



# RIKSGÄLDS KONTORET

THE SWEDISH  
NATIONAL DEBT OFFICE

Our ref. /01

The following is a translation of the Agreement with Authorised Dealer of Swedish Inflation-linked Bonds in the Swedish language. In the case of any inconsistency between the following English translation and the Swedish language version, the Swedish language version shall prevail.

## AGREEMENT

with

### **AUTHORISED DEALER OF GOVERNMENT BONDS IN SWEDISH KRONOR WITH AN INDEX CLAUSE ("INFLATION-LINKED BONDS")**

The following agreement has been entered into by and between the Kingdom of Sweden, represented by Riksgäldskontoret (the "Swedish National Debt Office"), and ....., which is appointed as an authorised dealer of Swedish Inflation-linked Bonds (the "Authorised Dealer") by virtue of this agreement.

## 1 Introduction

The object of this agreement is to regulate the relationship between the Swedish National Debt Office and the Authorised Dealer regarding trading in Inflation-linked Bonds on the bond market.

In handling its debt management and liquidity management, as such relates to the debt in Inflation-linked Bonds, the Swedish National Debt Office intends to primarily engage Authorised Dealers as its counterparts.

The following definitions shall apply to this agreement. (Definitions are, however, also to be found in other parts of the agreement.)

“Exchange by Auction”      The Swedish National Debt Office’s combined Sale by Auction and purchase of other Inflation-linked Bonds at a real interest rate fixed by the Swedish National Debt Office and in accordance with the Exchange Terms and Conditions.

“Exchange Terms and Conditions”      The Swedish National Debt Office’s terms and conditions for exchange of Inflation-linked Bonds, in force at any given time.

“Sale by Auction”      The Swedish National Debt Office’s sale of Inflation-linked Bonds by auction by tender in accordance with the Sales Terms and Conditions.

"Sales Terms and Conditions"      The Swedish National Debt Office's terms and conditions for the Sale of Inflation-linked Bonds, in force at any given time.

"The Information System"	A computerised system for the receipt and distribution of information on the Swedish money and bonds market, established in the market and specifically designated by the Swedish National Debt Office.
"OM"	<i>OM Räntebörsen AB</i>
"General Auction"	Sale by Auction, Exchange by Auction or Buy-back by Auction.
"Buy-back by Auction"	The Swedish National Debt Office's buy-back of Inflation-linked Bonds by auction by tender in accordance with the Buy-back Terms and Conditions.
"Buy-back Terms and Conditions"	The Swedish National Debt Office's terms and conditions for the buy-back of Inflation-linked Bonds, in force at any given time.
"VPC"	<i>VPC AB.</i>
"Authorised Dealers"	Authorised dealers of Inflation-linked Bonds appointed by agreement with the Swedish National Debt Office.

## **2 Authorised Dealer's Standing**

The Authorised Dealer represents and warrants that it is entitled to conduct securities business in Sweden and that it has obtained permission from OM to participate in trading on *OM Räntebörsen*. The Authorised Dealer shall upon request provide the Swedish National Debt Office with

copies of licences, extracts from minutes or other documentation that supports such entitlement.

The Authorised Dealer undertakes to immediately inform the Swedish National Debt Office if any changes occur in relation to the Authorised Dealer's right to conduct securities business in Sweden or its right to participate in trading on *OM Räntebörsen*.

The Swedish National Debt Office reserves the right to conduct customary credit assessment of the Authorised Dealer prior to each transaction.

### **3 Terms and Conditions by auctions**

#### *3.1 Sales, Exchanges and Buy-backs*

General Auctions take place through a bidding procedure in accordance with the terms and conditions which are specified in detail in the Sales Terms and Conditions, the Exchange Terms and Conditions and the Buy-back Terms and Conditions respectively.

In conjunction with Sale by Auction and Buy-back by Auction, the Swedish National Debt Office intends to apply for the registration of the sold debt instruments by VPC at registered accounts.

The Swedish National Debt Office also intends to apply for the registration of new inflation-linked bond loans on *OM Stockholmsbörsen* and *OM Räntebörsen*.

#### *3.2 Participation in the bidding procedure*

The Authorised Dealer undertakes to comply with the Sales Terms and Conditions, the Exchange Terms and Conditions and the Buy-back Terms and Conditions. Amendments to these terms and conditions will be

communicated to the Authorised Dealer not later than two weeks prior to the entry into effect of the amendment.

In addition to the Sales Terms and Conditions, the Exchange Terms and Conditions and the Exchange Terms and Conditions, the terms and conditions specified below shall apply to the bidding procedure.

### 3.2.1 *Bids as a principal*

The Authorised Dealer shall make all bids as a principal.

### 3.2.2 *Submission of bids*

Bids shall be made via the Information System.

### 3.2.3 *Bids*

All bids made are binding on the Authorised Dealer from the time announced by the Swedish National Debt Office, via the Information System or in another manner, as the final time for the submission of bids.

