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**PRIMARY DEALER AGREEMENT**  
**REGARDING**  
**SWEDISH GOVERNMENT BONDS**

29 November 2013

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[THE PRIMARY DEALER]

and

THE KINGDOM OF SWEDEN REPRESENTED BY RIKSGÄLDSKONTORET

**NOTICE:** This is an unofficial translation of the Swedish original version of the agreement (“Återförsäljaravtal avseende statsobligationer”). If there are any inconsistencies between this translation and the Swedish original version, the Swedish original version shall prevail.

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**APPENDICES**

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This **PRIMARY DEALER AGREEMENT** (the '**Agreement**') has been entered into on 29 November 2013 between:

- (1) **[THE PRIMARY DEALER]**, corporate identity number [556xxx-xxxx], with the address [address], (the '**Primary Dealer**'); and
- (2) **THE KINGDOM OF SWEDEN, REPRESENTED BY RIKSGÄLDSKONTORET**, organisation identity number 202100-2635, with the address 103 74 Stockholm, (the '**Swedish National Debt Office**').

## **BACKGROUND**

- A. The Swedish National Debt Office is a government authority and the treasury manager for the central government. The Swedish National Debt Office has, among other things, the task of borrowing and managing debt for the central government in accordance with Chapter 5 of the Budget Act (2011:203). As part of this task, the Swedish National Debt Office issues Government Bonds.
- B. The Primary Dealer is [*a Swedish/foreign bank/securities company*] that, among other things, operates in the Swedish money and bond market.
- C. The parties have concluded the following agreement (the '**Agreement**') set against the background of the above.

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

The terms shown below, when used in this Agreement, have the meaning given below unless otherwise explicit stated in the Agreement or otherwise manifestly required by the circumstances:

'**Business day**' day when commercial banks are open in Sweden.

'**The Electronic Interbank Market**' the trade on the Interbank Market that is conducted in the Electronic Interbank Trading Systems.

'**Electronic Interbank Trading Systems**' the electronic system(s) through which Government Bonds are traded in the Interbank Market, decided and approved in accordance with Appendix 1.

'**Euroclear Sweden**' Euroclear Sweden AB, the Swedish central securities depository and clearing organisation, corporate identity number 556112-8074, (or such organisation as replaces Euroclear Sweden in this role).

'**Sales Terms and Conditions**' the Swedish National Debt Office's Terms and Conditions for the sale of Government Bonds in force at any given time.

'**The Information System**' the systems generally available to disseminate in the Client Market information concerning indicative prices, rates and traded volumes.

'**The Interbank Market**' the market for Primary Dealers for Government Bonds .

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**‘The Client Market’** the market for Government Bonds in the form of spot transactions with a counterparty that is not another Primary Dealer, broker or the Swedish National Debt Office.

**‘Regular auction’** the Swedish National Debt Office’s auctions of Government Bonds in accordance with an issue schedule announced in advance. The auction may refer to a sale, exchange or buyback. The auction should be part of the regular central government debt management and not aim to satisfy extraordinary demand for government securities.

**‘Primary market’** the sale, exchange or buybacks of Government Bonds involving the Swedish National Debt Office and Primary Dealers.

**‘Reference Loans’** the three Government Bonds that, according to commercial practice in the market, comprise the 2, 5 and 10-year Government Bonds.

**‘Secondary Market’** the market for Government Bonds that is conducted between parties other than the Swedish National Debt Office.

“Government Bonds” are bonds issued by the Kingdom of Sweden through the Swedish National Debt Office in accordance with Swedish law.

**‘Stockholmsbörsen’** NASDAQ OMX Stockholm AB, corporate identity number 556420-8394, part of OMX Nordiska Börs, The Nordic Exchange, operated by NASDAQ OMX Group Inc.

**‘Committed Interbank Trading System’** the Electronic Interbank Trading System(s) in which the Primary Dealer has made a commitment to participate in trade according to sub-clause 5.2.1.

**‘Primary Dealers’** Primary Dealers of Government Bonds appointed by agreement with the Swedish National Debt Office.

## 1.2 Interpretation

1.2.1 Unless another meaning is stated, references in this Agreement to:

- (a) an agreement or other document means a reference to such agreement or document also in amended and renewed version;
- (b) a **‘provision’** refers to an ordinance, regulation, rule, directive, order or guideline, regardless of whether it has the status of an Act, issued by a central government, local government, international or supranational organisation, ministry, public authority or other organisation that has the task of exercising supervision;
- (c) a statutory provision also refers to such provision in an amended or new version; and
- (d) a time of the day refers to the time in Stockholm, unless otherwise stipulated or indicated by the circumstances.

1.2.2 Appendix 1 constitutes an integral part of this Agreement. If Appendix 1 contains information that conflicts with this contract document, this contract document shall have priority.

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## **2. INTRODUCTION**

- 2.1 The purpose of this Agreement is to regulate the relationship between the Swedish National Debt Office and the Primary Dealer regarding trade in Government Bonds on the Swedish institutional market.
- 2.2 The Swedish National Debt Office intends to only engage Primary Dealers as counterparties in connection with the sale, exchanges and buybacks of Government Bonds.
- 2.3 Only Primary Dealers may make use of the Swedish National Debt Office's decided and in force at any given time market commitments in Government Bonds repos and other market commitments on the part of the Swedish National Debt Office.
- 2.4 In the case of liquidity management and in the case of other business agreements within the framework of central government debt management, Primary Dealers are given priority before other counterparties, providing the terms and conditions, service and quality of the counterparty relationships are otherwise equivalent. However, the Swedish National Debt Office reserves the right to, in conjunction with such business agreements, engage counterparties other than Primary Dealers if necessary for the satisfactory overall achievement of the objectives of central government debt management.

## **3. PRIMARY DEALER'S STANDING**

- 3.1 The Primary Dealer hereby and on every occasion that the Primary Dealer participates in a Regular auction certifies that the Primary Dealer is entitled to conduct securities business in Sweden. The Primary Dealer shall provide to the Swedish National Debt Office upon request a copy of the licence, extracts from records or other documents to verify the above.
- 3.2 The Primary Dealer undertakes to immediately inform the Swedish National Debt Office if any changes occur regarding the Primary Dealer's right to conduct securities business in Sweden.
- 3.3 The Primary Dealer undertakes to comply with all applicable provisions when trading in Government Bonds.
- 3.4 The Primary Dealer undertakes to allocate sufficient staff and other resources to ensure compliance with its commitments under this Agreement.
- 3.5 The Swedish National Debt Office reserves the right to perform customary credit assessments of the Primary Dealer prior to each transaction. If such a credit assessment should show that the Primary Dealer no longer have an acceptable credit rating, the Swedish National Debt Office, in addition to being able to refuse to implement the transaction in question, may suspend the Primary Dealer in accordance with Clause 10.

## **4. PRIMARY MARKET**

### **4.1 Sales terms and conditions**

- 4.1.1 The Swedish National Debt Office's sales of Government Bonds on the Primary Market takes place through a bidding procedure in accordance with the terms and conditions specified in detail in the Sales Terms and Conditions. The relevant parts of the following provisions also apply to exchanges or buyback of such bonds under a bidding procedure.
- 4.1.2 The Swedish National Debt Office also intends to apply for the registration of all new Government Bonds on Stockholmsbörsen.

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## **4.2 Participation in the bidding procedure**

- 4.2.1 The Primary Dealer undertakes to, on its own behalf or on behalf of its clients, at each Regular auction and every exchange or buyback of Government Bonds where the Swedish National Debt Office uses a bidding procedure, submits bids regarding all Government Bonds in question. However, the Primary Dealer does not need to submit bids in conjunction with bidding procedures relating to exchanges or buybacks that, as announced in advance by the Swedish National Debt Office, are mainly conducted with the aim of facilitating portfolio management for investors in the Client Market.
- 4.2.2 The bids shall be reasonable taking into consideration the prevailing market rates at the time of each sale.
- 4.2.3 The Primary Dealer undertakes to comply with the Swedish National Debt Office's Sales Terms and Conditions in force at any given time. Amendments to the Sales Terms and conditions, except changes made in the group of Primary Dealers, will be communicated to the Primary Dealer not later than two weeks prior to the entry into effect of the amendment.

## **4.3 Conditions for bidding procedure**

- 4.3.1 In addition to the Sales Terms and Conditions, the terms and conditions specified below shall apply to the bidding procedure.
- 4.3.2 The Primary Dealer shall make all bids in its own name.
- 4.3.3 Bids are to be submitted through the Swedish National Debt Office's auction system.
- 4.3.4 All submitted bids are binding of the Primary Dealer from the time announced by the Swedish National Debt Office, via the Swedish National Debt Office's website ([www.riksdagen.se](http://www.riksdagen.se)) or in another manner, as the final time for the submission of bids. This means that the Primary Dealer:
- (a) is bound by a submitted bid, irrespective of which person at the Primary Dealer submitted the bid;
  - (b) may not withdraw or amend the submitted bid after the said time; and
  - (c) is obliged to acquire the allocated volume even where such is less than the volume requested in the bid.
- 4.3.5 The Primary Dealer is liable to verify that no submitted bids contain any errors. The Swedish National Debt Office is not under an obligation to assist the Primary Dealer with correcting erroneous bids.
- 4.3.6 If the results of the sale have not been reported by the Swedish National Debt Office within 10 minutes from the cut-off time for submission of bids, the Primary Dealer is no longer bound by its bid.

## **4.4 Reporting of the sales results**

The Swedish National Debt Office shall report the sales results to all Primary Dealers simultaneously.

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#### **4.5 Market share**

The Primary Dealer shall make all reasonable efforts to maintain at Regular auctions in the Primary Market, for each calendar quarter, a market share of not less than 2.5 per cent of the total turnover on this market.

#### **4.6 Marketing**

The Primary Dealer shall actively work towards enhancing client interest in making bids in conjunction with the Swedish National Debt Office's sales of Government Bonds.

### **5. SECONDARY MARKET**

#### **5.1 Market maker**

5.1.1 The Primary Dealer shall actively, and in accordance with sound and customary trading principles, contribute to liquidity and price transparency in Government Bonds on the Secondary Market (both on the Client Market and the Interbank market) both through trading on the spot (cash) market as well as by entering into transactions on the derivatives markets.

5.1.2 The Primary Dealer shall continuously make all reasonable efforts to maintain a secondary market for Government Bonds through providing on request binding bid and ask rates on the Client Market and continuously providing indicative bid and ask rates in the market Information System.

5.1.3 The Primary Dealer shall actively promote the market and broaden the investor base for Government Bonds in the Client Market.

5.1.4 The Primary Dealer shall conduct analyses and research and present business proposals regarding Government Bonds in the Client Market and inform participants in the Client Market about the Swedish National Debt Office's borrowing and management of central government debt.

#### **5.2 The Electronic Interbank Market**

5.2.1 The Primary Dealer makes a commitment to participate in trade on the Interbank Market with at least one Electronic Interbank Trading System, as provided for in more detail in Appendix 1.

5.2.2 The Primary Dealers undertakes to comply with the relevant rules for the Committed Interbank Trading System(s).

5.2.3 The Primary Dealer undertakes to operate as a Market maker in the Committed Interbank Trading System(s) and provide for this binding bid and ask rates in the Reference loans. The Primary Dealer shall make all reasonable efforts to continuously provide binding bid and ask rates in the Committed Interbank Trading Systems.

5.2.4 If exceptional conditions prevail in the Swedish bond market, the Primary Dealer need not quote binding bid and ask rates in the Reference Loans.

5.2.5 The Primary Dealer shall actively promote that the trading on the Interbank Market shall be conducted on the Committed Interbank Trading Systems.

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### 5.3 Market share

The Primary Dealer shall make every reasonable effort to maintain in *first* the Electronic Interbank Market and *second* the Client Market, for each calendar quarter, market shares of not less than 5 per cent and 2.5 per cent respectively of the total market sales in the respective market.

## 6. COMMISSIONS

### 6.1 Prerequisites for earning commission

In order to earn a commission as stipulated in sub-clauses 6.2-6.4 below, the Primary Dealer shall during the commission-earning period:

- (a) have acted as a market maker in accordance with sub-clause 5.1 above;
- (b) have actively promoted the conduct of interbank trade in the Trading System in which a commitment is made in accordance with sub-clause 5.2 above;
- (c) have quoted binding bid and ask rates in accordance with sub-clause 5.2.3 above; and
- (d) have achieved the market shares stated in sub-clauses 4.5 and 5.3 above.

### 6.2 Basic commission

Each Primary Dealer shall receive a basic commission of SEK 600,000 each year.

### 6.3 Commission related to the Primary Market

6.3.1 A commission amount of SEK 4,000,000 per year will be shared among all Primary Dealers in proportion to the commission-earning volumes sold in connection with the Regular auctions.

6.3.2 Commission-earning volumes shall be based on the Swedish National Debt Office's Regular auctions and comprise 100 per cent of the volume sold by the Swedish National Debt Offices, 25 per cent of the volume sold by the Swedish National Debt Office in exchanges and 25 per cent of the volume bought by the Swedish National Debt Office in buybacks.

### 6.4 Commission related to the Secondary Market

A commission amount per year of SEK 6,000,000 per year will be shared between all Primary Dealers in proportion to the share of respective Primary Dealer achieved during the past year of the total turnover in the Client Market.

### 6.5 Calculation and payment of commission

6.5.1 The commission earning periods consist of whole calendar years. In the event that the Agreement enters into force or expires at some time other than the beginning or end of a calendar year, the commission for the first and last commission-earning periods shall be reduced respectively in proportion to the number of days in such period.

6.5.2 Should the Primary Dealer be a primary dealer in Government Bonds for only part of a year, the basic commission stated in sub-clause 6.2 above, which is received each year, will be reduced by an amount corresponding to the period of the year that the Primary Dealer has not been a primary dealer in Government Bonds.



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6.5.3 The commission is paid during the month following the commission-earning period in question.

## **7. INFORMATION**

### **7.1 Information from the Primary Dealer**

7.1.1 The Primary Dealer shall provide the Swedish National Debt Office at least once a year a written business plan regarding sales and marketing of Government Bonds for the forthcoming calendar year and on operations concerning the business plan for the preceding calendar year. The Primary Dealer shall report in particular on measures it has implemented and plans to implement to promote the sale of Government Bonds in the Client Market. The Primary Dealer shall also report views and proposals that the Swedish National Debt Office can implement to improve and develop the management of central government debt and the market for Government Bonds.

7.1.2 The Primary Dealer shall on an on-going basis and without delay provide the Swedish National Debt Office with:

- (a) The Primary Dealer's annual report when it is published; and
- (b) information concerning changes in the form of the Primary Dealer's business activities and the staffing of senior management positions at the Primary Dealer, with regard to trade in Government Bonds.

7.1.3 The Primary Dealer shall provide daily reports on its purchase and sale of Government Bonds *first* to the Swedish Central Bank, in accordance with the forms the Central Bank supplies for such reporting, and *second* to Stockholmsbörsen, in accordance with the provisions in force at any given time.

7.1.4 In addition, the Primary Dealer shall provide a yearly report to the Swedish National Debt Office concerning the sale of Government Bonds, broken down by investor category and geographical area.

7.1.5 If the Primary Dealer cannot provide binding bid and ask rates for the Reference loans in the Electronic Interbank Market owing to such exceptional market conditions prevailing as referred to in sub-clause 5.2.4, it shall notify the Swedish National Debt Office of this without delay.

### **7.2 Other information**

The Primary Dealer consents to the Swedish National Debt Office obtaining information directly from the Swedish Central Bank and Stockholmsbörsen regarding reports on turnover of Government Bonds.

## **8. FOREIGN INVESTORS**

8.1 The Primary Dealer undertakes to comply with all relevant foreign laws and other provisions when selling or making sales efforts targeted at foreign investors.

With regard to the USA Appendix 2 applies.

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## **9. FORCE MAJEURE**

- 9.1 A party is not liable for any damage which is due to Swedish or foreign legislation, the actions of Swedish or foreign public authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation in relation to strikes, blockades, boycotts and lockouts also applies if the party itself is the subject of or implements such industrial action.
- 9.2 Losses that arise in other circumstances shall not be compensated by a party if such party has acted with normal care.
- 9.3 In the event that a party is prevented from performing its obligations under this Agreement, due to such circumstances as specified in sub-clause 9.1, such obligation shall be suspended until such time as the impediment has ceased.

## **10. SUSPENSION**

- 10.1 If the Primary Dealer fails to perform its obligations in accordance with this agreement, including the maintenance of market shares in accordance with sub-clauses 4.5 and 5.3 above, and the quoting of binding bid and ask rates in accordance with sub-clause 5.2 above, the Swedish National Debt Office may decide upon an immediate suspension of the Primary Dealer from functioning as a primary dealer in Government Bonds under this Agreement for a specified period or for an indefinite period. If the Swedish National Debt Office is of the opinion that the transgression is of a less serious nature, it may issue a warning. Prior to the Swedish National Debt Office deciding upon a suspension, the Primary Dealer shall be afforded the opportunity to make representations, unless a delay in respect of such decision would be prejudicial.
- 10.2 The Swedish National Debt Office may also suspend with immediate effect a Primary Dealer from functioning as a primary dealer in Government Bonds under this Agreement, if the Swedish National Debt Office upon a credit assessment as referred to in sub-clause 3.5 considers that the Primary Dealer does not have an acceptable credit rating.

## **11. AMENDMENTS AND SUPPLEMENTS**

Any amendments and supplements to this Agreement shall be agreed in writing between the parties, unless otherwise stated in this Agreement.

## **12. CONTACT PERSONS AND NOTIFICATIONS**

- 12.1 Notifications provided in conjunction with the Agreement shall be drawn up in Swedish and, unless otherwise stipulated, sent by e-mail or letter.
- 12.2 Address details and fax numbers of the parties for notifications to be provided in conjunction with the Agreement are as follows:

The Swedish National Debt Office:	Riksgälden Attn. Head of Funding SE-103 74 Stockholm, Sweden Tel.: +46 (0)8-613 45 00  E-mail: riksgalden@riksgalden.se
The Primary Dealer:	[the Primary Dealer] Attn: [name/post] [postal address]

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Tel.: [tel. no.]  
E-mail: [e-mail address]

or other e-mail address or address notified by one party to the other party with at least five (5) Business Days' advance notice or as stated in a notice of transfer.

12.3 A notification provided in conjunction with the Agreement shall be deemed to have been received by the recipient:

- (a) if sent by e-mail, when it has been received by the recipient in readable condition; or
- (b) if sent by letter, upon receipt at the relevant address or no later than three (3) Business Days after dispatch in a pre-paid envelope addressed to that address,

and, if a special department or officer is stated as part of the address, the notification has been addressed to that department or officer.

12.4 Notifications that have been received on a day that is not a Business Day or after 17.00 on a Banking Day shall be deemed to have been delivered on the immediately following Business Day.

### 13. CHOICE OF LAW AND DISPUTE

13.1 Swedish law applies to this Agreement.

13.2 Disputes regarding the application or interpretation of this Agreement shall be determined by a Swedish general court according to Swedish law, with Stockholm City Court as the first instance.

### 14. ENTRY INTO FORCE AND NOTICE OF TERMINATION

14.1 This agreement applies as from 1 January 2014 up to and including 31 December 2014.

14.2 Unless the Swedish National Debt Office no later than one month prior to the cessation of the Agreement gives written notice terminating the Agreement, the Agreement will be extended on the same terms and conditions for twelve (12) months at a time.

14.3 The Swedish National Debt Office and Primary Dealer may, in addition to the above, give notice terminating the Agreement to take effect no later than five Business Days before the next Regular auction sale of Government Bonds.

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This Agreement has been drawn up as two counterparts, of which the Parties have each received its part.

[THE PRIMARY DEALER]

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Name:

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Name:

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THE KINGDOM OF SWEDEN REPRESENTED BY THE SWEDISH NATIONAL DEBT  
OFFICE

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Name:

\_\_\_\_\_  
Name:

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**APPENDIX 1**  
**THE ELECTRONIC INTERBANK MARKET**

**1. DETERMINATION OF ELECTRONIC INTERBANK TRADING SYSTEM**

- (a) The Primary Dealers must jointly decide on one or more electronic systems for trade on the Interbank Market. The Primary Dealers shall jointly notify the Swedish National Debt Office of which trading system(s) have been decided and from what point in time the systems will start to be used, which date may however be at the earliest three (3) months from the date when the Primary Dealers notify the Swedish National Debt Office of the choice of trading system having been made.
- (b) An Electronic Interbank Trading System must satisfy the requirements referred to in Clause 3 below and otherwise stipulated in the Agreement. If a trading system decided and notified by the Primary Dealers to the Swedish National Debt Office in accordance with the above satisfies these requirements, the Swedish National Debt Office will normally approve it. The Swedish National Debt Office will notify the Primary Dealers of the date from which the trading system shall constitute an Electronic Interbank Trading System as referred to in this Agreement.
- (c) If the requirements are no longer satisfied regarding an Electronic Interbank Trading System (decided and approved as referred to above) the Swedish National Debt Office may by three (3) months' advance notice declare that the trading system in question shall no longer constitute an Electronic Interbank Trading System as referred to in this Agreement. However, if the Electronic Interbank Trading System breaches an applicable statute, ordinance or other provisions, the Swedish National Debt Office may give notice to the Primary Dealers declaring with immediate effect that the trading system shall no longer constitute an Electronic Interbank Trading System as referred to in this Agreement.
- (d) Until such time as the Primary Dealers have jointly decided and given notice and the Swedish National Debt Office has also approved a trading system as referred to above, the electronic system for trade on the Interbank Market notified by the Swedish National Debt Office shall constitute the Electronic Interbank Trading System as referred to in this Agreement. The corresponding shall apply if the Swedish National Debt Office has in accordance with sub-clause (c) above given notice that a trading system shall no longer constitute an Electronic Interbank Trading System or if there is no longer an Electronic Interbank Trading System (decided and approved as referred to in sub-clauses (a)-(b) above).

**2. INTERBANK TRADING SYSTEM FOR WHICH A COMMITMENT IS MADE**

- (a) The Primary Dealer shall in conjunction with the conclusion of this Agreement give notice to the Swedish National Debt Office of the Electronic Interbank Trading System(s) in which the Primary Dealer makes a commitment to participate in trade.
- (b) The Primary Dealer may, by six (6) months' advance written notice to the Swedish National Debt Office, change the Electronic Interbank Trading System(s) in which the Primary Dealer makes a commitment to participate in trade on the Interbank Market.

**3. REQUIREMENTS - ELECTRONIC INTERBANK TRADING SYSTEM**

- (a) The Electronic Interbank Trading System shall either be a *multilateral trading facility* or a *regulated market* according to the Securities Market Act (2007:528).

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- (b) The Electronic Interbank Trading System shall contribute to a properly functioning and transparent Secondary Market. The Primary Dealer shall endeavour to ensure that rates and volumes are, in a manner that is reasonable for the market overall, disseminated through an Information System available for the Client Market.
  - (c) If the Primary Dealers decide that there should be more than one Electronic Interbank Trading System, then at least so many Primary Dealers must have made a commitment to conduct trade in several of these systems as is needed to prevent a segmentation of the Electronic Interbank Market.
  - (d) The Electronic Interbank Trading System shall be open on reasonable and equivalent conditions for all Primary Dealers that wish to join it. Any system of charges must be fair and non-discriminatory. The rules for the trading system may not in any other way be discriminatory or in another way distort competition on the Interbank Market.
  - (e) The Electronic Interbank Trading System shall, without charge and in electronic format approved by the Swedish National Debt Office, provide information to the Swedish National Debt Office of sales, rates, presence in the form of quotation of binding bid and ask rates and other information required by the Swedish National Debt Office to monitor compliance with the obligations under this Agreement or to correctly calculate commissions or other remuneration comprising an incentive.

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## APPENDIX 2

### RESTRICTIONS ON SALES REGARDING USA

The following restrictions applies regarding marketing and sales in USA. Since the restrictions relates to provisions in US law, the appendix is drafted in English. .

#### Definitions

**"Affiliate"** has the meaning ascribed to it in Rule 405 under the Securities Act.

**"Exchange Act"** the United States Securities Exchange Act of 1934, as amended.

**"Issuer"** the Kingdom of Sweden, represented by the Swedish National Debt Office.

**"Government Bonds"** Government Bonds [Sw: Statsobligationer] (as defined in Section 1.1 of the Agreement)

**"QIB"** qualified institutional buyer, within the meaning of Rule 144A.

**"Regulation S"** Regulation S under the Securities Act.

**"Rule 144A"** Rule 144A under the Securities Act.

**"Relevant Agreement"** an agreement between the Issuer and the Primary Dealer for the sale by the Issuer and the purchase as principal by the Primary Dealer, for its own account or for resale to clients, of any Government Bonds, whether in the form of a sale of Government Bonds to the Primary Dealer or an exchange of Government Bonds by the Primary Dealer with the Issuer for other Government Bonds.

**"Primary Dealer"** Återförsäljaren (as defined in the Agreement)

**"Primary Dealers"** Återförsäljare (as defined in Section 1.1 of the Agreement)

**"Securities Act"** the United States Securities Act of 1933, as amended.

**"Tranche"** Government Bonds which are issued on the same issue date, the terms of which are identical in all respects (save that a Tranche may comprise Government Bonds in more than one denomination).

1. The following representations, warranties, agreements and undertakings are made by the Issuer on the date hereof and shall be deemed to be repeated, in respect of each Tranche of Government Bonds to be purchased by the Primary Dealer, on the date on which the Relevant Agreement is made, on the issue date of such Government Bonds and on each intervening date, in each case, with reference to the facts and circumstances then subsisting:
  - (a) The Issuer is a foreign government (as defined in Rule 405 under the Securities Act) eligible to register securities under Schedule B of the Securities Act and the Government Bonds are backed by the full faith and credit of a foreign government (within the meaning of Regulation S).
  - (b) Neither the Issuer, nor any of its Affiliates, nor any person acting on its or their behalf (other than the Primary Dealers, as to whom no representation or warranty is made) has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) of Regulation S) in connection with the offer or sale of the Government Bonds.

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- (c) Neither the Issuer, nor any of its Affiliates, nor any person acting on its or their behalf (other than the Primary Dealers, as to whom no representation or warranty is made), directly or indirectly, (a) has made or will make offers or sales of any security, (b) has solicited or will solicit offers to buy any security or (c) otherwise has negotiated or will negotiate in respect of any security (as defined in the Securities Act), in any case, under circumstances that would require the registration of the Government Bonds under the Securities Act.
- (d) Neither the Issuer, nor any of its Affiliates, nor any person acting on its or their behalf (other than the Primary Dealers, as to whom no representation or warranty is made) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Government Bonds in the United States.
- (e) The Government Bonds are eligible for resale pursuant to Rule 144A and will not be, at the date of issuance of the Government Bonds, of the same class (within the meaning of Rule 144A(d)(3)) as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.
2. The Primary Dealer acknowledges, agrees, represents, warrants and undertakes as follows:
- (a) The Government Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- (b) Neither the Primary Dealer, nor any of its Affiliates, nor any person acting on its or their behalf has offered or sold, or will offer or sell, any Government Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S or Rule 144A. The Primary Dealer may directly or through its Affiliates resell Government Bonds in the United States to QIBs pursuant to Rule 144A and in accordance with the provisions of this Agreement, provided that each such person to whom Government Bonds are offered or sold is, or the Primary Dealer reasonably believes each such person to be, a QIB purchasing for its own account or for the account of one or more QIBs, and provided further that the aggregate principal amount of Government Bonds sold by such Primary Dealer to each QIB is not less than the equivalent (based on then current exchange rates) of U.S.\$100,000. In connection with any resale pursuant to Rule 144A, the Primary Dealer and any person acting on its behalf will take reasonable steps to ensure that the purchaser is aware that the seller may rely on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. In addition, the Affiliate through which the Primary Dealer resells the Government Bonds in the United States shall be a U.S. broker-dealer that is registered as such under the Exchange Act.
- (c) Neither the Primary Dealer, nor any of its Affiliates, nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) of Regulation S) in connection with the offer or sale of the Government Bonds.
- (d) Neither the Primary Dealer, nor any of its Affiliates, nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Government Bonds in the United States.
- (e) The Primary Dealer has not entered and will not enter into any contractual arrangement with any distributor (as defined in Regulation S) with respect to the distribution of the Government Bonds, except with its Affiliates or with the prior written consent of the Issuer.