAYMENTS**

(a) *Method of payment*

Subject as provided below:

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

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

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Presentation of definitive Notes, Receipts and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against 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, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 5(d)) 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.

(c) *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 and

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 against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *Specific provisions in relation to payments in respect of certain types of Exempt Notes*

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked 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.

(e) *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.

(f) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the

relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) each Additional Financial Centre (other than 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 Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.
- (g) *Interpretation of principal and interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

## **6. REDEMPTION AND PURCHASE**

### *(a) 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 (which, in the case of Notes other than Zero Coupon Notes or Exempt Notes, shall be an amount equal to at least 100 per cent. of its nominal amount) specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for tax reasons*

Subject to Condition 6(e), 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 nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of 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
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent 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(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (which notice 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 the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than 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) and in the case of Redeemed Notes represented by a Global Note, will be selected not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and

including) the date fixed for redemption pursuant to this paragraph (c) 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.

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

(A) Investor Put (other than a Change of Control Put)

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

To exercise the right to require redemption of this Note the holder of this Note must if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, 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 to which payment is to be made under this Condition and the Put Notice must be 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 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 depository or common safekeeper, as the case may be, for them to the 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 paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(B) Change of Control Put

(i) If Change of Control Put is specified as being applicable in the applicable Final Terms, this Condition 6(d)(B) shall apply.

(ii) If, at any time while any Note remains outstanding, either of the following events shall occur (each, as applicable, a **Put Event**):

(a) a Change of Control occurs and, if at the start of the Change of Control Period the Notes or the Issuer are rated by any Rating Agency, a Rating Downgrade in respect of that Change of Control occurs and continues within such Change of Control Period; or

(b) a Change of Control occurs and, on the occurrence of the Change of Control, none of the Notes or the Issuer are rated by any Rating Agency and the Notes or the Issuer are not within the Change of Control Period assigned an investment grade rating

(BBB-/Baa3, or their respective equivalents for the time being, or better) (an **Investment Grade Rating**) by a Rating Agency,

the holder of each Note will have the option (the **Put Option**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 6(b) or 6(c)) to require the Issuer to redeem or, at the Issuer's option, to purchase or procure the purchase of that Note on the Optional Redemption Date (as defined below), at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to but excluding the Optional Redemption Date.

(iii) For the purposes of this Condition 6(d)(B):

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or persons acting in concert or any person or persons acting on behalf of any such person(s) (the **Relevant Person(s)**) at any time directly or indirectly come(s) to own or acquire(s) (A) more than 50 per cent. of the issued ordinary share capital of the Issuer; or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person(s) are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person(s) as such shareholders have, or as the case may be, had in the share capital of the Issuer;

**Change of Control Period** means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant Change of Control and (B) the date of the earliest Potential Change of Control Announcement (as defined below) provided that this results in a Change of Control within 180 days, if any, and (ii) ending on the date which is 90 days after the date on which the relevant Change of Control occurs (such 90th day, the **Initial Longstop Date**); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Notes or the Issuer, if a Rating Agency publicly announces, at any time prior to the Initial Longstop Date, that it has placed its rating of the Notes or the Issuer under consideration for rating review as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 60 days after the Initial Longstop Date;

**Potential Change of Control Announcement** means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (whereby **near-term** shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within three months of the date of such announcement or statement);

**Put Option Receipt** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to require the Issuer to redeem or, as the case may be, purchase or procure the purchase of a Note pursuant to this Condition 6(d)(B);

**Rating Agency** means any of the following: (i) Standard & Poor's Credit Market Services Europe Limited; (ii) Moody's Investors Service Limited; or (iii) any other rating agency of equivalent international standing specified from time to time by the Issuer, and, in each case, their respective successors or affiliates; and

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 or the Issuer by any Rating Agency is (i) withdrawn and not reinstated during the Change of Control Period to an Investment Grade Rating by any Rating Agency or (ii) changed from an Investment Grade Rating to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) and is not raised again to an Investment Grade Rating within the Change of Control Period or (iii) if such rating previously assigned to the Notes or the Issuer by any Rating Agency was below an Investment Grade Rating, lowered by at least one full rating notch (for example, from BB+ to BB or their respective equivalents) and is not raised again to its earlier credit rating or better by such Rating Agency within the Change of Control Period; provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating does not confirm in writing to the Issuer or publicly announce or publicly confirm that the reduction was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control or Potential Change of Control Announcement.

- (iv) 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 Put Option contained in this Condition 6(d)(B).
- (v) To exercise the Put Option to require the Issuer to redeem or, as the case may be, purchase or procure the purchase of a Note under this Condition 6(d)(B), the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **Put Period**) of 45 days after the Put Event Notice is given, a duly completed and signed Put Notice in the form (for the time being current) obtainable from the specified office of any Paying Agent and in which the holder must specify a bank account to which payment is to be made under this Condition and the Put Notice must be 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 Put Option to require the Issuer to redeem or, as the case may be, purchase or procure the purchase of the Note under this Condition 6(d)(B), the holder of this Note must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

The Paying Agent to whom a Note has been so delivered or, as applicable, the Agent shall deliver a duly completed Put Option Receipt to the relevant holder. 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(d)(B) shall be irrevocable except where prior to the Optional Redemption Date an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6(d)(B) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

- (vi) The Issuer shall redeem or, at the option of the Issuer, purchase or procure the purchase of the Notes in respect of which the Put Option has been validly exercised as provided in Condition 6(d)(B)(v) on the date which is the fifth Payment Day following the end of the Put Period (the **Optional Redemption Date**). Payment in respect of any Note in respect of which the Put Option has been validly exercised will be made on the Optional Redemption Date to the Noteholder's bank account specified in the Put Notice (if any) or otherwise in accordance with Condition 5.
- (vii) For the avoidance of doubt, the Issuer shall not have any responsibility for any costs or loss of whatever kind (including breakage costs) which any Noteholder may incur as a result of or in connection with such Noteholder's exercise, or purported exercise, of, or otherwise in connection with, any Put Option, whether upon the occasion of any purchase or redemption arising therefrom or otherwise.
- (e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9:

- (i) each Note (other than a Zero Coupon Note) will be redeemed at the Early Redemption Amount; and
- (ii) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face 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; 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.

- (f) *Specific redemption provisions applicable to certain types of Exempt Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 6(b), Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(g) *Purchases*

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent for cancellation.

(h) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, 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 paragraph (g) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(i) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) 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 paragraph (e)(ii) 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 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, Receipts 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 such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts 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, Receipts 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, Receipt or Coupon:

- (a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) 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(f)).

As used herein:

- (i) **Tax Jurisdiction** means Sweden or any political subdivision or any authority thereof or therein having power to tax and/or any other territory or political subdivision to the taxing jurisdiction of which the Issuer becomes subject generally; 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 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 13.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes, Receipts or Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

## **8. PRESCRIPTION**

The Notes, Receipts 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(b) or any Talon which would be void pursuant to Condition 5(b).

## **9. EVENTS OF DEFAULT**

### *(a) Events of Default*

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

- (i) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days in either case; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment; (iii) any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person,

provided that no event described in this Condition 9(a)(iii) shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability either alone or when aggregated with other Indebtedness for Borrowed Money and/or other liabilities relative to all (if any) other events which shall have occurred and be continuing shall amount to at least €25,000,000 (or its equivalent in any other currency); or

- (iv) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or
- (v) if the Issuer or any of its Principal Subsidiaries ceases to carry on all or substantially all of its business, (save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders) or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vi) if (A) an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (vii) if the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

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

(b) *Definitions*

For the purpose of these Terms and Conditions:

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

**Principal Subsidiary** at any time shall mean a Subsidiary of the Issuer:

- (i) whose (a) total profits, before tax and extraordinary items, or (b) Total Tangible Assets (as defined below) represent 5 per cent. or more of the consolidated total profits, before tax and extraordinary items, of the Issuer and its consolidated Subsidiaries, or, as the case may be,

consolidated Total Tangible Assets of the Issuer and its consolidated Subsidiaries, in each case calculated by reference to the latest audited financial statements of such Subsidiary and the latest audited consolidated financial statements of the Issuer and its consolidated Subsidiaries; or

- (ii) to which is transferred all or substantially all of the business, undertaking or assets of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon the transferor Subsidiary shall immediately cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary under this sub-paragraph (ii) upon publication of its next audited financial statements;

**Total Tangible Assets** means the aggregate of the book values of the tangible assets of any company or group of companies as at any time and from time to time valued and disclosed in the most recent audited balance sheet or, as the case may be, audited consolidated balance sheet of such company or group of companies.

A report by the independent auditors for the time being of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

## **10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the 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, Receipts, 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 Part B of 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 an Agent and a Paying Agent with its specified office in a country outside each Tax Jurisdiction; and
- (b) so long as the Notes are listed on any stock exchange, 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 any 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(e). Notice of any variation, termination, appointment or change in Paying Agents 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, Receiptholders 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 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 (i) in a leading English language daily newspaper of general circulation in London, and (ii) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/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 and regulations of any stock exchange (or any other 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, there may, 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 or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority) and/or on the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu). Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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 Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

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

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or

cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

- (a) any modification (except such modification in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

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

## **15. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders 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 the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **16. 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.

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

- (a) *Governing law*

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

- (b) *Submission to jurisdiction*

The Issuer agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) may be brought in such courts.

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

To the extent permitted by law, nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) *Appointment of Process Agent*

The Issuer appoints Securitas Services Holding UK Limited at its registered office at St James House, 13 Kensington Square, London W8 5HD as its agent for service of process, and undertakes that, in the event of Securitas Services Holding UK Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) *Other documents*

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes which includes making a profit.

## DESCRIPTION OF THE ISSUER

In this section, the **Issuer** refers to, depending on the context, Securitas AB (publ) or the group in which Securitas AB (publ) is the parent company.

### General

The Issuer is a public limited liability company, established and registered in accordance with the Swedish Companies Act, with the corporate name Securitas AB (publ), and with its headquarters and registered address at PO Box 12 307 (Lindhagensplan 70), 102 28 Stockholm, Sweden. Its telephone number is +46 (0)10 470 30 00.

The Issuer was registered on 19 August 1987 with the former Patent and Registration Office (Sw. Patent- och registreringsverket) under the laws of Sweden for an indefinite period. The Issuer's registration number is 556302-7241. The current corporate name, Securitas AB (publ), was registered on 2 June 1995 (previously having been Securitas Aktiebolag and prior to that Securitas Holding Aktiebolag). As stated in the Issuer's articles of association at Article 3, the Issuer's corporate purpose is – directly or indirectly through its subsidiaries (the **Securitas Group**) – to pursue guard business, offer services and products within the field of security, own and administer real and movable estate, as well as to pursue other compatible business.

The Issuer is the holding company of all the companies in the Securitas Group, directly or indirectly, and the assets of the Issuer are substantially comprised of shares in Securitas Group companies. The Issuer does not conduct any business itself and is therefore dependant on the Securitas Group companies and the revenues received by them.

### History and developments

- 1934** Erik Philip-Sörensen acquires Hälsingborgs Nattvakt in Helsingborg, Sweden. It expands as Sörensen acquires a number of other security companies in southern Sweden. The amalgamated company is called Förenade Svenska Vakt AB.
- 1942** A department is started in Stockholm, making the company nationwide.
- 1949** Securitas Alarm is founded in Sweden to meet the demand for alarm technology as a complement to the guarding services.
- 1972** The company is named Securitas and the logotype of three red dots is created.
- 1973** Securitas is sold to Sörensen's two sons.
- 1984** Securitas in Sweden is sold to Skrinet.
- 1985** Investment AB Latour becomes Securitas' new owner.
- 1989** Securitas initiates its international expansion with acquisitions in Norway, Denmark and Portugal.
- 1991** Securitas is listed on the Stockholm Stock Exchange.
- 1999** The establishment of Securitas in the US starts with the acquisition of Pinkerton.
- 2006** Securitas is divided into three separate listed companies; Securitas AB, Niscayah Group AB (former Securitas Systems AB) and Securitas Direct AB.
- 2008** The former division Loomis is distributed to shareholders and listed as a separate company on the Stockholm Stock Exchange.

## **Business overview**

The Issuer's core business is Protective Services. The main service offerings are on-site, mobile and remote guarding combined with electronic security, fire and safety and corporate risk management, together called Protective Services. The Issuer is a global company and most of its business originates in North America and Europe. The Issuer is also well represented in Latin America. A security solution includes deployment of qualified security officers, and the following components are often used in combination to create an optimal solution:

- electronic systems: intrusion alarms, access control and surveillance cameras;
- physical security: fences, turnstiles and gates; and
- software: reporting, communication, logging and verification systems.

The Issuer partners with various systems, hardware and software subcontractors. The Issuer serves customers in 57 countries and in various types of industries and customer segments, ranging from governments, airports, logistics, offices, banks, shopping centres, hotels, manufacturing industries, mining industries, hospitals and residential areas to high-tech and IT companies. The size of the customers varies from small local to large global firms.

In the US, the Issuer offers security solutions to customers in sectors such as the automotive industry, the petrochemical industry, seaports, high-rise buildings, healthcare and gated communities. Nationwide customers are also offered specialist expertise in areas such as IT, telecommunications and retail security. In Europe, the Issuer provides customised services for such segments as the retail industry, public transport and logistics. In addition, there are specialised aviation security solutions that service airports, airlines and airport-related businesses. The Issuer also contracts increasingly with global customers that are looking for supplier consolidation.

## **A growing global industry**

The global security services market employs several million people and has annual sales of approximately USD 110 billion. In the long term, the industry is expected to grow about 6 per cent. annually. Security services are in demand all over the world, in all industries and in both the public and private sectors, which means that the Issuer's total market is well diversified both from a geographical and a business segment perspective. Security needs must be fulfilled so that growth and development can prosper. Therefore, the demand for the Issuer's services is closely linked to global economic development and social and demographic trends. As the global economy grows and develops, so does the Issuer. Besides general economic growth, the main driving forces for growth in the security services industry are:

- increased privatisation through the outsourcing of public security services needs to private actors is done to control or reduce public spending and, sometimes, to open the market for competition due to political decisions;
- continued industrialisation and increased global industrial activity leads to investments in factories, offices and other workplaces that all have specific security needs especially since social control reduces while at the same time people expect open and friendly environments where security is taken care of by professionals; moreover the industry works according to just-in-time principles where disturbances to the supply chain cannot be afforded;
- increased urbanisation leads to a higher population density and greater social differences. and this disparity causes social tension and insecurity, creating a need for additional security services;

- middle class growth in maturing and developing markets is continuing, and as disposable income and net worth rises there is more to protect and more customers that can afford to do so, which fuels demand for security services;
- infrastructure investments in, for example, real estate, public transport and public logistic hubs create a need to safeguard these assets, which increases demand for security services;
- a heightened sense of terror alert is becoming more widespread globally, increasing demand for security consultation and services from both the public and private sectors; and
- large scale migration from developing countries into Europe is creating extra demand for private security to help ensure the safety and welfare of the migrants and their families.

## **Global Market Trends**

The driving forces for the growth described above also create trends in the various security services requested by the Issuer's customers. The most important trends in the security services market today are increased use of technology, customised and cost-effective services, and a greater focus on risk management.

### ***Increased use of technology***

Increased use of technology allows security companies to offer customers even higher efficiency and quality in security solutions. The higher the labour costs in a country, the more attractive it becomes to raise the technological level of the security solution. However, countries with low labour costs are also showing greater interest in using more technology in security solutions.

### ***Customised and cost-effective services***

Each industry, company and operation has specific needs and requirements in terms of security. Customers expect suppliers to identify and respond to their specific challenges, providing specialist know-how and dedicated resources. If security suppliers can meet these challenges, they will be granted more responsibility by companies. Customers are generally prepared to pay more for a service with greater content, higher quality and relevant specialist skills. In certain markets, there is also a willingness to pay a premium to have one contact person in charge of the entire solution, thus gaining better control and more effective administration.

### ***Greater focus on risk management***

Senior management is devoting greater attention to security issues, and senior executives are investing more time in discussing and making decisions concerning security issues. Factors that contribute to the greater attention include a higher level of insecurity in society, the increased cost of disruptions to business and greater security demands by customers and insurers. Companies usually opt to outsource security when enhancing it, since security activities are not considered part of their core business. Companies are also using security consulting services more often, enabling the customer's management to proactively identify risks and put appropriate mitigating actions in place.

## **Business segments**

The Issuer's operations are organised in a flat, decentralised structure with three business segments: Security Services North America, Security Services Europe, and Security Services Ibero-America. The business also continues to expand into new markets in Africa, the Middle East and Asia.

The Issuer's specialised security services are offered in essentially all geographical areas of operations, to both large and small customers. In Europe, the specialisation process has advanced furthest in specific customer segments. While the North American operations have traditionally been

more geographically organised, they have also in the recent years moved increasingly to specialised units. Mobile and Monitoring in Europe are, since January 2013, included in the Security Services Europe business segments, focusing on servicing small and medium-sized companies, homes and individuals in Europe. With its base in North America, the Issuer's wholly-owned subsidiary Pinkerton Corporate Risk Management offers its services to customers worldwide. In Latin America, the Issuer provides a variety of security services, while the businesses in other new markets have only recently started, or are currently starting, to be able to serve global customers in these regions. Most of the Issuer's sales are in North America and Europe. Security Services North America and Security Services Europe represented 86 per cent. of the total sales as at 31 December 2017.

### ***Security Services North America***

Security Services North America provides security services in the USA, Canada and Mexico and comprises 13 business units: one organisation for the national and global accounts organisation, five geographical regions and five specialised business units in the USA – critical infrastructure, healthcare, Pinkerton Corporate Risk Management, mobile and Securitas Electronic Security technology – plus Canada and Mexico. In total, there are approximately 112,000 employees.

### ***Security Services Europe***

Security Services Europe provides security services for large and medium-sized customers in 26 countries, and airport security in 15 countries. The service offering also includes mobile security services for small and medium-sized businesses and residential sites and electronic alarm surveillance services. In total, the organisation has 117,000 employees.

### ***Security Services Ibero-America***

Security Services Ibero-America provides security services for large and medium-sized customers in seven Latin American countries, as well as in Portugal and Spain in Europe. Security Services Ibero-America has a combined total of approximately 61,000 employees.

### ***New Markets***

The Issuer is growing in new geographical markets to serve our global customers in these regions. The countries in these new markets are organised in one division: Africa, Middle East and Asia (AMEA).

### ***Strategy***

#### ***Reinforcing its position***

The Issuer's strategy to lead the transformation of the industry is being accelerated through Vision 2020. Since 2013, it has developed technology-driven security solutions, while meeting customer demand for fire and safety and corporate risk management services.

The Issuer's focus is on aligning internal processes and strengthening its foundation – three completed Group-wide actions stand out. First, the Issuer is well on its way to ensuring that its Securitas Operation Centres are globally consistent, including data warehousing and customer intelligence. Second, the finalisation of the Issuer's Group IT roadmap represents another completed action which strengthened its foundation. Third, the Issuer was successful in identifying appropriate acquisitions in electronic security, resulting in four strategic major acquisitions during 2016.

The Issuer's efforts to grow involve taking actions to accelerate the growth of protective services. Several medium to long-term actions are on-going. In addition to expanding its mobile services with the aim of increasing its density and footprint through investments, acquisitions and new sales channels, the work also includes strengthening remote guarding and monitoring services, improving

differentiation through highly specialised customer segments, expanding fire and safety services and continued investments in corporate risk management.

In the long term, the Issuer aims to transform the security industry in its entirety. The next wave of transformation and ground-breaking change in the industry will focus on the use of digital historical and real-time data, and how intelligence and experience can be applied to convert this data into practical measures with the potential to prevent crime and threats. The security companies with the most data and the densest network of security officers will be able to respond the fastest and create the most customer value.

### ***Unique market position***

The Issuer delivers cost-effective security services and solutions tailored to meet present and future customer demands. Its competitive advantages – ranging from today's protective services, fire and safety, and corporate risk management to tomorrow's offering of predictive security – give the Issuer a unique position in the market.

### ***Intelligent Security for Today and Tomorrow***

The integration of new technology into on-site and mobile security strengthens the Issuer's offering. It is able to deliver high-performance security services and solutions for every customer and every situation. The Issuer's approach to security solutions involves integrating technology, people and knowledge. Its offering is comprehensive and highly flexible, addressing the security needs of a wide range of customers operating in different industries across the globe. The Issuer's offering of security solutions includes on-site, mobile and remote guarding, electronic security, fire and safety services and corporate risk management. To realise its ambitious strategy, the Issuer continues to integrate technology into its security services and solutions.

### ***Customised security solutions***

To ensure that its customers receive the right security solution for their specific needs, the Issuer conducts a thorough initial analysis of their situation and requirements. The Issuer's experience and ability to draw on Group-wide best practice for security management mean that its customers are presented with appropriate security alternatives. Increased use of technology in its security solutions means its customers receive strengthened security and protection at a competitive price.

### ***Securitas Operation Centres***

Securitas Operation Centres (SOC) play a key role in providing high-performance security. From here, the Issuer's security services and solutions are managed and controlled. At the SOC, people and technology are combined through established processes and protocols, coordinating customer security and service. Data about all incidents that occur and security services provided are directed through the SOC and managed by trained professionals. The operators are experts in quickly addressing problems and solving them according to protocols and customer requests. The combination of a single point of contact and high density of security officers ensures immediate attention and action.

The information gathered in the SOC is used to help ensure the correct action is taken at all times, giving our customers high-quality security around the clock. Improved analytics, analysis and precise customer feedback reports are also facilitated by the SOC. The focus on sharing knowledge allows experience to be efficiently spread across the Issuer's global organisation, furthering its competitive edge. Significant progress is also made in utilising the SOC as hubs for delivering predictive security solutions.

### ***Meeting complex security needs***

The Issuer's comprehensive offering includes all the security services and solutions required by private and public sector customers – both large and small. The Issuer also offers specialised security services to accommodate the complex security needs of customers with highly sensitive or exposed operations. The Issuer's Group-wide expertise in specialised services is well documented and includes airport security, nuclear power plants, ports and harbours as well as public transport. The Issuer is one of few security providers with the knowledge, capacity and capabilities to protect these core functions of society.

### ***Investing in our customers***

The Issuer invests in the technology installed at its customers' sites. This means taking full responsibility for technology investments, on-site installation and maintenance of security equipment. The Issuer owns the hardware and the cost is distributed as part of the contract fee. Utilising the strength and breadth of the Issuer's network, it is able to offer flexible technology solutions from certified suppliers. By investing in its customers' security, the Issuer ensures quality throughout the contract period, competitiveness in terms of price, and added value through adjustable scaling of required security equipment.

### ***Increasing Customer Security and Sense of Safety***

For its customers, the Issuer's broad range of increasingly sophisticated security solutions means fewer incidents and business interruptions. With better risk analysis and improved proactivity, crime, fire and other threats can be prevented, resulting in strengthened security and lower costs from damages and disturbances.

With fewer disruptions, day-to-day operations are improved, costs are saved, and the working environment of the Issuer's customers' employees becomes safer and more secure. New technology, in combination with specialised security officers, enables the Issuer to deliver more segment and customer-specific solutions that not only protect its customers and prevent incidents and crimes, but also – in many cases – support their business and add value.

### ***Digitisation generating customer value***

New technology means investments in on-site technical equipment, such as surveillance cameras and smart sensors. These investments and installations are carried out by the Issuer. For the customer, this means more value for money and more predictability in terms of future costs for security, not least since intelligent security solutions mean fewer unnecessary alarm responses as well as loss prevention.

### ***Higher Profitability Through Enhanced Customer Value***

Enhanced customer value improves customer loyalty and prolongs the duration of contracts. Combined with security solutions that few companies can match, this provides a solid foundation for higher margins.

The growth in security solutions and electronic security is significant for the Issuer – not only from a performance and customer perspective, but also in terms of creating a foundation for higher operating margins and overall profitability. The Issuer's strategy adds value for both its customers and shareholders.

Pursuing organic sales growth in security solutions and electronic security changes the offering significantly, allowing the Issuer to make use of its innovative capacity to a much higher degree than before.

From a financial perspective, there are fundamental differences between traditional guarding and the Issuer's more sophisticated and highly specialised security solutions, featuring reduced onsite guarding and added remote guarding, knowledge and technology. Since security solutions are more capital intensive than traditional guarding, expansion in this area could potentially affect sales. The Issuer on the other hand, sees increased operating income and a higher return on capital employed.

### ***Growth at Higher Pace***

The Issuer is leading the transformation of the security industry and is further strengthening its position as a market leader through a combination of organic sales growth and acquisitions.

In 2017, organic sales growth was 5 per cent. In Security Services North America, organic sales growth was favourable in almost all units. Organic sales growth in Security Service Europe was 2 per cent. Security Services Ibero-America declined slightly, due to the impact from Latin America.

During 2017, the Issuer acquired Australian security services company PSGA to enable it to grow with its global customers in Australia and to establish a solid local business in the country, and develop the market over time into more electronic security-based solutions. The Issuer also extended its footprint in Mexico and further strengthened its competence and knowledge within the electronic security services area with the acquisition of the electronic security services company Central de Alarmas Adler. Such acquisitions strengthen the Issuer's ability and capacity within electronic security and help to maintain the rapid pace of transition to security solutions that combine on-site and mobile guarding with various forms of electronic security. Acquisitions and organic sales growth also strengthen the Issuer's offering in fire and safety, which is becoming an increasingly important and integrated part of the security solutions in demand by customers. Another aim of the Issuer's acquisition strategy is to establish operations in new countries in order to provide services to its global customers in these markets.

The goal of the Group's short and long-term initiatives is for the Issuer to be a growing and market leading company that is moving from reactive to predictive security, where it detects crimes and other incidents before they happen and prevent them from occurring. Accordingly, the Issuer is increasingly assuming the role of an adviser – conducting risk analysis and helping customers to create customised security solutions.

The collection and analysis of large quantities of data plays a central role in predictive security. Together with an expansion of the network of SOC, an increase in the inflow of data from various forms of electronic monitoring and the digitisation of security officer reporting, the Issuer has gained access to a unique knowledge base. Analysing this database and finding an effective way to transform the results of these analyses into tangible measures in order to increase security will be one of the Issuer's greatest opportunities and challenges in the coming years.

The Issuer and other security companies have an opportunity to take over certain tasks from the police, which creates significant growth potential. In many countries, the work-load of the police force has increased. Allowing security officers, who are already on-site in the community, to take over non-core police tasks is an alternative being widely discussed in the US and several European countries.

### ***Targeted acquisitions***

The Issuer will mainly target technological operations that create synergies and competence and acquisitions that strengthen the Issuer's position in new geographical markets.

The Issuer continues to make significant investments in technology competence. This makes it possible for it to meet and develop customers' security requirements.

## ***Employees***

As at 31 December 2017, the Issuer had over 335,000 employees in 57 countries.

## **Recent developments and important events after 31 December 2017**

### ***Proposed dividend and authorisation to repurchase shares in the Issuer***

The Board of Directors of the Issuer has proposed a dividend for 2017 of SEK 4.00 (3.75 for 2016) per share. 4 May 2018 is proposed as the record date for the dividend.

In order to be able to contribute to shareholder value, the Board of Directors of the Issuer considers it beneficial for the Issuer to be able to adjust its capital structure as appropriate at any given point in time. The Board of Directors has therefore decided to propose to the Annual General Meeting on 2 May 2018 that the Board of Directors shall be authorised to be able to resolve on the acquisition of the Issuer's shares for a period up until the next Annual General Meeting, up to a maximum of ten (10) per cent. of the issued shares in the Issuer. For this purpose, the Board of Directors intends that any shares that have been repurchased as per such an authorisation shall be cancelled.

### ***Acquisitions***

Securitas has acquired the security solutions company Süddeutsche Bewachung in Germany. Enterprise value is estimated to be SEK 80 million (EUR 8.2 million). The company offers on-site, mobile and remote guarding in the Rhein-Neckar area in the south-west of Germany, with headquarters located in Mannheim. The company has a very solid customer portfolio, comprising many customer segments. The acquisition was consolidated in Securitas as of 2 January 2018.

Securitas has acquired the electronic security company Automatic Alarm in France. Enterprise value is estimated to be approximately SEK 430 million (EUR 44 million). Automatic Alarm is a nation-wide system integrator and installer of electronic security solutions, including intruder systems, video surveillance and access control, with multi-year maintenance contracts. The acquisition was consolidated in Securitas as of 2 January 2018.

Securitas has acquired the technology and installations company Johnson & Thompson in Hong Kong. With this acquisition, Securitas strengthens its position to deliver value added security solutions to customers in Hong Kong. Enterprise value is estimated to be SEK 46 million (HKD 43 million). Johnson & Thompson is a monitoring, maintenance and installation company focused on the retail and mid-sized corporate market in Hong Kong. The acquisition was consolidated in Securitas as of 2 January 2018.

### ***Securitas Group tax rate following the US corporate tax reform***

The new US corporate tax legislation, passed by the US Government on 22 December 2017 and effective as from 1 January 2018, will impact Securitas.

Based on the information currently available, the new US tax legislation will reduce Securitas Group's tax rate for 2018 and going forward. Assessing the current tax base and tax matters, Securitas' best judgment is that its current full year Group tax rate of 28.5 per cent. in 2017 is estimated to reduce to approximately to 25.5 per cent. for the 2018 financial year.

Furthermore, the value of Securitas' existing deferred US tax assets, for example pension accruals, vacation pay and other employee-related expenses, will reduce with the new corporate tax legislation. The revaluation of the deferred tax assets will have a one-off negative effect in the income statement, which was recognised in the fourth quarter of 2017. Based on the third quarter 2017 balance this amount is estimated to be approximately SEK 200 million. Such amount will not affect the cash flow.

## Significant financing developments during 2017

In January 2017, the Issuer extended its Multi-Currency Revolving Credit Facility comprising two tranches of USD 550 million and EUR 440 million by one year. The new maturity date is January 2022.

On 13 February 2017, Securitas issued a seven year EUR 350 million Eurobond. Settlement date was 20 February. The proceeds of the loan were used to refinance existing credit facilities and for general corporate purposes.

## Legal and operational structure

### Legal structure

As at 31 December 2017, the Securitas Group was composed of the Issuer as parent company and directly-owned subsidiaries, which in turn have a large number of subsidiaries. As at 31 December 2017, the Securitas Group comprised a total of approximately 383 companies.

#### **Securitas AB Direct owned companies 31 December 2017**

<b>Company Name</b>	<b>Participation (%)</b>	<b>Country</b>
Securitas AB	100	Sweden
— Protectas SA	100	Switzerland
— Securitas Asia Holding AB	100	Sweden
— Securitas aviation d.o.o.	100	Croatia
— SECURITAS BH d.o.o.	100	Bosnia and Herzegovina
— Securitas Biztonsági Szolgáltatások Magyarország Kft	100	Hungary
— Securitas Bulgaria Ltd	100	Bulgaria
— Securitas Canada Ltd	100	Canada
— Securitas ČR s.r.o.	100	Czech Republic
— Securitas d.o.o.	100	Slovenia
— Securitas EESTI AS	100	Estonia
— Securitas Group Reinsurance DAC	100	Ireland
— Securitas Holding GmbH	100	Germany
— Securitas Holdings, Inc.	100	USA
— Securitas Hrvatska d.o.o.	100	Croatia
— Securitas Intelligent Services AB	100	Sweden
— Securitas Invest AB	100	Sweden
— Securitas Middle East and Africa Holding AB	100	Sweden
— Securitas Montenegro doo	100	Montenegro
— Securitas Nordic Holding AB	100	Sweden
— Securitas Polska Sp. z o.o.	100	Poland
— Securitas Rental AB	100	Sweden
— Securitas Security Consulting Holding AB	100	Sweden
— Securitas Security Services (Ireland) Limited	100	Ireland
— Securitas Seguridad Holding SL	100	Spain
— Securitas Services D.O.O.	100	Serbia
— Securitas Services Holding UK Ltd	100	Great Britain
— Securitas Services International B.V	100	Netherlands
— Securitas Services Romania SRL	100	Romania
— Securitas Sicherheitsdienstleistungen GmbH	100	Austria
— Securitas Toolbox Limited	100	Ireland
— Securitas Transport Aviation Security AB	100	Sweden
— Securitas Treasury Ireland Limited	100	Ireland
— Grupo Securitas Mexico, S.A de C.V	99.98	Mexico
— Securitas NV	99.90	Belgium
— Securitas UAE LLC	49.00	United Arab Emirates
— Walsons Services Private Limited	49.00	India
— Securitas Argentina S.A.	20.00	Argentina
— SECURITAS FIRE & SAFETY SERVICES S.R.L.	5.00	Romania
— Securitas SK s.r.o.	4.65	Slovakia

## Operational structure

The Issuer, as the parent company of the Securitas Group, consists of group management and support functions and does not conduct any business operations.

The Issuer's business is organised in a flat, decentralised structure with three business segments: Security Services North America, Security Services Europe and Security Services Ibero-America. In addition to these business segments, the Issuer conducts guarding business in Africa, the Middle East and Asia. The Issuer has a decentralised organisational model that focuses on the approximately 1,800 branch offices where the daily business takes place.

## Share capital and shareholder structure etc.

### General information

The shares of the Issuer are issued in accordance with Swedish law. Shareholders' rights, including minority shareholders' rights, which are associated with the shares may only be amended in accordance with the procedures specified in the Swedish Companies Act. The share register of the Issuer is maintained by Euroclear.

The Issuer's shares of series B are traded on the Nasdaq Stockholm and at other trading venues such as Chi-X and BATS. The Issuer is listed on Nasdaq Stockholm Large Cap, with short name SECU B.

### Share capital

The Issuer's share capital is expressed in SEK and is allocated between the Issuer's shares with a quota value of SEK 1 per share. All shares are fully paid up and denominated in SEK. Under the Issuer's articles of association the share capital shall amount to at least SEK 200 million and not more than SEK 800 million and the number of shares to at least 200 million and not more than 800 million. The number of outstanding shares in the Issuer as at 31 December 2017 amounted to 365,058,897 shares; 17,142,600 shares of series A and 347,916,297 shares of series B, and the share capital amounted to SEK 365,058,897.

### Shareholders and shareholder structure

As at 31 December 2017, the Issuer had 33,913 shareholders. The tables below show the Issuer's ten largest shareholders and ownership structure by size of shareholding.

#### LARGEST SHAREHOLDERS AT 31 DECEMBER 2017

Shareholder	Series A shares	Series B Shares	% of capital	% of votes
Gustaf Douglas via companies and family <sup>1</sup>	12 642 600	27 190 000	10.9	29.6
Melker Schörling via company and family <sup>2</sup>	4 500 000	15 241 800	5.4	11.6
AMF	0	14 719 117	4.0	2.8
Lannebo funds	0	11 471 092	3.1	2.2
Swedbank Robur Funds	0	11 316 545	3.1	2.2
Prudential Assurance Co Ltd	0	9 869 238	2.7	1.9
SEB Investment Management	0	8 330 609	2.3	1.6
Skandia	0	6 557 945	1.8	1.3
Banque Internationale Luxembourg S.A	0	6 121 000	1.7	1.2
JPM Chase	0	4 966 959	1.4	1.0
<b>Total, ten largest shareholders</b>	<b>17 142 600</b>	<b>115 784 305</b>	<b>36.4</b>	<b>55.3</b>
<b>Total, rest of owners</b>	<b>0</b>	<b>232 131 992</b>	<b>63.6</b>	<b>44.7</b>
<b>Total as of 31 December 2017</b>	<b>17 142 600</b>	<b>347 916 297</b>	<b>100.00</b>	<b>100.00</b>

Source: Euroclear Sweden

<sup>1</sup> Includes the holdings of family members and Investment AB Latour Group

<sup>2</sup> Includes the holdings of family members and Melker Schörling AB

## SHAREHOLDER SPREAD AT 31 DECEMBER 2017

Number of shares	Number of shareholders	Number of Series A shares	Number of Series B shares	% of capital	% of votes
1 – 500	25 218	0	3 442 057	0.94	0.66
501 – 1 000	3 611	0	2 979 075	0.82	0.57
1 001 – 5 000	3 557	0	8 209 558	2.25	1.58
5 001 – 10 000	526	0	3 937 148	1.08	0.76
10 001 – 15 000	172	0	2 209 409	0.61	0.43
15 001 – 20 000	124	0	2 243 109	0.61	0.43
20 0001 –	705	17 142 600	324 895 941	93.69	95.57
<b>Total</b>	<b>33 913</b>	<b>17 142 600</b>	<b>347 916 297</b>	<b>100.00</b>	<b>100.00</b>

Source: Euroclear Sweden

The AGMs of the Issuer held in 2010, 2011, 2012, 2013, 2014, 2015 and 2016 have resolved on a share based incentive programme. Participants in the incentive programme already had variable compensation based on performance. Under this new incentive programme, the variable pay is two-thirds paid in cash after the income year, and the Issuer's shares account for the remaining third. Bonus criteria are based on individual performance and/or performance of the part of the Issuer that the individual is responsible for. For the Issuer, the new incentive programme entails no other significant expenses than the bonus award and related social costs. For further information about the incentive programme, see page 104 in the Issuer's annual report for the financial year ended 31 December 2016.

The annual general meeting of the Issuer on 3 May 2017 decided to adopt an incentive program for 2017, which was similar to the incentive programmes for 2010-2016. The decision meant mainly that one third of any annual bonus earned under the performance-based cash bonus programmes was exchanged for a right to receive shares in the Issuer, with deferred payment and provided that the employee was still employed by the Issuer.

### ***Shareholder agreements and pre-emption rights in respect of shares of series A***

A shareholders' agreement which includes a first refusal clause at either party's sale of shares of series A, is concluded between all holders of shares of series A. The Board of Directors of the Issuer is not aware of any other shareholder agreements or other agreements between the shareholders of the Issuer. The Issuer's shares of series A are subject to a pre-emption clause in accordance with the articles of association.

### **Board of Directors and senior executives**

#### **Board of Directors**

The Issuer's Board of Directors consists of nine elected directors and four employee representatives including one deputy. These are elected until the end of the following annual general meeting. Set out below are brief details of the members of the Issuer's Board of Directors.

#### ***Marie Ehrling (Chairman)***

Director of Securitas AB since 2006 and Chairman since 2016. Born in 1955.

Other board and other assignments: Chairman of Telia Company AB. Vice Chairman of Axel Johnson AB.

Principal education: BSc in Economics and Business Administration.

Previously: President of Telia Sonera Sverige, Deputy CEO of SAS AB, responsible for SAS Airlines and other executive positions at SAS.

Shares in Securitas: 7,000 Series B shares.

### ***Carl Douglas***

Deputy Director of Securitas AB since 1992 and Director since 1999. Vice Chairman since 2008. Born in 1965.

Other board and other assignments: Vice chairman of ASSA ABLOY AB. Director of Investment AB Latour.

Principal education: Bachelor of Arts, Doctor of Letters (h.c.)

Shares in Securitas: 12,642,600 Series A shares and 27,190,000 Series B shares. The shares are private holdings and shares held through Investment AB Latour Group.

### ***Alf Göransson***

President and CEO of Securitas AB since 2007. Born in 1957.

Other board and other assignments: Chairman of Ligue Internationale des Sociétés de Surveillance and Loomis AB. Director of Hexpol AB and Axel Johnson Inc., US.

Principal education: International BSc in Economics and Business Administration.

Previously: President and CEO of NCC AB, 2001–2007, CEO of Svedala Industri AB 2000–2001, Business Area Manager at Cardo Rail 1998–2000, and President of Swedish Rail Systems AB in the Scancem Group 1993–1998.

Shares in Securitas: 100,702 Series B shares.

### ***Ingrid Bonde***

Director of Securitas AB since May 3 2017. Born in 1959.

Other board and other assignments: Chairman of the Board for Hoist Finance AB and Board member for Loomis AB.

Principal education: BSc in Business Economics.

Previously: Board member, CFO and deputy CEO of Vattenfall AB, President and CEO of AMF Pensionsförsäkringar AB, VP Finance of SAS AB and Director General of the Swedish Financial Supervisory Authority.

Shares in Securitas: 2,600 Series B shares.

### ***John Brandon***

Director of Securitas AB since 3 May 2017. Born in 1956.

Other board and other assignments: Director of Hexagon AB.

Principal education: Bachelor of Arts in History.

Previously: Vice President of Apple International, Vice President of Apple Americas and Asia, and President of Academic Systems.

Shares in Securitas: 0.

### **Anders Böös**

Director of Securitas AB since 2016. Born in 1964.

Other board and other assignments: Director of Investment AB Latour and Stronghold AB.

Principal education: Economic studies Upper Secondary School.

Previously: CEO of H&Q AB and Drott AB, Chairman of IFS AB and Cision AB. Director of Haldex AB and Niscayah AB.

Shares in Securitas: 25,000 Series B Shares.

### **Fredrik Cappelen**

Director of Securitas AB since 2008. Born in 1957.

Other board and other assignments: Chairman of Terveystalo Oy, Dustin Group AB and Dometic Group AB. Board member of Transcom AB.

Principal education: BSc in Business Administration.

Previously: President and Group Chief Executive of Nobia 1995–2008, Chairman of Byggmax Group AB and Sanitec Oy, Vice Chairman of Munksjö AB.

Shares in Securitas: 4,000 Series B shares.

### **Sofia Schörling Högberg**

Director of Securitas AB since 2005. Born in 1978.

Other board and other assignments: Director of ASSA ABLOY AB, Melker Schörling AB and Hexagon.

Principal education: BSc in Economics and Business Administration.

Shares in Securitas: 4,500,000 Series A shares and 15,237,000 Series B shares. The shares are private holdings and shares held through Melker Schörling AB. In addition, related parties hold 4,800 Series B Shares.

### **Dick Seger**

Director of Securitas AB since 3 May 2017. Born in 1953.

Other board and other assignments: -

Principal education: MSc.

Previously CEO, Chairman of the Board and Board member of Verisure Group (previously Securitas Direct).

Shares in Securitas: 26 Series B Shares.

## **Employee's representatives**

### ***Susanne Bergman Israelsson***

Director of Securitas AB since 2004. Born in 1958.

Employee representative, Chairman of Swedish Transport Workers' Union local branch 19, Norra Mälardalen.

Shares in Securitas: 0.

### ***Åse Hjelm***

Director of Securitas AB since 2008. Deputy Director since 2007. Born in 1962.

Employee representative, Vice Chairman of Salaried Employees' Union local branch, Norrland. Chairman of the Securitas Council for Salaried Employees.

Shares in Securitas: 120 Series B shares.

### ***Jan Prang***

Director of Securitas AB since 2008. Born in 1959.

Employee representative, Chairman of Swedish Transport Workers' Union local branch, Securitas Göteborg.

Shares in Securitas: 0.

### ***Thomas Fanberg***

Deputy Director of Securitas AB since 2008. Born in 1961.

Employee representative, Chairman of Salaried Employees' Union local branch, Securitas Norrland.

Shares in Securitas: 120 Series B shares.

## **Senior executives**

Set out below are brief details of the Issuer's senior executives.

### ***Alf Göransson***

President and CEO of Securitas AB until March 2018

Born 1957. Alf Göransson's previous experience includes President and CEO of NCC AB, CEO of Svedala Industri AB, Business Area Manager at Cardo Rail, and President of Swedish Rail Systems AB in the Scancem Group.

Alf holds an international BSc in Economics and Business Administration from the School of Business, Economics and Law, University of Gothenburg, Sweden.

Other assignments: Chairman of the Board of Loomis AB and Ligue Internationale des Societes de Surveillance. Director of Hexpol AB and Axel Johnson Inc., USA.

Shares in Securitas: 100,702 Series B shares

Alf will leave Securitas' Board of Directors at the same time as he resigns as President and CEO of Securitas AB.

### **Bart Adam**

Chief Financial Officer (CFO)

Born 1965. Bart Adam has over 25 years of security industry experience. In 1988, he joined the Group of Securis in Belgium (AviaPartner). Following Securitas' acquisition of Securis in 1999, Bart became the Financial Manager for Securitas in Belgium in 2000. Two years later he was appointed Divisional Controller for Security Services Europe and in 2007 he became the division's Chief Operating Officer. In 2008, Bart was appointed Divisional President, Security Services Europe. In January 2013, he assumed the position of Chief Financial Officer in Securitas.

Bart holds a Commercial Engineering degree from the University of Leuven, Belgium, Quantitative Applied Economics and Information Technology.

Shares in Securitas: 31,337 Series B shares.

### **Magnus Ahlqvist**

Divisional President, Security Services Europe

Replaces Alf Göransson as President and CEO of Securitas AB from March 2018.

Born 1974. Magnus Ahlqvist joined Securitas in September 2015. Prior to joining Securitas, he has held various management positions in the telecommunications industry. Magnus most recently served as Corporate Vice President, EMEA & India after joining Google-owned Motorola Mobility. Before, he worked 12 years for Sony and Sony Ericsson Mobile Communications as President for Greater China, General Manager Spain & Portugal and General Manager Canada.

Magnus Ahlqvist holds a Master of Science in Economics and Business Administration from the Stockholm School of Economics, and a leadership exam from Harvard Business School.

Shares in Securitas: 101,920 Series B Shares, 200,000 share options (share options regarding acquisition of Securitas Series B shares, issued by Melker Schörling AB and Investment AB Latour)

### **William Barthelemy**

Chief Operating Officer, Security Services North America.

Born 1954. Bill Barthelemy brings over 35 years of industry experience to the organisation. With a Criminology degree from Indiana University of Pennsylvania, USA, Bill began his career as an Investigator and has later worked in many field capacities, including Regional Operations Director and Region President.

Bill is an active member of the American Society of Industrial Security, as well as the National Association of Chiefs of Police.

Shares in Securitas: 52,072 Series B shares.

### **Santiago Galaz**

Divisional President, Security Services North America

Born 1959. Santiago Galaz joined Securitas in 1995 as the Managing Director of Security Services Spain, following twelve years at the Eulen Group. In 1997, he was appointed Spanish Country President for Security Services, Systems and Cash Handling Services and later became Divisional President of Cash Handling Services Europe. In 2003, Santiago was appointed Divisional President of Security Services North America in 2003.

Santiago holds a Degree in Business Management and Marketing from ESIC, Madrid, Spain.

Shares in Securitas: 201,679 Series B shares.

### ***Gisela Lindstrand***

Senior Vice President, Corporate Communications and Public Affairs

Born 1962. Gisela Lindstrand holds a degree in Political Science from Uppsala University, Sweden. She came to Securitas AB in 2007 from Pfizer AB, where she was the Government Affairs Director.

Her positions include Press Relations Manager at NCC AB, Information Director at SABO AB and Press Relations Manager and Political Adviser to the former Swedish Prime Minister Ingvar Carlsson. Gisela has also worked as a journalist.

Other assignments: Member of the Board of Directors of the Swedish Association of Communication Professionals.

Shares in Securitas: 4,082 Series B shares.

In February 2018, Gisela resigned from her role at Securitas. She will leave Securitas in May 2018 at the latest and will remain as a member of Securitas Group Management until then.

### ***Jan Lindström***

Senior Vice President, Finance.

Born 1966. Jan Lindström joined Securitas in 1999 as controller for the Group's treasury in Dublin. In 2003, he became head of the Group's reporting function at the head office in Stockholm and in 2007, he was appointed Senior Vice President, Finance.

Jan holds a BSc in Economics and Business Administration from Uppsala University in Sweden and was previously an Authorised Public Accountant in PricewaterhouseCoopers.

Shares in Securitas: 9,576 Series B shares.

### ***Marc Pissens***

President Aviation

Born 1950. Marc Pissens has over 30 years of security industry experience. Within Securitas, he has been President of the Benelux organisation, Managing Director of Securitas Netherlands and Securis/Securair Belgium and President of Globe Aviation, USA.

Marc Pissens is President of the CoESS (Confederation of European Security Services) and founder and President of ASSA-I (Aviation Security Services Association – International).

Marc holds an engineering degree from the Engineering Institute of Brussels, Belgium.

Shares in Securitas: 49,234 Series B shares.

### ***Aimé Lyagre***

Chief Operating Officer and Chief Technology Officer, Security Services Europe.

Born 1959. Aimé Lyagre joined Securitas in 2004 as General Manager of Securitas Alert Services in the Netherlands and one year later for the Benelux. In 2007, he became Country President of

Securitas Services Belgium. In 2010, Aimé was appointed Chief Operating Officer, Security Services Europe and in 2012 Chief Technology Officer, Security Services Europe.

Aimé holds a degree in Master of Industrial Sciences and Master of Industrial Management K. University Leuven, Belgium, Degree in Business Administration at Vlerick Gent, Belgium and Master degree in Marketing Management at St-Aloysius Brussels, Belgium.

Shares in Securitas: 21,470 Series B shares.

### ***Luis Posadas***

Divisional President, Security Services Ibero-America.

Born 1958. Luis Posadas joined Securitas Spain in 1995, after 14 years in the Eulen Group. In 2000, he was appointed Country President for Security Services Spain. Between 2003 and 2005, he was responsible for operations in the southern Europe in the Security Services Europe division. In 2006, Luis became Divisional President, Security Services Latin America. In 2011, he was appointed Divisional President, Security Services Ibero-America.

Luis Posadas studied law at the University Complutense in Madrid, Spain.

Shares in Securitas: 35,973 Series B shares.

### ***Henrik Zetterberg***

Chief Operating Officer, Securitas Services Europe

Also Senior Vice President, General Counsel until May 2018

Born 1976. Henrik Zetterberg joined Securitas as Senior Vice President, General Counsel in September 2014.

His previous experience includes various positions at Assa Abloy, as part of Group Legal and within different divisions, including Head of Legal for the Entrance System Division. Previously he was a senior associate at the law firm Mannheimer Swartling.

Henrik Zetterberg has a law degree from Lund University, Sweden.

Shares in Securitas: 1,301 Series B Shares, 45,000 share options (share options regarding acquisition of Securitas Series B shares, issued by Melker Schörling AB and Investment AB Latour).

Henrik will be replaced by Frida Rosenholm as General Counsel in May 2018.

### ***Martin Althén***

Chief Information Officer

Born 1968. Martin Althén joined Securitas as Chief Information Officer on 1 October 2016.

Prior to joining Securitas, he was the Group CIO at Husqvarna Group. Previously he has held various positions at AstraZeneca, PA Consulting Group and Deloitte.

Martin Althén has a Master of Science in Industrial Engineering and Management from Institute of Technology at Linköping University.

Shares in Securitas: 0.

### ***Additional information on the board and senior executives***

The business address of each member of the Board of Directors and the Issuer's senior executives is: Lindhagensplan 70, 102 28 Stockholm, Sweden.

Sofia Schörling Högberg is a related party to the Issuer's large owner Melker Schörling AB. Director Carl Douglas is a related party to the large owners Investment AB Latour and Säkl AB.

Other than as mentioned in the preceding paragraph, the Issuer is not aware of any actual or potential conflicts of interest between the duties to the Issuer of the persons listed above in the section "Board of Directors and senior executives" and their private interests or other duties.

Matters may come before the Board of Directors as to which one or more members of the Board of Directors has potential conflicts of interest. In the event that any conflict of interest is deemed to exist in any matter, the member of the Board of Directors subject to the conflicting interests will not handle or participate in any decisions relating to the matter.

### ***The Board of Directors' working procedures***

The Board of Directors is responsible for the organisation and management of the Issuer and the group in accordance with the Swedish Companies Act, and is responsible for appointing the President and CEO as well as the audit committee and the remuneration committee. The Board of Directors is also responsible for decisions on salaries and other remuneration for the President and the CEO. The Board of Directors convenes at least six times per year. The Issuer's auditors attend the board meeting in connection with the finalisation of the annual report. The Board of Directors ensures the quality of the financial report through a series of group policies, rules of procedure, frameworks, clear structures with well-defined responsibility areas and documented authorisations, which are described in the report of internal control. The Board of Director's activities and the distribution of responsibilities between the Board of Directors and the senior executives is regulated by the board's rules of procedure, documented in written form and approved by the Board of Directors each year after the annual general meeting.

### ***The Swedish Corporate Governance Code***

Being a Swedish limited liability company listed on Nasdaq Stockholm, the Issuer applies the Swedish Corporate Governance Code (the "**Code**"). The Issuer follows the Code's principle of "comply or explain" and reports two deviations on page 30 of the annual report for the financial year ended 31 December 2014 as follows:

Code rule 7.3: An audit committee is to comprise no fewer than three board members.

Comment: The Board of Directors deems that two directors is sufficient to correctly address the Issuer's most important areas in regard to risk and audit issues, and that the incumbent directors have long and extensive experience in these areas from other major listed companies.

Code Rule 9.8: For share-based incentive programmes, the vesting period, or the period from the commencement of an agreement to the date on which the shares are acquired, is to be no less than three years.

Comment: The Issuer's share-based incentive scheme was implemented in 2010 and has been renewed annually since then. It was based on the then-existing bonus structure of the Securitas Group. In simple terms, the bonus potential was increased in exchange for a one-time salary freeze and one third of the cash bonus outcome was to be received in shares in March of the year following the year in which the cash bonus would have been paid out, provided that the person remained employed by Securitas at such time.

Since the programme replaces an immediate cash bonus payout and is not granted in addition to already existing bonus rights, the Board of Directors deems that the two-year period from the commencement of the programme until the release of the shares is well motivated and reasonable in order to achieve the purpose of the programme.

### **Committees**

The Board of Directors has two process committees: the remuneration committee and the audit committee.

#### **The Remuneration Committee**

The Board has formed a Remuneration Committee to prepare decisions related to salaries, bonuses, share-based incentive schemes and other forms of compensation for Group Management, as well as other management levels if the Board of Directors so decides. The committee presents its proposals to the Board, before the Board's decision-making.

The Board of Directors has elected Marie Ehrling and Carl Douglas as members of the Remuneration Committee, with Marie Ehrling as chairman of the committee, for the period up to and including the Annual General Meeting in 2018.

#### **Audit Committee**

The Board of Directors has established and appointed an Audit Committee, which operates under the instructions for the Audit Committee and meets with the Issuer's auditors at least four times per year. The Committee supports the Board's quality-control work in terms of financial reports, and its internal control over financial reporting.

Specifically, the Committee monitors the financial reporting, the effectiveness of internal control, internal audit activities and the risk management system. The Committee also stays informed about annual statutory audits. It assesses the external auditor's independence and approves the performance of non-audit services.

The Committee presents its findings and proposals to the Board, prior to the Board's decision.

The Board of Directors has elected Fredrik Cappelen (Chairman), Sofia Schörling Högberg and Anders Böös as members of the Audit Committee for the period up to and including the Annual General Meeting 2018. The majority of the Audit Committee members for 2017 are considered independent of the Issuer and senior management.

## Disputes and other legal matters

### Disputes

#### **Brazil – Estrela Azul**

In connection with the efforts of the Issuer to expand its activities in Latin America, the Issuer entered into an agreement in 2005 with respect to the possible acquisition of a guarding company in Brazil. The acquisition required governmental approval. The governmental approval took much longer than anticipated to obtain and during such period the financial condition of the target company substantially deteriorated. As part of the transaction Securitas agreed to provide bank guarantees in order for the company to obtain certain financing. Given the decline in the financial condition of the company, in December 2006 the Issuer exercised its right not to complete the acquisition. The governmental approval had then been received. Due to the decision not to complete the subject transaction, a provision in the amount of the accumulated bank guarantees was recognised as of 31 December 2006.

In 2007, the target company filed for protection from its creditors under Brazilian legislation providing for a judicial restructuring process. The Issuer, having applied to be registered as a creditor in the insolvency matter, objected to the company's restructuring plan proposed in the judicial restructuring process. The insolvency judge decided against the Issuer's objections and this decision was appealed by the Issuer in 2008. The Court of Appeal upheld the lower court's decision. The company has thereafter, on 9 November 2009, been declared bankrupt and the restructuring process has been replaced by bankruptcy proceedings. The bankruptcy process continues and efforts to sell the estate's assets are ongoing. Various attempts by the bankruptcy trustee to increase the liability of the Issuer in the bankruptcy will be vigorously rejected. The defence of these cases has been entrusted to one of the leading law firms in Brazil.

In connection with the judicial restructuring process, the company (now in bankruptcy) asserted a claim in a civil court in January 2018 of SEK 787 million against the Issuer, alleging that the Issuer is responsible for the company's financial failure. The Issuer denies all responsibility for such claim. In a decision by the first instance court in Brazil the claim was fully rejected. The judgment was appealed by the bankruptcy estate to the Brazilian Court of Appeals and this Court decided on formal grounds to nullify the judgment and to remand the case to the first instance court for retrial. In accordance with the Court of Appeal's decision, the first instance court has decided to allow new evidence in the case. The Court has appointed an expert to assist the Court in investigating parts of the claim. The expert report supports Securitas opinion. The Issuer maintains its previous position with regard to the claim.

In 2016, the bankruptcy court decided that an ancillary proceeding to the bankruptcy process shall be instituted against Securitas. The purpose of this additional proceeding is to investigate whether the liability for the bankruptcy may be extended to Securitas. Securitas denies any responsibility for the Estrela Azul bankruptcy.

In addition Securitas has brought a claim towards the Estrela Azul bankruptcy estate aimed at the dismissal of the all claims commenced by Estrela Azul.

Finally, several former employees of Estrela Azul have sued the Issuer and other parties in court and claim, *inter alia*, wages and other compensations in pending labour suits. The number of labour law cases involving the Issuer continued to decrease during 2017 and the number of new cases where the Issuer is a named defendant has ceased also. The claimed amounts are on average relatively low. The defence of these labour cases has been entrusted to one of the leading labour law firms in Brazil – specialising in labour law matters. The Issuer denies all responsibility for such labour claims.

### ***Spain – tax audit***

The Spanish tax authority has, in connection with audits of Securitas Spain, challenged certain interest payments in 2009, 2012 and 2014, and decided to reject interest deductions made for the financial years 2003–2005, 2006–2007 and 2008–2009 respectively. The disputes in respect of the years 2003–2005 are finalised and 2006–2007 and 2008–2009 are currently being tried at different levels of the Spanish court system.

The Spanish Supreme Court issued their judgement during 2016 regarding the years 2003–2005, implying that the years 2003-2004 were resolved as time barred and the majority of the interest deductions for 2005 were disallowed. Securitas closed the years 2003–2005 in 2016 by payment of tax and interest of EUR 4.3 million (equivalent to SEK 41 million).

In June 2017 the superior court, Audiencia Nacional, issued a negative judgment concerning the years 2006–2007, implying that all interest was disallowed, in contradiction to the earlier judgment by the Supreme Court on the same matter for the years 2003-2005. This is also contradictory to the earlier lower court TEAC's judgment for the years 2008-2009, a judgment that Securitas has accepted as final. Securitas has for the years 2006-2007 requested a leave for appeal with the Supreme Court.

If finally upheld by Spanish courts, the resolution by the Spanish tax authorities regarding rejected interest deductions for all years 2006–2007, and accepted judgment regarding years 2008-2009, would result in a tax liability of EUR 27 million, equivalent to SEK 269 million, including interest up to 31 December 2017 (as of 31 December 2016 this exposure was estimated to EUR 31 million, equivalent to SEK 296 million). No further exposure exists for similar rejected interest deductions after the financial year 2009, as the Group adjusted the capitalisation of Securitas Spain in 2009, to avoid future challenges of interest deductions.

Further, in 2013, the Spanish tax authority, in connection with an audit of Securitas Spain, decided to reject a tax exemption for a demerger of the Spanish Systems company in connection with Securitas AB's distribution of the shares in Securitas Systems AB to its shareholders and the listing on the Stockholm Stock Exchange in 2006. In June 2017, Securitas Spain received a negative judgment from the superior court, Audiencia Nacional, and has requested a leave for appeal with the Supreme Court.

If finally upheld by Spanish courts, the resolution by the Spanish tax authorities, concerning the demerger case, would result in a tax of EUR 21 million, equivalent to SEK 203 million, including interest up to 31 December 2016 (as of 31 December 2016 this exposure was estimated to be EUR 20 million, equivalent to SEK 191 million).

Further, in 2014 the tax authority decided to reject a deduction for a currency related liquidation loss in the financial year 2010, relating to a company that was acquired in 2004. In 2017, the lower court, TEAC, issued a negative judgment, which was in contradiction to the 2016 Supreme Court judgment regarding the basis for disallowing the deduction. Securitas has appealed the case to the superior court, Audiencia Nacional. If finally upheld by Spanish courts, the resolution by the Spanish tax authorities regarding the liquidation loss would result in a tax liability of EUR 17 million, equivalent to SEK 171 million, including interest up to 31 December 2017 (as of 31 December 2016 this exposure was estimated to be EUR 17 million, equivalent to SEK 163 million).

Provided that the courts decide in accordance with the 2016 Supreme Court judgment, the exposure for the currency related liquidation loss for the financial year 2010 is expected to cease.

The Issuer believes it has acted in accordance with applicable law and will defend its position in the courts. However, the tax cases cause some uncertainty and it may take several years until all final judgments have been received.

## ***USA – the events of 11 September 2001***

A detailed account of the developments surrounding the events of 11 September 2001 has been presented in press releases and interim and annual reports for 2001 to 2014.

All injury and fatality cases against the Issuer's subsidiary Globe Aviation Services Corporation (**Globe**) and other Securitas companies as a result of the events of 11 September 2001 have been dismissed or settled. Globe and other Group companies, together with the relevant airline and other parties, remained defendants in a lawsuit regarding property and business damage pertaining to the events of 11 September 2001. Through a settlement agreement with the majority of the plaintiffs in the property damage claims in the case, the majority of such claims were settled. The settlement agreement has been confirmed by the Court of Appeals and thereby became final and binding. Plaintiff World Trade Center Properties (**WTCP**) did not participate in the above settlement but continued its various claims towards Globe and the other defendants for property damages.

The last remaining WTCP property damage claim was settled on 21 December 2017. The settlement has been approved by the Court. Through the settlement all claims against Globe and the other defendants are fully released without prejudice. The claim is insured and, due to the statutory liability cap in relation to the events of 11 September 2001, liability will be limited to the amount of liability insurance coverage maintained at the time of the incident.

All coverage disputes with the relevant 11 September 2001 insurers have been resolved. Any liabilities arising out of the 11 September 2001 litigation will not materially impact the Issuer's business operation or financial position.

### ***Other legal matters***

Over the years, the Issuer has made a number of acquisitions in different countries. As a result of such acquisitions, certain contingent liabilities of the businesses acquired have been assumed. The risks relating to such contingent liabilities are covered by contractual indemnification, insurance or adequate reserves. Companies within the Securitas Group are also involved in a number of other legal proceedings and tax audits arising out of the business. Any liabilities arising out of such proceedings are not expected to be material to the business operations or the financial position of the Group.

### ***Insurance***

A significant part of the Issuer's risk management work involves detecting and analysing frequent and large losses with the aim of identifying the underlying driving forces.

The Issuer works proactively and implements claims management processes in order to monitor and review trends and developments. Claim reports with updated information on claims and reserves are sent to all local risk managers and controllers on a monthly basis, and the claims are analysed. Regular meetings are also held with insurance companies. Throughout the Group there are loss prevention and loss-limiting measures which are designed to work as if it were uninsured.

The Issuer's external insurance premiums are partly determined by the historic loss record. Consequently, a favourable loss record will contribute to lower premiums and a lower cost of risk. The insurance programs are procured with the objective of creating a balanced and cost-efficient protection against negative financial impact. The Issuer seeks to achieve economies of scale through coordinated insurance programs and the optimal utilisation of the Group's internal insurance companies, so-called "captives". The use of our insurance captives offers a wide range of risk financing possibilities, and provides management with an option to establish some independence from the cyclical nature of commercial insurance markets.

The design and purchase of all insurance programs is based on the risk exposure analysed in the business risk evaluation model. The following types of insurance are strategically important to the Group and are the subject of central purchasing: liability insurance, including aviation liability and aviation war liability, crime insurance, directors' and officers' liability insurance, fiduciary insurance and employment practice liability insurance. Catastrophe exposure is protected by insurance companies with a minimum rating of A from S&P.

***Material agreements***

The Issuer's endeavours in its sales efforts and in the development of its contract portfolio to achieve diversification at several different levels. Most important is that a limited number of customers do not constitute a significant proportion of the total sales. This means that the Issuer has a large spread of customers in terms of industry, geography and size and, as a result of this, the Issuer is not particularly exposed to cyclical downturns in the economy in a particular sector or region. Nor are the Issuer's total global sales dependent on specific major customers.

## TAXATION

The statements below are of a general nature and are based on certain aspects of current tax laws, regulations, rulings and decisions now in effect, all of which are subject to change. The comments relate to the position of persons (other than Dealers) who are the absolute beneficial owners of the Notes and interest thereon but are not exhaustive and may not apply to certain classes of persons. Neither such statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Noteholder or any person purchasing, selling or otherwise dealing in Notes. Prospective holders of Notes and Noteholders who are in doubt about their tax position should consult their own professional advisers.

### Luxembourg Taxation

#### *Withholding Tax*

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

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

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

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

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is 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 will be subject to a withholding tax at a rate of 20 per cent.

### Sweden

The following summary outlines certain Swedish income tax consequences of the acquisition, ownership and disposition of Notes and is based on the Swedish tax laws in force as of the date of this Offering Circular. The summary does not address all potential aspects of Swedish taxation that may be applicable to a potential investor in the Notes and the summary is neither intended to be, nor should be construed as, legal or tax advice. A potential investor in the Notes should therefore consult with its own tax advisor as to the Swedish or foreign tax consequences of the acquisition, ownership and disposition of Notes. Certain categories of investors may also be exempt from income tax and/or subject to other specific tax regimes.

(i) *Non-resident Holders of Notes*

As used herein, a **Non-resident Holder** means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden.

Under Swedish tax law, payments of principal or interest to a Non-resident Holder of Notes will not be subject to Swedish income tax unless such Non-resident Holder of Notes carries on a trade or business through a permanent establishment in Sweden to which the payment of principal or interest is attributable.

Swedish tax law does not impose withholding tax on payments of principal or interest to a Non-resident Holder of Notes.

Under Swedish tax law, a capital gain on a sale of Notes by a Non-resident Holder will not be subject to Swedish income tax unless the Non-resident Holder of Notes carries on a trade or business in Sweden through a permanent establishment to which the capital gain is attributable.

Private individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. This liability may, however, be limited by tax treaties between Sweden and other countries.

(ii) *Resident Holders of Notes*

As used herein, a **Resident Holder** means a holder of Notes who is (a) an individual who is a resident of Sweden for tax purposes, or (b) an entity organised under the laws of Sweden.

In general, payment of any amount that is considered to be interest for Swedish tax purposes to a Resident Holder of Notes will be subject to Swedish income tax. A Resident Holder of Notes will also be subject to Swedish income tax on any capital gain on the sale of Notes. Redemption of Notes is treated as a sale of Notes. Amortisation of principal is not otherwise subject to Swedish income tax.

Swedish tax law does not impose withholding tax on payments of principal or interest to a Resident Holder of Notes. However, preliminary income tax is withheld on payments of interest to individuals and estates of deceased individuals.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to

FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 15 of the Terms and Conditions of the Notes) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

### **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission has published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the **Programme Agreement**) dated 21 February 2018, as amended or supplemented from time to time, 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 future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### ***United States***

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in 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 Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) 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, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, 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 (or Pricing Supplement, in the case of Exempt 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 the Offering Circular as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation 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 the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### ***United Kingdom***

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

- (i) in relation to any Notes which have 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 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 or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Sweden**

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 will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*) and otherwise in compliance with the laws of Sweden.

### **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.

### **France**

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) or any other offering material relating to Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, (b) to qualified investors (*investisseurs qualifiés*) and/or (c) a restricted group of investors (*cercle restreint d'investisseurs*), all in accordance with, Articles L.411-1, L.411-2, D.411-1 and D411-4 of the French *Code monétaire et financier*.

### **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 (or Pricing Supplement, in the case of Exempt Notes), 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.

***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer 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.

## GENERAL INFORMATION

### Authorisation

The update of the Programme and the issue of Notes have been duly authorised by the resolutions of the Board of Directors of the Issuer dated 31 January 2018.

### Listing, Approval and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also 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. 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 Offering Circular, copies of the following documents will, when published, be available for inspection only 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 (ii), (iii), (v) and (vi) will be available for collection free of charge:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the audited consolidated and non-consolidated financial statements of the Issuer in respect of the financial years ended 2015 and 2016, in each case together with the audit reports in connection therewith, and the consolidated unaudited interim financial statements of the Issuer in respect of the 12 months ended 31 December 2017. The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis;
- (iii) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited consolidated interim accounts on a quarterly basis which also include unaudited non-consolidated interim accounts relating to the Issuer;
- (iv) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (v) a copy of this Offering Circular and the offering circulars relating to the Programme dated 21 November 2011 (and the second supplement dated 5 September 2012 to the offering circular dated 21 November 2011), 12 September 2013 and 29 February 2016; and
- (vi) any future offering circulars, prospectuses, information memoranda, supplements to this Offering Circular and Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the relevant Paying Agent, as the case may be, as to its holding of Notes and identity) and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (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 (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels. The address for 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.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2017 and there has been no material adverse change in the prospects of the Issuer since 31 December 2016.

### **Litigation**

Except as described on pages 97-99 under the heading "Disputes", neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including 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 or profitability of the Issuer or the Group.

### **Auditors**

The consolidated financial statements of the Issuer for the two financial years ended on 31 December 2015 and 31 December 2016, have been prepared in accordance with International Financial Reporting Standards and audited without qualifications in accordance with generally accepted auditing standards in Sweden by PricewaterhouseCoopers AB. PricewaterhouseCoopers AB is associated with FAR SRS, the institute for the accounting profession in Sweden. The auditors of the Issuer have no material interest in the Issuer. The address of the auditors can be found on the last page of this Offering Circular.

### **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.

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## LUXEMBOURG LISTING AGENT

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