This means that the Authorised Dealer:

- a) is bound by a bid made, irrespective of the person at the Authorised Dealer by whom the bid was submitted;
- b) after the aforementioned time, may not withdraw or amend the bid made; and
- c) is obliged to acquire the allocated volume even where such is less than the volume requested in the bid.

However, if the result of the sale has not been reported by the Swedish National Debt Office within a period of 30 minutes from the final time

for the submission of bids, the Authorised Dealer is no longer bound by any bids made.

#### 3.2.4 *Bidding errors*

The Authorised Dealer shall verify for itself that any bids made do not contain any errors.

However, if the contents of a bid are not as intended as a result of a writing error, the Authorised Dealer shall be entitled, within a period of five minutes following the final time for the submission of bids, to request the withdrawal of the bid from the official responsible for the issue at the Swedish National Debt Office.

If the Swedish National Debt Office finds that the error is patent, such a request will be granted.

However, if the Swedish National Debt Office finds that the error is not patent and provided that the bid has been accepted in full or in part and that the Authorised Dealer within a period of five days is able to show that:

- a) the contents of the bid differs from what was intended ; and
- b) the Authorised Dealer has suffered direct loss as a result of the error;

the Swedish National Debt Office will provide reasonable compensation to the Authorised Dealer for such loss.

#### 3.3 *Reporting of the sales results*

The Swedish National Debt Office shall report the sales results to all Authorised Dealers on one and the same occasion.

### 3.4 *Non-competitive facility*

The Authorised Dealer is offered an exclusive right to accomplish an additional transaction of equal character at the average accepted prize expressed as real interest rate after each Sale by Auction. This special facility amounts to maximum 20 per cent. of the total allocated volume at the latest General Auction. The share of Authorised Dealer in this special facility is based upon what it has been allocated totally (by an exchange what has been allocated of the sold volume) in relation to what the Swedish National Debt Office has sold in total by sales and exchanges and purchased by buy-backs during the four latest preceding General Auctions (including the latest General Auction).

This facility may be utilized by notifying the Swedish National Debt Office at the latest at a point of time on the fourth Swedish business day (the “Business Day”) following the General Auction, which has been announced as the latest point of time for submission of bids. Settlement will take place on the third Swedish business day after the Business Day.

## **4 Information**

The Authorised Dealer shall currently and without delay provide the Swedish National Debt Office with - as far as the trade with Inflation-linked Bonds is concerned – information about changes in the direction of its business and the manning of its leading positions.

The Authorised Dealer consents to the Swedish National Debt Office obtaining information regarding turnover in Inflation-linked Bonds directly from the Swedish Central Bank and OM Råntebörsen.

## **5 Commissions**

### 5.1 *Basic commission*

The Authorised Dealer receives a basic commission of SEK 1,000,000 for the period 1 February – 31 December 2001.

### 5.2 *Commission related to the Primary Market*

A total commission amount of minimum SEK 5,000,000 and maximum SEK 10,000,000 is distributed among the Authorised Dealers in relation to the commission-founding volume share of the General Auctions carried through during year 2001. The commission-founding volume is 100 per cent. of the volume sold in connection with sales, 50 per cent. of the volume sold in connection with exchanges and 25 per cent. of the volume bought in connection with buy-backs.

The total amount of commission related to the Primary Market amounts to SEK 10,000,000 multiplied with the quotient between the total allocated commission-founding volume and the total offered commission-founding volume, but at least SEK 5,000,000. The Authorised Dealer's share of the this total commission amount is based upon the Authorised Dealer's share of allocated commission-founding volumes.

In case no transactions are carried through SEK 5,000,000 will be distributed equally among all Authorised Dealers.

### 5.3 *Payment*

The commission will be paid during January 2002.

## **6 Foreign investors**

The Authorised Dealer undertakes to comply with all relevant foreign laws, regulations and ordinances in conjunction with sales or sales efforts towards investors domiciled in foreign countries.



## **7 Limits of Liability**

A party is not liable for 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 subjected to, or adopts such measures.

Damage which arises in other circumstances shall not be compensated by a party if such party has exercised reasonable care.

In the event that a party is prevented, due to such circumstances as specified in the first paragraph, from performing its obligations in accordance with this agreement, such obligation shall be suspended until such time as the hindrance has ceased.

## **8 Applicable law**

Swedish law shall apply to this agreement.

## **9 Entry into force and termination**

This agreement applies from and including 1 February 2001 or, if the agreement is entered into by the Authorised Dealer at a later date, from that later date to and including 31 December 2001.

In addition, the Swedish National Debt Office and the Authorised Dealer may provide notice of termination of this agreement not later than five banking days prior to the next General Auction.

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This agreement has been prepared in duplicate of which each party has received one.

Stockholm.....  
.....  
(place and date)

**Kingdom of Sweden, represented by  
the Swedish National Debt Office** .....  
(the Authorised Dealer)

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By:

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By:

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By: