

IMPORTANT NOTICE

You must read the following before continuing. The following applies to the listing particulars (in preliminary or final form) following this page (the "**Listing Particulars**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Listing Particulars. In accessing the Listing Particulars, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THESE LISTING PARTICULARS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER RELEVANT JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THESE LISTING PARTICULARS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THESE LISTING PARTICULARS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**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.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of 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 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 manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

Confirmation of your Representation: You have been sent the attached Listing Particulars at your request and by accepting the e-mail and by accepting the Listing Particulars you shall be deemed to have represented to Mandatum Life Insurance Company Limited (the "**Issuer**") and Goldman Sachs International and Nordea Bank Abp (together being the "**Joint Lead Managers**" referred to in the Listing Particulars and senders of the attached), (i) that you are not (or, if you are acting for another person, such person is not) a U.S. person, (ii) that you are not (or, if you are acting on behalf of another person, such person is not) located in the United States of America, its territories or possessions, any State of the United States or the District of Columbia (where "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) and (iii) that you consent (and if you are acting on behalf of another person, such person consents) to this delivery by electronic transmission.

You are reminded that the Listing Particulars have been delivered to you on the basis that you are a person into whose possession the Listing Particulars may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Listing Particulars to any other person.

The Listing Particulars do not constitute, and may not be used in connection with, an offer or solicitation to subscribe for or purchase the EUR 250,000,000 Fixed/Floating Rate Dated Subordinated Notes due 2049 (the "**Notes**") by any person in any jurisdiction where offers or solicitations are not permitted by law. The distribution of the Listing Particulars and the offer or sale of the Notes in certain jurisdictions is restricted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of a Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction. The Listing Particulars may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply.

The Listing Particulars have been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or any Joint Lead Manager, nor any person who controls any Joint Lead Manager nor any director, officer, employee, agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Listing Particulars distributed to you in electronic format herewith and the hard copy version available to you on request from any Joint Lead Manager.



MANDATUM LIFE INSURANCE COMPANY LIMITED

(incorporated with limited liability in Finland)

EUR 250,000,000

Fixed/Floating Rate Dated Subordinated Notes Due 2049

Issue price: 99.910 per cent.

The EUR 250,000,000 Fixed/Floating Rate Dated Subordinated Notes due 2049 (the "**Notes**") are issued by Mandatum Life Insurance Company Limited (the "**Issuer**").

The Notes will bear interest on their principal amount from and including 4 October 2019 to and including 4 October 2024 (the "**First Call Date**"), at a fixed rate of 1.875 per cent. per annum and thereafter at the Floating Rate of Interest as provided in Condition 3 (*Interest*). Interest will be payable annually in arrear on 4 October in each year to and including the First Call Date and thereafter interest will be payable quarterly in arrear on 4 January, 4 April, 4 July and 4 October in each year at a rate of interest equal to the three month European Interbank Offered Rate ("**EURIBOR**") plus the applicable Margin, as more fully described herein.

All payments of interest and principal are conditional upon the Issuer being "Solvent" at the time of payment and immediately thereafter, as further described in "*Terms and Conditions of the Notes – Status and Subordination*".

The Issuer has the right (and, in certain circumstances, is required) to defer the payment of interest in certain circumstances all as further described in "*Terms and Conditions of the Notes – Deferral of Payments*", and is required to suspend the payment of principal in certain circumstances all as further described in "*Terms and Conditions of the Notes – Redemption, Purchase, Substitution and Variation – Issuer suspension of redemption date*".

Subject as provided above, the Notes will mature on or around 4 October 2049 (the "**Maturity Date**") and the Issuer may, subject to the prior approval of the Issuer Supervisor (as defined in "*Terms and Conditions of the Notes*"), redeem the Notes at their principal amount together with any accrued interest and Arrears of Interest (as defined in "*Terms and Conditions of the Notes*") on the First Call Date or any Interest Payment Date thereafter. See "*Terms and Conditions of the Notes – Redemption, Purchase, Substitution and Variation – Redemption at the Option of the Issuer*". The Issuer will also have the right, subject as provided above and subject to the prior approval of the Issuer Supervisor, upon the occurrence of certain tax events, capital events or rating agency events, to redeem the Notes at their principal amount together with any accrued interest and Arrears of Interest or vary the Notes for, or substitute the Notes so that they become or remain, Qualifying Tier 2 Securities. See "*Terms and Conditions of the Notes – Redemption, Purchase, Substitution and Variation – Taxation Reasons – redemption, variation or substitution*", "*Capital Disqualification Event redemption, variation or substitution*" and "*Rating Agency Event redemption, variation or substitution*".

An investment in the Notes involves certain risks. For a discussion of these risks, see "*Risk Factors*" on pages 5 to 25.

These Listing Particulars do not constitute a prospectus for the purposes of Regulation (EU) 2017/1129. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the approval of this document as listing particulars. Application has also been made to Euronext Dublin for the Notes to be admitted to the official list (the "**Official List**") and to trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**"). The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). References in these Listing Particulars to the Notes being listed (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Global Exchange Market.

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 United States tax law requirements. The Notes are being offered outside the United States by the Joint Lead Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof to and including EUR 199,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around 4 October 2019 (the "**Issue Date**") with a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a separate permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the

"**Global Notes**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof to and including EUR 199,000 each and with interest coupons attached. See "*Summary of Provisions Relating to the Notes While in Global Form*".

The Notes will be rated BBB+ by S&P Global Ratings Europe Limited ("**S&P**"). S&P is established in the European Economic Area (the "**EEA**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). As such, S&P appears on the latest update of the list of registered credit rating agencies (as of the date of these Listing Particulars) on the ESMA website <http://www.esma.europa.eu>.

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.

Structuring Advisers and Joint Lead Managers

Goldman Sachs International

Nordea

The date of these Listing Particulars is 2 October 2019

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Suitability of Investment

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

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and the risks of investing the Notes and the information contained or incorporated by reference in these Listing Particulars or any applicable supplement;
- (ii) have 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) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

General

The Issuer accepts responsibility for the information contained in these Listing Particulars. 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 these Listing Particulars is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to Goldman Sachs International and Nordea Bank Abp (the "**Structuring Advisers**" and the "**Joint Lead Managers**") that these Listing Particulars contain all information regarding the Issuer and the Notes which is (in the context of the issue, offering and sale of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in these Listing Particulars on the part of the Issuer are honestly held or made and are not misleading in any material respect; these Listing Particulars do not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

No person has been authorised to give any information or to make any representation other than those contained in these Listing Particulars in connection with the offering of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Structuring Advisers or the Joint Lead Managers. Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Note made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the affairs of the Issuer and its subsidiaries since the date hereof. These Listing Particulars do not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Trustee (as defined herein), the Structuring Advisers or the Joint Lead Managers to subscribe for, or purchase, any of the Notes. These Listing Particulars do not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Structuring Advisers, the Joint Lead Managers and Citicorp Trustee Company Limited (the "**Trustee**") have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or duty (whether fiduciary, in tort or otherwise) or liability is accepted by the Structuring Advisers, the Joint Lead Managers, the Trustee or any of them as to the accuracy or completeness of the information contained in these Listing Particulars or any other information provided by the Issuer in connection with the Notes or their distribution.

These Listing Particulars are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Structuring Advisers, the Joint Lead Managers or the Trustee that any recipient of these Listing Particulars should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The distribution of these Listing Particulars and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of these Listing Particulars and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Copies of these Listing Particulars, including any supplements thereto (if any), are available, free of charge, at the Issuer's registered office at Bulevardi 56, 00120 Helsinki, Finland.

Certain Definitions and Presentation of Information

Except where otherwise indicated or as the context otherwise requires, references in these Listing Particulars to the "**Notes**" are to the Fixed/Floating Rate Dated Subordinated Notes and references to the "**Conditions**" or "**Terms and Conditions of the Notes**" are to the terms and conditions of the Fixed/Floating Rate Dated Subordinated Notes (set out in "*Terms and Conditions of the Notes*"). Terms used but not defined in these Listing Particulars shall have the same meaning as ascribed to them in the Conditions.

In these Listing Particulars, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**", "**euro**" and "**€**" are to the currency

introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Certain total figures provided in tables and statements in the section entitled "*Description of the Issuer*" may not always reconcile due to rounding. The presentation of these figures is to ensure that each line item corresponds to the relevant source and therefore rounding differences may arise in totals.

Forward Looking Statements

These Listing Particulars contain certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in these Listing Particulars, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer, the Issuer's Group and/or the Solvency II Group (as the case may be) are forward looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future.

Factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The Solvency II Group

As of the date of these Listing Particulars, the Solvency II Group (as defined in the Conditions) is constituted by Sampo plc together with its subsidiaries (together, the "**Sampo Group**"), a group which is engaged in non-life insurance, life insurance and banking. As of the date of these Listing Particulars, events which may give rise to a Capital Disqualification Event, a Regulatory Deficiency Interest Deferral Event and a Regulatory Deficiency Redemption Suspension Event (each of which may lead to an optional early redemption of the Notes, or a compulsory deferral of interest payments or suspension of redemption under the Notes) apply in relation to the Solvency II Group and the Issuer. The level of own funds, Solvency Capital Requirement and Minimum Capital Requirement of the Solvency II Group is dependent upon the performance and capital requirements of several other companies (including Sampo plc) and not just the Issuer. Currently, the Issuer's Group is not subject to direct supervision by a national regulatory authority for Solvency II purposes. In the event of any change in the regulatory oversight of the Issuer's Group, which results in direct supervision of the Issuer's Group for Solvency II purposes the Issuer's Group may be required to raise further capital in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement. See "*Risk Factors – Risks relating to the structure of the Notes - Regulatory oversight and application of Minimum Capital Requirements and Solvency Capital Requirements to the Issuer, the Issuer's Group and/or the Solvency II Group*" and "*Regulation – Supervision*" for further details.

INFORMATION INCORPORATED BY REFERENCE

The following documents which have previously been published and filed with Euronext Dublin contain the following information that shall be deemed to be incorporated in, and form part of, these Listing Particulars:

- (a) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ended 2018 (set out on pages 14 to 72 of the 2018 annual report of the Issuer);
- (b) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ended 2017 (set out on pages 20-78 of the 2017 annual report of the Issuer);
- (c) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Sampo plc in respect of the year ended 2018 (set out on pages 38 to 181 of the 2018 annual report of Sampo plc);
- (d) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Sampo plc in respect of the year ended 2017 (set out on pages 199-335 of the 2017 annual report of Sampo plc); and
- (e) the unaudited interim financial statements of Sampo plc in respect of the six month period ended 30 June 2019 (contained in of the Half Year 2019 interim report of Sampo plc); and
- (f) the unaudited interim financial statements of Sampo plc in respect of the six month period ended 30 June 2018 (contained in of the Half Year 2018 interim report of Sampo plc).

Should any of the documents specified above as containing information incorporated by reference in these Listing Particulars themselves incorporate by reference further information, such information does not form part of these Listing Particulars.

Copies of the documents specified above as containing information incorporated by reference in these Listing Particulars may be inspected, free of charge, at Bulevardi 56, 00120 Helsinki, Finland and are available in electronic form at <https://www.sampo.com/investors/>.

Any information contained in any of the documents specified above which is not incorporated by reference in these Listing Particulars is either not relevant to investors or is covered elsewhere in these Listing Particulars.

RISK FACTORS

Prospective investors should read the entire Listing Particulars. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in these Listing Particulars have the same meanings in this section.

According to the Issuer's assessment, the following factors may affect its ability to fulfil its obligations under Notes. 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 are also described below. According to the Issuer's assessment, the factors described below in this "Risk Factors" section represent all the material/principal risks inherent in investing in the Notes, 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 material/principal 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 Listing Particulars and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

The Issuer is a life insurance company and is partly dependent upon its subsidiaries

The Issuer is a life insurance company and carries out its other business through its subsidiaries (together with the Issuer, the "**Issuer's Group**"). Accordingly, the Issuer is partly dependent upon receipt of funds from the other members of the Issuer's Group in order to fulfil its obligations under the Notes.

The Issuer's Group's business and financial performance have been and will continue to be affected by general economic conditions in Europe and elsewhere and the other adverse developments in the European or global financial markets could cause the Issuer's earnings or profitability to decline

The Issuer's Group is directly and indirectly subject to inherent risks arising from general economic conditions in Nordic, European and other economies and the state of the global financial markets both generally and as it specifically affects financial institutions.

In recent years, the global financial markets have experienced significant disruptions and volatility as a result of, among other things, concerns regarding the overall stability of the euro area, fears related to a slowdown of the Chinese economy and uncertainty relating to the timing of monetary policy changes in the United States ("**U.S.**"). In Europe, the continued modest gross domestic product growth and low inflation have raised concerns, and the uncertainty over the continued weak economic development of certain countries in the euro area, in particular Greece and Italy, and their membership of the European Union ("**EU**") has continued. Market conditions have also been, and are likely to continue to be, affected by the slower economic growth and increased debt levels in China and the low and volatile global oil prices. Geopolitical events, such as continued tensions in the Middle East, eastern Ukraine and the Korean Peninsula, the United Kingdom's decision to withdraw from the EU and recent changes in certain policy goals of the U.S. government and in trade policies globally, including the imposition of new or higher tariffs, have also caused, and are likely to continue to cause, uncertainty in the markets and concern about the development of the global economy. There can also be no assurances that a potential tightening of liquidity conditions in the future as a result of, for example, further deterioration of public finances of certain European countries will not lead to new funding uncertainty, resulting in increased volatility and widening credit spreads. Risks related to the economic development in Europe have also had and, despite the recent periods of moderate stabilisation, may continue to have, a negative impact on global economic activity and the financial markets.

The exact nature of the risks that the Issuer's Group faces and how, and the extent to which, they ultimately will impact the Issuer's Group is difficult to predict and guard against in light of (i) the inter-related nature of the risks involved, (ii) difficulties in predicting whether recoveries will be sustained and at what rate, and (iii) the fact that the risks are totally or partially outside of the Issuer's Group's control.

This consequent uncertainty in the operating environment as well as any adverse changes in the financial markets in which the Issuer's Group invests could have a material adverse effect on the Issuer's Group's

consolidated financial condition, results and cash flows. This could, in turn, adversely impact the Issuer's ability to fulfil its obligations in respect of the Notes.

Investment returns and financial results of the Issuer's Group may be affected by fluctuations in the financial markets

The Issuer's Group has significant investments in equity and debt instruments that are accounted for as "available-for-sale". The impairment is assessed to be significant and recognised if the fair value of listed equity or participation decreases below the acquisition cost by 20 per cent. and prolonged when the fair value has been lower than the acquisition cost for more than 12 months. During 2018, the Issuer's Group made impairments in the amount of EUR 52 million on financial assets available-for-sale (EUR 31 million in 2017). During the six month period ended 30 June 2019, the Issuer's Group made impairments in the amount of EUR 3 million on financial assets available-for-sale (EUR 3 million in the equivalent period in 2018). The Issuer's Group's reported investment income as presented in Sampo Group's accounts amounted to EUR -26 million as of 31 December 2018 (EUR 782 million as of 31 December 2017) and to EUR 726 million as of 30 June 2019. The fair value reserve at the Issuer's Group level decreased to EUR 352 million as of 2018 (EUR 599 million as of 31 December 2017) and amounted to EUR 431 million as of 30 June 2019.

Investment returns are an important part of determining the Issuer's Group's overall profitability and thus fluctuations in the financial markets, such as the fixed income, equity and currency markets (each of which is discussed in further detail below), could have a material effect on the Issuer's Group's consolidated results of operations. Any such material effect on the Issuer's Group's consolidated results of operations could adversely affect the Issuer's ability to make payments under the Notes. Although the Issuer's Group has a diversified investment portfolio and its exposure to countries which are having particular fiscal difficulties is currently not material, and although the Issuer's Group continuously monitors and manages the composition of its investments in relation to the characteristics of its insurance liabilities, market risks may still be realised, which could have a material adverse effect on the Issuer's Group's business, results of operations and financial condition and jeopardise the Issuer's ability to pay amounts under the Notes.

Fluctuations in the fixed income market

Interest rate risk is related to the Issuer's Group's fixed income investments and insurance liabilities. Fluctuations in interest rates may affect returns on fixed income investments and their market value. When market interest rates rise, the balance sheet values of fixed income securities fall and this has an immediate impact on the Issuer's earnings and equity capital. On the other hand, higher interest rates mean increased interest income for new investments, which gradually improves profitability and the Issuer's Group's capital position.

Although a decrease in market interest rates causes the balance sheet values of fixed income securities to rise and this has an immediate impact on the Issuer's earnings and equity capital, consistently low market interest rates would result in a reduction in the return on the Issuer's Group's future fixed income investments and this might jeopardise the Issuer's ability to pay amounts due under the Notes. Generally, investment income may be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, repaid at maturity or are sold and the proceeds are reinvested at lower rates even though prices of fixed income securities tend to rise and gains realised upon their sale tend to increase.

Fluctuations in interest rates may affect the value of the technical provisions (as defined in the Solvency II Directive (as defined below), the "**Technical Provisions**") and own funds in the regulatory solvency calculations for Solvency II (as defined below). Under Solvency II, all balance sheet items are measured at fair value. The market value of Technical Provisions is equal to the sum of a best estimate and a risk margin. The best estimate is derived by discounting the expected future cash flows arising from existing insurance obligations and related expenses. The risk margin is calculated with a cost of capital method. Discounting of the cash flows is performed using discount curves that are derived consistently with the principles for the risk-free interest rate curve under Solvency II. Consequently, when market interest rates decrease, the Technical Provisions in the Solvency II balance sheet increase and own funds decrease, which may have a material adverse effect on the Issuer's financial condition. This may, in turn, adversely impact the value of the Notes. Conversely, when market interest rates increase, the Technical Provisions in the Solvency II balance sheet decrease and own funds increase.

Fluctuations in the equity market

Equity price risk is the risk of losses due to changes in share prices. The Issuer's Group is exposed to changes in the prices of equities which are generally subject to greater volatility and hence more risks than fixed income securities. The Issuer's total investment assets (excluding assets related to unit-linked business, where policyholders carry the investment risk) amounted to EUR 5.6 billion on 31 December 2018 (EUR 6.3 billion on 31 December 2017) and to EUR 5.5 billion on 30 June 2019. Asset allocation in fixed income and equity investments are most important, with respective allocations of approximately 63 per cent. and 25 per cent. General economic conditions and many other factors beyond the control of the Issuer's Group can adversely affect the fixed income and equity markets and consequently the Issuer's ability to fulfil its obligations in respect of the Notes.

Equity price fluctuation may adversely affect also the Issuer's Group's unit-linked and asset management businesses by decreasing assets under management and this may decrease the fee income received from customers. This may immediately affect the Issuer's Group's revenues and capital. In respect of Solvency II such fluctuation may have an adverse effect on the own funds and the solvency capital requirement of the Issuer.

These effects may, in turn, adversely impact the ability of the Issuer to fund payments in respect of the Notes.

Fluctuations in the currency market

Currency risk is the risk that the Issuer's Group will incur losses due to changes in foreign currency exchange rates, which may be particularly volatile in times of global financial crisis. The currency risk of the Issuer consists of transaction risk.

Transaction risk refers to the currency risk arising from contractual cash flows related to the insurance or investment operations or from hedges related to these cash flows. The Issuer's transaction risk position arises mainly from investments in currencies other than euro as the Issuer's Group's insurance liabilities are almost completely denominated in euro. If the Issuer's Group incurs losses due to fluctuations in foreign currency exchange rates, there may be an adverse effect on the Issuer's Group's results of operations and financial condition. Consequently, the ability of the Issuer to fulfil its obligations in respect of the Notes may be adversely impacted.

Fluctuations in the general creditworthiness of issuers of debt and equity securities

Investment returns are also susceptible to changes in general creditworthiness of the issuers of debt securities and equity securities held in the businesses' portfolios. The value of fixed income securities may be affected by, amongst other things, realised or anticipated changes in an issuer's creditworthiness. This is the spread risk. The Issuer's Group has a considerable amount of fixed income investments exposed to spread risk and thus the management of credit and liquidity risks plays a significant role in the Issuer's Group's risk management processes. The realisation of the spread risk may adversely impact the ability of the Issuer to meet its obligations in respect of the Notes.

Fluctuations in the value of real estate

The value of real estate can be affected by, among other things, changes in economic conditions, disposable income and in interest rate levels. A decrease of the value of real estate may adversely impact the ability of the Issuer to meet its obligations in respect of the Notes.

Financial results may be affected by interest rates

Significant changes in nominal and real interest rates could materially and/or adversely affect the Issuer's Group's business and financial performance in addition to effects concerning investment assets as described earlier. This may, in turn, adversely impact the ability of the Issuer to meet its obligations in respect of the Notes.

The level of and changes in interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can affect the Issuer's Group's interest payable on debt and economic value of insurance liabilities. The Issuer's debt financing as of 30 June 2019 amounted to EUR 100 million. Liabilities for insurance and investment contracts (not including unit-linked liabilities)

amounted to EUR 4,089 million as of 30 June 2019 and EUR 4,221 million as of 31 December 2018 (EUR 4,573 million as of 31 December 2017).

In the life insurance business, in addition to economic value risk of insurance liabilities, a major interest rate risk is that fixed income investments will not, over a longer period of time, generate a return at least equal to the guaranteed return of insurance contracts. The risk increases when market interest rates fall and remain at low levels. The Issuer has partly mitigated this risk by decreasing discount rate applied in financial statements and strengthening reserves with supplementary discount rate reserves.

Regulatory compliance and regulatory changes

The Issuer's Group's insurance business is subject to government regulation in the jurisdictions in which it conducts business. The Finnish Financial Supervisory Authority in particular has broad jurisdiction over many aspects of the business, which may include capital adequacy, premium rates, marketing and selling practices, governance structures, advertising, licensing agents, policy forms, terms of business and permitted investments.

The EU has adopted a full scale revision of the solvency framework and prudential regime applicable to insurance companies, reinsurance companies and insurance groups known as "**Solvency II**". The framework for Solvency II is set out in Directive 2009/138/EC, as amended by Directive 2014/51/EU (the "**Solvency II Directive**"). The Solvency II Directive became effective in EU member states on 1 January 2016 and covers areas such as regulatory capital, the valuation of assets and liabilities, calculating Technical Provisions and regulatory reporting. Currently the Issuer and the Solvency II Group (but not yet the Issuer's Group) are subject to direct supervision by relevant national regulator(s) for Solvency II purposes. Due to the fact that the Solvency II framework is relatively new, the interpretation of some elements of the Solvency II framework may change as a result of the way insurers as well as supervisory authorities interpret the rules. This may also affect the way the Issuer, the Issuer's Group (if the Issuer's Group becomes subject to direct supervision by national regulatory authority for Solvency II purposes) and the Solvency II Group implement the Solvency II framework, including the Issuer's, the Issuer's Group's (if the Issuer's Group becomes subject to direct supervision by national regulatory authority for Solvency II purposes) and the Solvency II Group's financial position under Solvency II.

Solvency II is aimed at creating a new solvency framework in which the financial requirements that apply to an insurance company, reinsurance company and insurance group better reflect such company's risk profile. Solvency II has introduced economic risk-based solvency requirements across all Member States for the first time. While the directives adopted by the Parliament and Council of the European Union relating to the taking-up and pursuit of insurance business within the European Union (excluding the Solvency II Directive) and including, without limitation, Directive 73/239/EEC of the European Union (as amended) and Directive 98/78/EC of the European Union (as amended) on the supplementary supervision of insurance undertakings in an insurance group include a relatively simple solvency formula based on technical provisions under local GAAP and insurance premiums, Solvency II has introduced a new "total balance sheet" type regime where insurers' material risks and their interactions are considered and reported. In addition to these quantitative requirements (Pillar 1), Solvency II also sets requirements for governance, risk management and effective supervision (Pillar 2), and disclosure and transparency requirements (Pillar 3).

Under Pillar 1 of Solvency II, insurers are required to hold own funds equal to or in excess of a solvency capital requirement ("**SCR**") and a minimum capital requirement ("**MCR**"). Solvency II categorises own funds into three tiers with differing qualifications as eligible and available regulatory capital. Own funds are derived from the Solvency II balance sheet, which is a market-consistent approach to the valuation of assets and liabilities. The balance sheet uses the International Financial Reporting Standards ("**IFRS**") as the default reference framework for items measured at fair value under the IFRS and replaces other items using market-consistent valuations.

The determination of the Technical Provisions and the discount rate to be applied have a material impact on the amount of own funds and the volatility of the level of own funds. The SCR is a risk-based capital requirement which will be determined using either the standard formula (set out in level 2 implementing measures), or, where approved by the relevant supervisory authority, an internal economic capital model (an "**internal model**"). The internal model can be used in combination with (a "**partial internal model**"), or as an alternative to, the standard formula as a basis for the calculation of an insurer's SCR. Currently the Issuer applies only the standard formula. The Issuer applies a so-called transitional measure on Technical

Provisions (until 31 December 2031) for the Issuer's original with-profit pension policies with a guaranteed interest rate of 3.5 or 4.5 per cent. In addition, the Issuer will apply a transitional measure related to equity SCR (until 31 December 2022). The transitional measure on Technical Provisions increases the own funds under Solvency II while the equity risk transitional measure decreases the SCR, which may in turn increase the risk that interest payments may be mandatorily deferred.

While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is the risk that regulators could introduce strict, unexpected parameters for the standard formulas. Also, uncertainty about the regulatory changes could lead to insufficient solvency levels. Without clarity or guidance, incorrect investment, capitalisation and risk-return decisions could be made.

Although the Issuer and the Solvency II Group are well prepared for the solvency requirements, compliance with the requirements cannot be guaranteed and potential non-compliance could have a material adverse effect on the Issuer's business, results of operations and financial condition. Failure to comply with the SCR and/or MCR will also result in the mandatory deferral of the payment of interest and the mandatory suspension of redemption as further described under "*In certain circumstances interest payments under the Notes may be mandatorily deferred*" and "*In certain circumstances, redemption of the Notes must be suspended*" below and failure to comply with the MCR will result in the mandatory deferral of the payment of interest as further described under "*In certain circumstances, interest payments under the Notes may be mandatorily deferred*" below. This could, in turn, adversely impact the value of the Notes.

All financial services companies face the risk that regulators may find that they have failed to comply with applicable regulations or have not undertaken corrective action as required. Regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, the Issuer's Group, as well as diverting management's attention away from the day-to-day management of the business. A significant regulatory action against any member of the Issuer's Group could have a material adverse effect on the business of the Issuer's Group, its results of operations and/or financial condition. This may adversely impact the Issuer's ability to meet its obligations in respect of the Notes.

In addition, changes in government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which the Issuer's Group operates may adversely affect its product range, distribution channels, capital requirements and, consequently, its results and financing requirements. Consequently, any such impact may affect the ability of the Issuer to meet its obligations in respect of the Notes.

Accounting compliance and risk from possible accounting changes

Financial statements presented for the Issuer are prepared in accordance with Finnish laws and regulations. The Issuer's Group has prepared the consolidated accounts in accordance with international accounting standards (IFRS including the International Accounting Standards, Standard Interpretations Committee and International Financial Reporting Interpretations Committee), as adopted by the European Union. In addition, the Issuer's Group applies the supplementary provisions ensuing from legislation, the Finnish Financial Supervisory Authority's regulations and general recommendations as well as appropriate parts of recommendations issued by the Finnish Financial Reporting Board.

IFRS 16 Leases ("**IFRS 16**") took effect on 1 January 2019 and the Issuer's Group applies the standard as of this date. The standard replaced the existing IAS 17. Following the transition, the Issuer's Group recognises a lease liability that corresponds to the present value of the remaining lease payments for the leases that were previously subject to IAS 17, discounted by an estimated incremental borrowing rate as of the date of initial application. A corresponding amount is recognised as a right of use asset in the balance sheet. However, the Issuer's Group applies a company-specific materiality assessment that includes, but is not limited to, the two exemptions specified in the standard. Accordingly, only leases attributable to large office premises will initially be recognised in accordance with IFRS 16. The standard thus has a limited impact on the Issuer's financial position and result, although total assets increases slightly since a portion of the Issuer's Group's leases are recognised in the balance sheet as fixed assets and interest-bearing liabilities, respectively. The Issuer's Group's technical result will also improve slightly since current leasing costs, which are included in operating costs, are divided between depreciation/amortisation and interest expense, which is included in the investment result.

Issued, but not yet effective, international accounting standards or standards that the Issuer's Group for some other reason does not apply, are currently assessed as not likely to have any significant impact on the

financial statements when first applied, except IFRS 9 Financial Instruments ("**IFRS 9**") and IFRS 17 Insurance Contracts ("**IFRS 17**").

IFRS 9 took effect on 1 January 2018. In accordance with the European Union-adopted amendment to IFRS 4 Insurance Contracts, the IASB has decided that in certain circumstances insurance companies may delay their initial application of IFRS 9 so that the date coincides with the initial application of IFRS 17 Insurance Contracts (see below). As part of the Sampo Group, the Issuer's Group meets these requirements since it has not previously applied IFRS 9 and the carrying amount of the insurance-related liabilities of Sampo Group accounts for more than 90 per cent of the carrying amount of the total liabilities. In light of this, the Issuer's Group has decided to delay the application of IFRS 9. Accordingly, the transition from IAS 39 to IFRS 9 is not expected to have any significant impact on the Issuer's Group's financial reporting until 2022. However, expanded disclosure requirements have been introduced for financial instruments, which will facilitate comparisons with companies that have already implemented IFRS 9.

IFRS 9 contains some optionality, and the Issuer's Group is of the opinion that there are significant cross-influences with respect to the published, but not yet adopted, standard concerning insurance contracts that still need to be carefully assessed before a final decision can be made as to the classification of financial assets.

IFRS 17 was published in May 2017 and was originally expected to take effect on 1 January 2021. In November 2018, the IASB proposed that the standard take effect one year later and that the initial mandatory application of IFRS 9 be delayed. IFRS 17 replaces IFRS 4 Insurance Contracts and, unlike its predecessor, contains a complete framework for the measurement and presentation of insurance contracts. Based on an initial, preliminary assessment, the measurement rules in IFRS 17 are expected to have a notable effect on the Issuer's Group's profit and loss and balance sheet and the presentation rules may have a material impact.

Financial results may be affected by insurance claims

The frequency and severity of incurred and reported insurance claims are an important part of the Issuer's Group's overall profitability and fluctuations in insurance claims can have a material effect on the consolidated results of operations. In addition, any unexpected adverse changes in the rate of claims inflation, cost inflation or in the cost and availability of reinsurance protection could have a material adverse effect on the Issuer's Group's consolidated financial condition, results of operations and cash flows which may adversely affect the ability of the Issuer to meet its obligations in respect of the Notes. Changes in these factors can be very difficult to predict.

The Issuer's Group is subject to insurance underwriting risks

Insurance underwriting risk can be generally defined as a change in the value of insurance liabilities which is caused by the final costs for full contractual obligations varying from those assumed when these obligations were estimated. Hence, underwriting risk is realised as unexpected liability cash flows or unexpected changes in the value of insurance liabilities when the pricing and provisioning assumptions on claims payments differ from the actual payments.

Underwriting risk is the primary risk in the Issuer's Group's business and the management of it forms the foundation for insurance operations.

Insurance underwriting risks in the life insurance business encompass biometric risks, policyholder behaviour risks and expense risk. Biometric risks refer to the risk that the Issuer's Group has to pay more mortality, disability or morbidity benefits than expected or the Issuer's Group is obliged to pay pension payments to the pension policyholder for a longer time (longevity risk) than originally expected when pricing the policies. In life insurance, catastrophe events include rare single events, or series of events, usually over a short period of time and, albeit less frequently, longer lasting events. When a low frequency, high severity event or a series of single events leads to a significant deviation in actual benefits and payments from the total expected payments catastrophe risk (i.e., an extreme case of biometric risk) has realised.

Policyholder behaviour risks arise from the uncertainty related to the behaviour of policyholders. Policyholders have a right to cease paying premiums (lapse risk) and a right to withdraw their policies

(surrender risk). Within the Solvency II framework both these risks are referred to as lapse risk under the life SCR component.

Expense risk arises from the fact that the timing and/or the amount of expenses incurred may differ from those expected at the timing of pricing. As a result, expense charges originally assumed may not be enough to cover the realised expenses.

During 2018 and as at 30 June 2019, the Issuer's Group's insurance risk profile remained relatively stable. For the Issuer's Group, longevity risk is still the most material biometric risk and most of it arises from the Issuer's group pension portfolio. In terms of SCR, longevity risk is one of the two biggest risks within the life SCR component, the other being lapse risk, which is described above.

Although the Issuer's Group continuously puts significant efforts into managing and controlling insurance risks related to its business, realisation of risks that are larger than anticipated at the timing of pricing is possible and may have a material adverse effect on the Issuer's business, results of operations and financial condition. This, in turn, may adversely affect the ability of the Issuer to meet its obligations in respect of the Notes.

The Issuer's Group is subject to emerging insurance risks

Life insurance business is subject to emerging insurance risks. By their very nature these risks are evolving, uncertain and difficult to quantify. In life insurance these risks may include, for example, risks related to pandemics. Emerging insurance risks are managed by monitoring the developments in these risks on the basis of industry research, assessments and scenario analyses and by incorporating these risks into the provisioning and pricing processes to the extent possible. Due to the difficulty in predicting these risks, potential emerging insurance risks could have a material adverse effect on the Issuer's Group's business, results of operations and financial condition, which could adversely affect the ability of the Issuer to meet its obligations in respect of the Notes.

The Issuer's Group is subject to credit risk

Credit risk comprises spread, default and settlement risks. The Issuer's Group is exposed to credit risk, amongst other things, through holdings of fixed income instruments, derivative contracts, reinsurance agreements and loan advances. Within the Issuer's Group, credit risk can materialise as market value losses when credit spreads are changing unfavourably (spread risk) or as credit losses when issuers of credit instruments or counterparties of financial derivatives or reinsurance transactions are failing to meet their financial obligations (default risk) or as losses when one party will fail to deliver the terms of a contract with another party at the time of settlement (settlement risk). A failure by an issuer of a security or of a counterparty to a derivative or reinsurance agreement to meet its obligations could have a material impact on the Issuer's Group's financial position. The Issuer's Group investments are exposed to the spread risk set out in "*Fluctuations in the general creditworthiness of issuers of debt and equity securities*" above, which relates mainly to changes in the credit spreads of fixed income investments. In addition to credit risk related to single issuers, the Issuer's Group may be exposed to concentration risk when credit investments are affected similarly by economic scenarios or market events. Concentration risk is managed by taking into account the Issuer's Group's exposures by industry sectors, products and creditworthiness when setting individual issuer-specific limits in the investment policies of the Issuer.

Additionally, counterparty default risk related to reinsurers arises through reinsurance receivables and through the reinsurers' portion of outstanding claims. However this is relatively limited for the Issuer. Further, counterparty default risk related to OTC derivatives may arise if the net market value of transactions with the same counterparty is positive. This risk of bilaterally settled derivatives is mitigated by careful selection of counterparties, diversification of counterparties to prevent risk concentrations and by using collateral techniques, e.g. ISDA Master Agreements backed by Credit Support Annexes. During 2016, the Issuer's Group started to settle interest rate swaps in central clearing houses, which, while further mitigating bilateral counterparty risk, exposes the Issuer's Group to the systemic risk related to centralised clearing parties.

Generally, the Issuer's Group manages its credit risk by assigning limits and restrictions to maximum exposures towards single issuers and derivative counterparties that are based on internal assessment and external ratings. The credit standing of an issuer, the valuation, structural details and liquidity of an instrument are thoroughly assessed before any limit is established. After that investment can be made and

such issuer's credit standing is continuously monitored. A similar kind of procedure is also followed in the case of reinsurers. Despite the significant efforts put on managing credit risks, realisation of these risks is possible and may have a material adverse effect on the Issuer's business, results of operations and financial condition, and, in turn, adversely affect its ability to make payments in respect of the Notes.

The Issuer's Group is subject to liquidity risk

Liquidity risk is the risk that insurance undertakings are, due to lack of available liquid funds and/or access to relevant markets, unable to conduct their regular business activities in accordance with the strategy, or in extreme cases, are unable to settle their financial obligations when they fall due. Major sources of liquidity risk in the Issuer's Group are potential illiquidity of investments, large claims and unexpected surrenders of insurance policies. In addition, the availability and cost of the offered price for financial derivatives affect the Issuer's Group's ability to carry out normal business activities.

The sources of liquidity risk are either internal or external by their nature. If the Issuer's rating declines or if the Issuer's solvency otherwise appears jeopardised, its ability to raise funding, buy reinsurance cover or enter into financial derivatives at a reasonable price is endangered. Moreover, policyholders may also be unwilling to renew their policies because of the Issuer's financial challenges or in case of reputational issues. If these risks caused by internal reasons occur in conjunction with general market turmoil, which makes selling of investment assets difficult, maintaining adequate liquidity can be a challenge. However, liquidity risk is relatively immaterial in the Issuer's Group's businesses because liability cash flows in most lines of business are fairly stable and predictable and an adequate share of the investment assets are in short-term money market instruments and liquid bonds.

However, if the Issuer's Group faces large-scale demands requiring immediate realisation of liquid assets, this could have a material adverse effect on its business, results of operations and financial condition. As a consequence, it could adversely impact the availability of funds to the Issuer to meet its obligations in respect of the Notes.

Within the Issuer's Group, liquidity risk is managed mainly by the Issuer, but its subsidiaries are also responsible for liquidity planning and maintaining adequate liquidity buffers. Liquidity risk is monitored based on the expected cash flows resulting from assets, liabilities and other business. For the Issuer the adequacy of liquidity buffers is dependent on its insurance cash flows and also on potential strategic arrangements.

A default by an institution, or even concerns as to its credit-worthiness, could lead to significant liquidity problems, losses or defaults by other institutions because the stability of many financial institutions may be closely linked to credit, trading, clearing or other relationships between institutions. This risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Issuer's Group interacts on a daily basis and therefore could adversely affect the Issuer's Group. This may, in turn, adversely affect the ability of the Issuer to meet its obligations in respect of the Notes.

The Issuer's Group is subject to operational risk

The Issuer's Group, like all financial services groups, is exposed to many types of operational risk, including the risk of inadequate or failed internal processes, fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems or from external events.

Operational risks, as opposed to strategic and business risks, are often event based and they can be traced back to a single place and point in time. In the Issuer's Group, operational risk management is organised at group level and different business areas therein. The Issuer coordinates capital allocation, risk management, remuneration principles, internal audit, group accounting, investor relations and legal and tax issues according to the principles set by Sampo Group and policies set by the Issuer. The Issuer's Group's systems and processes are designed to ensure that the operational risks associated with the Issuer's Group's activities are appropriately monitored. Any failure or weakness in these systems, however, could adversely affect the Issuer's Group's financial performance and business activities, and may, in certain scenarios, adversely impact the ability of the Issuer to meet its obligations in respect of the Notes.

The Issuer's Group may be affected by increased competition and a lack of realisation of growth expectation

Business risk is the risk of losses due to changes in the competitive environment and/or lack of internal operational flexibility. Unexpected abrupt changes or already identified but internally neglected trends can cause larger than expected fluctuations in profitability when volumes, margins, costs and capital charges change and in the long run they may also endanger the existence of the Issuer's Group's business models. External drivers behind such changes are varied, including for instance general economic development, changes in commonly shared values, developments in the institutional and physical environment and technological innovations. Because external drivers are inter-connected, the customer preferences and demand can change unpredictably and there may be a need to change regulations as well. Currently the themes of sustainable business practices in general and, in particular, the issues related to environment, society and governance, are changing the preferences and values of different stakeholders and, as a result, the competitive environment is also changing in different ways. If the Issuer's Group's internal understanding of needed changes or willingness and ability to act accordingly is inadequate and competitors are more able to meet clients' and regulators' altered expectations, the Issuer's Group will be highly exposed to business risk.

In addition, the insurance markets throughout Europe have experienced significant changes in recent years due to the introduction of several laws and regulations as a result of the implementation of a number of insurance directives issued by the EU. As a result, direct marketing of non-life and life insurance may be carried out on a cross-border basis and therefore, for insurance companies, it is much easier to operate outside their home state. The development of a single European market together with the reduction of regulatory restrictions is also facilitating the growth of new distribution systems, partially replacing the traditional reliance on insurance intermediaries such as agents. Increased competition, changed customer preferences and altered expectations could have a material adverse effect on the result of operations and may, in certain scenarios, adversely impact the ability of the Issuer to meet its obligations in respect of the Notes.

The Issuer's Group is subject to legal risks

The Issuer's Group is subject to a wide range of legal obligations in the countries in which it operates. There are some legal proceedings against certain of the Issuer's Group companies outstanding, arising in the ordinary course of business. However, the Issuer's Group is currently not involved in any legal disputes that could, in the Issuer's opinion, materially affect its earnings in the current financial year. However, an unfavourable outcome of any pending or potential future litigation could in future have a material adverse effect on the Issuer's business, results of operations and financial condition, and, may, in turn, adversely affect the ability of the Issuer to meet its obligations in respect of the Notes.

Insurance is a highly regulated business with formal rules for minimum capital and capital structure. In the Issuer's opinion it complies with the current legal requirements. However, regulation in countries in which the Issuer's Group operates may change and the Issuer cannot guarantee that it would in such case comply, without material measures, with the requirements of such changed regulation, which could have a material adverse effect on the Issuer's Group's business, results of operations and financial condition. This may, in turn, adversely affect the ability of the Issuer to make payments in respect of the Notes. For further information, please see "Regulatory compliance and regulatory changes" above.

The Issuer's Group is subject to reputational risk

Reputational risk refers to the risk that adverse publicity regarding a company's business practices or associations, whether accurate or not, causes a loss of confidence in the integrity of the institution.

The Issuer's Group is vulnerable to adverse market perception as it operates in a regulated industry where it must display a high level of integrity and maintain the trust and the confidence of customers. Reputational risks are related to the way the Issuer is perceived from the perspective of different stakeholders (shareholders, customers, debt investors, staff, business partners or the general public) and may arise through realised risks in other risk categories. Reputational risks may arise also through external distribution channels, the risks of which are difficult to control. Mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, or the negative publicity resulting from such activities or the accusation by a third party of such activities associated with the Issuer's Group or a relevant investment sector generally could have a material adverse effect on the Issuer's Group's business, results of operations

and/or financial condition. This may, in turn, adversely impact the ability of the Issuer to fund payments in respect of the Notes.

Changes in tax legislation may result in adverse tax consequences for the Issuer's Group

The Issuer's Group's activities are subject to taxation at various rates around the world, computed in accordance with local legislation and practice. The Issuer's Group's business, including intra-group transactions, is conducted in accordance with the Issuer's Group's interpretation of applicable laws, tax treaties, regulations and instructions from the tax authorities in the relevant jurisdictions. However, the applicable tax laws, including those relating to the insurance industry, and their interpretation, may change over time, possibly with retrospective effect, in any of the jurisdictions in which the Issuer's Group operates. Significant tax disputes with tax authorities, and any change in the tax status of any member of the Issuer's Group or in taxation legislation or its scope or interpretation could affect the Issuer's Group's financial condition and results of operation. This may, in turn, adversely impact the value of the Notes.

The design of long-term insurance products is predicated on tax legislation existent at that time. However, possible changes in tax legislation or interpretation of the legislation may affect the attractiveness of the products in question and this may cause the surrender risk to realise. This may, in turn, adversely impact the ability of the Issuer to fund payments in respect of the Notes.

Risks relating to the structure of the Notes

Set out below is a brief description of certain risks relating to the structure of the Notes, generally:

The Notes are long-term securities

The Notes are scheduled to be redeemed at their principal amount on or around 4 October 2049 (the "**Maturity Date**"), provided that on such date that the Issuer is Solvent and will remain Solvent immediately after redemption, there is no suspension of redemption pursuant to Condition 6(b) (*Issuer suspension of redemption date*) and the preconditions to redemption set out in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) are fulfilled, and provided that the prior approval of the Issuer Supervisor (if required) has been obtained. If this is not the case, the redemption of the Notes will be suspended (see "*In certain circumstances, redemption of the Notes must be suspended*" below).

The Issuer is under no obligation to redeem the Notes at any time before the Maturity Date, and the Noteholders have no right to call for their redemption.

The Issuer's obligations under the Notes are subordinated

The claims of Noteholders and Couponholders against the Issuer in respect of payments of principal interest and other amounts (including, without limitation, Arrears of Interest and any damages awarded for breach of any obligations in respect of the Notes) on the Notes will, in the event of the Liquidation of the Issuer, be subordinated in right of payment to the claims of all Senior Creditors (as defined in the Conditions of the Notes) of the Issuer. Although subordinated notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a real risk that an investor in the Notes will lose all or some of his investment should the Issuer become insolvent.

In bankruptcy, the ranking of the Notes may be adversely affected by mandatory law

Pursuant to the main rule contained in the Finnish Act on Order of Priority of Claims (Fi: laki velkojien maksunsaantijärjestyksestä (1578/1992, as amended)) (the "**Finnish Priority Act**"), where in bankruptcy or execution there are not sufficient distributable funds to cover all claims, creditors have an equal right to payment in proportion to the amount of their claims. The Finnish Priority Act provides certain exceptions from this main rule inter alia for contractual subordination of certain claims to primarily all other debt.

Pursuant to the Finnish Priority Act, claims having the same statutory ranking under the Finnish Priority Act shall have equal priority amongst themselves, except for certain claims that are by their terms subordinated to all other claims of the debtor and provide for more granular ranking. It is, however, uncertain if claims under the Notes would fall within such category which permits more granular ranking by contract.

In the bankruptcy of the Issuer claims under the Notes would be expected to be treated as subordinated to the claims of Senior Creditors and with priority to claims under Junior Obligations (including any Tier 1 Capital of the Issuer) given that the contractual intention has been to create such a subordination. However, there can be no assurances that this would be the case. Certain types of Junior Obligations (including in particular certain types of Tier 1 Capital) could, depending primarily on the terms and conditions of such Junior Obligations, rank *pari passu* with the Notes by operation of mandatory law, were Finnish law applied to the Issuer's bankruptcy proceedings. It cannot be guaranteed that the operation of mandatory law (or changes in mandatory law or its interpretation) could not adversely affect the ranking of the Notes in the future. This may reduce the amount recoverable by Noteholders upon the insolvency or winding up of the Issuer.

Noteholders are structurally subordinated to the creditors of the Issuer's subsidiaries

The Notes are the obligations of the Issuer alone. The Issuer's subsidiaries are separate and distinct legal entities with no obligation to pay, or provide funds in respect of, any amounts due and payable in respect of the Issuer's payment obligations under the Notes.

Payments on the Notes are structurally subordinated to all existing and future liabilities and obligations of the Issuer's subsidiaries. Claims of creditors of such subsidiaries will have priority as to the assets of such subsidiaries over the Issuer and its creditors, including the Noteholders. Neither the Conditions nor the Trust Deed contain any restrictions on the ability of the Issuer or its subsidiaries or associates to incur additional unsecured or secured indebtedness.

In certain circumstances, interest payments under the Notes may be optionally or mandatorily deferred

In accordance with Condition 2(b), the interest payment obligations of the Issuer under the Notes are conditional upon the Issuer being Solvent at the time of payment, and still being Solvent immediately thereafter (the "**Solvency Condition**"). Other than in the event of the liquidation of the Issuer, no amount will be payable under or arising from the Notes or the Trust Deed except to the extent that the Issuer could make such payment in satisfaction of the Solvency Condition.

The Issuer shall be entitled to defer payment on any Interest Payment Date if (i) no distribution or dividend has been made on or in respect of any Junior Obligations or Parity Obligations, or (ii) (subject as set out in the Conditions) direct or indirect, redemption, repurchase or acquisition of any Junior Obligations or Parity Obligations has been made, during the six (6) months immediately preceding such Interest Payment Date and provided such Interest Payment Date is not a Mandatory Interest Deferral Date (as described below).

In accordance with Condition 4(b), the Issuer must defer payment of interest accrued in respect of the Notes on any Mandatory Interest Deferral Date, being each Interest Payment Date in respect of which any event has occurred and is continuing, or would occur if a payment of interest was made, which under Solvency II and/or the Relevant Rules would require the Issuer to defer Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes and/or where the Issuer Supervisor has directly notified the Issuer in writing that such deferral of Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes is required. Any such deferral shall not constitute a default in respect of the Notes.

All deferred interest on the Notes shall constitute Arrears of Interest in accordance with Condition 4(c) (*Arrears of Interest*). Arrears of Interest do not themselves bear interest. After the Issuer has fully paid all deferred interest on the Notes, if the Notes remain outstanding, future interest payments on the Notes may be subject to further deferral as described above.

Any actual or anticipated deferral of interest payments is likely to have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the financial condition of the Issuer, the Issuer's Group or the Solvency II Group, or the cessation of applicable transitional measures under Solvency II.

In certain circumstances, redemption of the Notes must be suspended

Any redemption of the Notes is conditional upon satisfaction of the Solvency Condition, satisfaction of Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) and the relevant proposed redemption date not being a Mandatory Redemption Suspension Date. A Mandatory Redemption

Suspension Date is any date in respect of which any event has occurred and is continuing, or would occur if the payment of the relevant redemption amount was made, which under Solvency II and/or under the Relevant Rules would require the Issuer to suspend repayment or redemption of the Notes and/or where the Issuer Supervisor has directly notified the Issuer in writing that such suspension of repayment or redemption of the Notes is required.

Any actual or anticipated suspension of redemption is likely to have an adverse effect on the market value of the Notes and Noteholders may receive their investment back at a later point in time than initially expected. If the Notes are not redeemed on the Maturity Date due to the reasons set out above, Noteholders will (subject to any mandatory or optional deferral of interest payments) continue to receive interest but will not receive any additional compensation for the suspension of the redemption. In addition, as a result of the redemption suspension provision of the Notes, the market price of the Notes may be more volatile than the market price of other debt securities which are not subject to such suspensions and may be more sensitive generally to adverse changes in the financial condition of the Issuer, the Issuer's Group or the Solvency II Group, or the cessation of applicable transitional measures under Solvency II.

The Notes are subject to optional redemption, substitution or variation by the Issuer

Subject to Conditions 6(b) and 6(g), and satisfaction of the Solvency Condition, the Issuer may, at its option, redeem the Notes (or substitute the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities) upon the occurrence of certain events, including an adverse change in tax consequences or a Capital Disqualification Event or a Rating Agency Event, as further described in Condition 6 (*Redemption, Purchase, Substitution and Variation*).

In addition, subject to Conditions 6(b) and 6(g), and satisfaction of the Solvency Condition, the Issuer may, at its option, redeem the Notes on the First Call Date or any Interest Payment Date thereafter as further described in Condition 6(d) (*Redemption at the Option of the Issuer*).

During any period when the Issuer may elect to redeem the Notes, their market value generally will not rise substantially above the price at which they can be redeemed. See "*Fixed and Floating Rate Notes and Interest rate risks*" for further information.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, it may be the case that an investor 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.

No limitation on issuing further debt

There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes. Such issuance of further debt may reduce the amount recoverable by the Noteholders upon insolvency or winding-up of the Issuer or may increase the likelihood that payments of the principal amount or interest under the Notes will be mandatorily suspended or deferred.

In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and its subsidiaries may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

There are no events of default under the Notes

The Conditions do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any principal, interest and/or other amounts when due, investors will not have any right of acceleration in respect of the Notes and no right to enforce such payment obligations.

Variation or substitution of the Notes without Noteholder consent

Subject as provided in Condition 6 (*Redemption, Purchase, Substitution and Variation*), the Issuer may, at its option and without the consent or approval of Noteholders, elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities (i)

in the event of certain changes in the tax treatment of the Notes or payments thereunder, (ii) following the occurrence of a Capital Disqualification Event, or (iii) following the occurrence of a Rating Agency Event.

Qualifying Tier 2 Securities are securities issued by the Issuer that have, *inter alia*, terms not materially less favourable to the Noteholders than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing). There can be no assurance that, due to the particular circumstances of each Noteholder, any Qualifying Tier 2 Securities will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular Noteholder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Tier 2 Securities are not materially less favourable to Noteholders than the terms of the Notes. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequences suffered by any Noteholder).

Set-off risk

Subject to applicable law, no Noteholder who shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.

Fixed to Floating Rate Notes and Interest rate risks

The Notes bear interest at a fixed rate to and including the First Call Date.

During that time, Noteholders are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Notes is fixed until (but excluding) the First Call Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Notes changes in the opposite direction. If the market yield increases, the price of the Notes falls. If the market yield falls, the price of the Notes increases. Noteholders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Noteholders.

Noteholders should also be aware that the market yield has two components, namely the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk-free investment of equal tenor as a compensation for the risks inherent in the Notes. The credit spread changes over time and can decrease as well as increase for a large number of different reasons.

The market yield of the Notes can change due to changes in the credit spread, the risk-free rate, or both.

If the Notes are not called on the First Call Date, the Notes will bear interest at a floating rate from, and including, the First Call Date to, but excluding, the Maturity Date. The floating rate applicable to the Notes from (and including) the First Call Date is based on two components, namely the 3-month EURIBOR rate and the Margin. The floating rate (i.e. the coupon) is payable quarterly, and will be set immediately prior to any floating Interest Period to the then prevailing 3-month EURIBOR rate plus the Margin. The Margin is fixed at the time of issuance of the transaction.

Noteholders should be aware that the floating rate interest rate is subject to changes to the 3-month EURIBOR rate and therefore cannot be anticipated. Hence, Noteholders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

Since the Margin is fixed at the time of issuance of the transaction, Noteholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the 3-month EURIBOR rate as a compensation for the risks inherent in the Notes (market spread). The market spread typically changes on a daily basis. As the market spread changes, the price of the Notes changes in the opposite direction. A decrease in the market spread has a positive impact on the price of the Notes; an increase in the market spread has a negative impact on the price of the Notes. However, the price of the Notes is subject to changes in the market spread, changes in the 3-month EURIBOR rate or both. Noteholders should be aware that movements in the market spread can adversely affect the price of the Notes and can lead to losses for the Noteholders.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield (or market spread respectively) declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to

reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads respectively).

The Issuer's obligation to gross-up payments under the Notes is limited

Pursuant to Condition 7 (*Taxation*), the Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of any Taxes imposed by or on behalf of a Relevant Jurisdiction applies only to payments of interest and not to payments of principal.

As such the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applies to payments of principal. According, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders will receive less than the full amount which would otherwise be due to them under the Notes and the market value of the Notes may be adversely affected.

The market value of the Notes could decrease if the creditworthiness of the Issuer, the Issuer's Group or the Solvency II Group worsens

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer, the Issuer's Group or the Solvency II Group, the market value of the Notes may suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception.

In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer, the Issuer's Group or the Solvency II Group could adversely change. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of the aforementioned risk. Under these circumstances, the market value of the Notes may decrease.

Uncertainties remain in the manner in which Solvency II will be interpreted

The defined terms in the Conditions will depend in some cases on the interpretation of Solvency II. The implementation of the Solvency II Directive in Finland and the "level two" implementation measures set out in Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 (the "**Solvency II Regulation**") entered into force on 1 January 2016.

There can be no assurance that the "level two" implementation measures and "level three" guidance will not be amended. Moreover, although the Solvency II Regulation is directly applicable in each Member State, the Solvency II Regulation leaves a number of interpretational issues to be resolved through binding technical standards that have been adopted, and will be adopted in the future, and leaves certain other matters to the discretion of regulators, including the Finnish Financial Supervisory Authority (in Finnish: *Finanssivalvonta*). There is therefore a degree of uncertainty as to how the Finnish Financial Supervisory Authority will interpret the Solvency II Directive as implemented in Finland, the "level two" implementation measures and/or "level three" guidance and apply them to the Solvency II Group or, the Issuer. In addition, as at the date of these Listing Particulars, Solvency II is subject to an on-going review by the European Union that is currently projected to continue until the end of 2020, with the European Insurance and Occupational Pensions Authority expected to publish its conclusions in January 2021. As a result, there is significant uncertainty as to how Solvency II will evolve over the next few years and how it will affect the Issuer or the Solvency II Group.

Sampo plc from time to time undertakes direct investments, such as the investments in each of Asiakastieto Group Oyj, Intrum AB (publ), Nets A/S, Nordax Group AB (publ), Nordea, Norwegian Finans Holding ASA and Saxo Bank A/S which may also have an impact on the Solvency II Group's Solvency Capital Requirement and own funds.

Changes to Solvency II or other applicable law or regulation may increase the risk of the deferral of interest payments, suspension of redemption or the occurrence of a Capital Disqualification Event

Solvency II requirements adopted in Finland, whether as a result of further changes to Solvency II or changes to the way in which the Issuer Supervisor interprets and applies these requirements to the Issuer and/or the Solvency II Group (as the case may be) may change. Any such changes, either individually

and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of the Solvency Capital Requirement and/or Minimum Capital Requirement, and such changes may make the applicable regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II in Finland subsequent to the date of these Listing Particulars and/or subsequent changes to such rules and other variables may individually or in aggregate negatively affect the calculation of the Solvency Capital Requirement and/or Minimum Capital Requirement and thus increase the risk of deferral of interest payments, suspension of redemption, or, alternatively, trigger a Capital Disqualification Event and subsequent redemption of the Notes by the Issuer.

Additionally, the Issuer may be required to raise further capital pursuant to applicable law or regulation or the official interpretation thereof in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement.

Changes to Solvency II requirements may also increase the likelihood of a Capital Disqualification Event and subsequent early redemption of the Notes by the Issuer. A Capital Disqualification Event will occur if, as result of any replacement of or change to (or change to the interpretation of) the Relevant Rules after the Issue Date, the whole or any part of the Notes are no longer capable of counting as (i) cover for capital requirement or treated as own funds applicable to the Issuer and/or the Solvency II Group (whether on a solo, group or consolidated basis) or (ii) Tier 2 Capital for the purposes of the Issuer and/or the Solvency II Group (whether on a solo, group or consolidated basis). Therefore, a Capital Disqualification Event would occur if, as a result of changes to the Solvency II requirements as described above, only part of the principal amount of the Notes qualifies as Tier 2 Capital of the Issuer and/or the Solvency II Group.

Regulatory oversight and application of Minimum Capital Requirements and Solvency Capital Requirements to the Issuer, the Issuer's Group and/or the Solvency II Group

As of the date of these Listing Particulars, events which may give rise to a Capital Disqualification Event, a Regulatory Deficiency Interest Deferral Event and a Regulatory Deficiency Redemption Suspension Event (each of which may lead to an optional early redemption of the Notes, or a mandatory deferral of interest payments or suspension of redemption under the Notes, as the case may be) apply in relation to the Solvency II Group and the Issuer only and not to the Issuer's Group.

As of the date of these Listing Particulars, the Solvency II Group is constituted by the Sampo Group. As further described in "*Description of the Issuer, the Issuer's Group and the Sampo Group*", the Sampo Group is engaged in non-life insurance, life insurance and banking. The Sampo Group is also one of the largest investors in the Nordic countries. Therefore, the level of own funds, the Solvency Capital Requirement and Minimum Capital Requirement of the Solvency II Group is dependent upon the performance and capital requirements of several other companies in the Solvency II Group, in addition to the Issuer and the Issuer's Group.

Currently, the Issuer and the Solvency II Group are subject to regulation by the Financial Supervisory Authority in Finland (*Fi. Finanssivalvonta*) and for Solvency II purposes, the Issuer's Group is not subject to direct supervision by a national regulatory authority. Individual operating members of the Issuer's Group are subject to direct supervision by national regulatory authorities (see "*Regulation – Supervision*"). In the event that in the future, the regulatory oversight of the Issuer and/or the Issuer's Group changes such that the Issuer's Group is subject to direct supervision by a national regulatory authority for Solvency II purposes, then pursuant to the terms of the Notes, from such time a Capital Disqualification Event, Regulatory Deficiency Interest Deferral Event or a Regulatory Deficiency Redemption Suspension Event shall also apply at the level of the Issuer's Group, which will be a smaller regulatory group than the Solvency II Group.

In the event of any change in the regulatory oversight of the Issuer's Group, which results in direct supervision of the Issuer's Group for Solvency II purposes (whether on a solo, group or consolidated basis), the Issuer's Group may be required to raise further capital in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement.

In addition, any changes to the Solvency II Group structure for example due to a reorganisation, disposal, acquisition or restructuring may affect the regulatory requirements currently applicable to the Issuer and/or the Solvency II Group and therefore may give rise to a Capital Disqualification Event, a Regulatory Deficiency Interest Deferral Event and a Regulatory Deficiency Redemption Suspension Event.

The Solvency Capital Requirement ratio and the Minimum Capital Requirement ratio will be affected by the Issuer's, the Issuer's Group's and the Solvency II Group's business decisions and, in making such decisions, the Issuer's and/or the Issuer's Group's and/or the Solvency II Group's interests may not be aligned with those of the Noteholders

The Solvency Capital Requirement ratio and Minimum Capital Requirement ratio could be affected by a number of factors. It will also depend on the Issuer's, the Issuer's Group's and the Solvency II Group's decisions relating to their businesses and operations, as well as the management of their capital position. None of the Issuer, the members of the Issuer's Group or the members of the Solvency II Group will have any obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Issuer, the Issuer's Group or of the Solvency II Group, including in respect of capital management. Noteholders will not have any claim against the Issuer or any other member of the Issuer's Group or the Solvency II Group relating to decisions that affect the business and operations of the Issuer, the members of the Issuer's Group or the Solvency II Group, including their capital position. Such decisions could cause Noteholders to lose all or part of the value of their investment in the Notes.

Risks relating to the Notes generally

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

Meeting of Noteholders, modification and waivers

The Conditions 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.

The Conditions also provide that the Trustee may, without the consent of the Noteholders or Couponholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed.

Change of law

The Conditions are based on English and (in part) Finnish law in effect as at the date of these Listing Particulars. No assurance can be given as to the impact of any possible judicial decision or change to English or Finnish law or administrative practice after the date of these Listing Particulars.

Regulation and reform of "benchmarks" could adversely affect the Notes

Rates and indices which are deemed to be "benchmarks", such as EURIBOR, are the subject of recent national, international and other 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 the Notes.

Regulation (EU) 2016/1011 (the "**Benchmark Regulation**") was published in the official journal on 29 June 2016 and has applied since 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on Notes linked to a "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith.

There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete. As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR

benchmark after 2021 (the "**FCA Announcement**"). Further, on 12 July 2018 the FCA announced that LIBOR may cease to be a regulated benchmark under the Benchmark Regulation. The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin. The potential elimination of benchmarks, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of the Notes and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, payments that would have been made on those securities if the relevant benchmark was available in its current form.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. Although EURIBOR was reformed and added to the ESMA Benchmark Register in July 2019, there can be no assurances that it will not be subject to further reform or replacement in the future.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the EURIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 3(h) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of the Notes. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the Notes, the return on the Notes and the trading market for securities based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if a published benchmark, such as EURIBOR, and any page on which such benchmark may be published (or any successor service) becomes unavailable, or if the Issuer, the Agent Bank, any Paying Agent or any other party responsible for the calculation of the Rate of Interest are no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate, with or without an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser). An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of a benchmark. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a successor rate or alternative rate may nonetheless be used to determine the rate of interest. The use of a successor rate or alternative rate (including with the application of an adjustment spread) will still result in the Notes performing differently (which may include payment of a lower rate of interest) than they would if the benchmark were to continue to apply in its current form. For the avoidance of doubt, no successor rate or alternative rate will be adopted if this could reasonably be expected to give rise to a Capital Disqualification Event.

If, following the occurrence of a Benchmark Event, the Issuer is unable to appoint an independent advisor or no successor rate or alternative rate is determined, the ultimate fallback for the purposes of calculation of the rate of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for the Notes based on the rate which was last determined in accordance with the Conditions. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on the Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a

material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should consider these matters when making their investment decision with respect to the Notes.

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes to be admitted to listing on the Official List of Euronext Dublin and to trading on the Global Exchange Market, there is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Integral multiples of less than €100,000

The denomination of the Notes is €100,000 and integral multiples of €1,000 in excess thereof up to €199,000. Accordingly, it is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case, a holder who, as a result of such trading, holds an amount which is less than €100,000 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 such that its holding amounts to €100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination which is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Credit ratings may not reflect all risks

The Notes are expected to be rated BBB+ by S&P. S&P is established in the European Economic Area and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") and are, as of the date of these Listing Particulars, included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The ratings may not reflect the potential impact of all risks related to the 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 suspended, revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes. In addition, rating agencies other than S&P could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by S&P, those unsolicited ratings could have an adverse effect on the value and the marketability of the Notes.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred to other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors cannot rely upon such tax summary contained in these Listing Particulars but should ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Notes. Only this adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of these Listing Particulars.

OECD Action Plan on Base Erosion and Profit Shifting

Fiscal and taxation policy and practice is constantly evolving and recently the pace of change has increased due to a number of developments. In particular, a number of changes of law and practice are occurring as a result of the OECD Base Erosion and Profit Shifting project ("**BEPS**"). Investors should note that certain action points which form part of the OECD BEPS project (such as Action 2 on hybrid mismatches (see below) or Action 6 on the prevention of treaty abuse) may be implemented in a manner which may affect the tax position of the Issuer.

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of a number of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive 1**") on 12 July 2016.

The EU Council adopted Council Directive (EU) 2017/952 (the "**Anti-Tax Avoidance Directive 2**" and, together with the Anti-Tax Avoidance Directive 1, the "**Anti-Tax Avoidance Directives**") on 29 May 2017, amending the Anti-Tax Avoidance Directive 1, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries. The Anti-Tax Avoidance Directives contain various measures that could potentially result in certain payments made by the Issuer ceasing to be fully deductible for tax purposes. This could increase the Issuer's liability to tax and reduce the amounts available for payments on the Notes.

For example, the Anti-Tax Avoidance Directive 1 (as amended by the Anti-Tax Avoidance Directive 2) also contains rules relating to so-called hybrid mismatch. EU member states have until 31 December 2019 to implement the Anti-Tax Avoidance Directive 2 (except for measures relating to reverse hybrid mismatches, which must be implemented by 31 December 2021).

These rules are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities or twice within the same legal entity. These rules could potentially apply to the Issuer for example where: (i) the interest that it pays under the Notes, and claims deductions from its taxable income for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes, or the payments made under them, or because of the characterisation of the Issuer in the country of residence of the Noteholder, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between associated enterprises, between the Issuer and an associated enterprise or under a structured arrangement. In some situations the rules could also affect the taxation in the country of the relevant Noteholder. A draft government bill on implementing the hybrid mismatch rules has been provided for comments but it is not yet known for certain how Finland will eventually implement the Anti-Tax Avoidance Directive 2. The impact on the Issuer's tax position, if any, is uncertain, as the Anti-Tax Avoidance Directive 2 has not yet been implemented in Finland and further as the impact may depend on the tax treatment at the level of the relevant Noteholder.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. 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 Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro 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 Euro 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 (see "*Risk Factors - Risks relating to the Issuer – Currency risk*").

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

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account

holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Independent review and advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

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) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Potential Conflicts of Interest

All or some of the Joint Lead Managers and, as the case may be, the Agent Bank and their respective affiliates (including their parent companies) have and/or may in the future engage, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Issuer's Group. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Issuer's Group or (iii) act as financial advisers to the Issuer or other companies of the Issuer's Group. In the context of these transactions, certain of such Joint Lead Managers have or may hold shares or other securities issued by entities of the Issuer's Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Each of the Issuer and the Joint Lead Managers may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Terms and Conditions of the Notes (the "**Conditions**") which (subject to completion and amendment) will be endorsed on each Note in definitive form (if issued):*

The EUR 250,000,000 Fixed/Floating Rate Dated Subordinated Notes due 2049 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) of Mandatum Life Insurance Company Limited (the "**Issuer**") are constituted by a Trust Deed dated 4 October 2019 (the "**Trust Deed**") made between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include its successor(s)) as trustee for the holders of the Notes (the "**Noteholders**", which expression shall, unless the context otherwise requires, include the Couponholders) and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**" respectively, which expressions shall, unless the context otherwise requires, include the talons for further interest coupons (the "**Talons**") and the holders of the Talons).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 4 October 2019 (the "**Agency Agreement**") made between the Issuer, Citibank N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor thereto) and the other paying agents appointed thereunder from time to time and any successors thereto (together with the Principal Paying Agent, the "**Paying Agents**"), Citibank N.A., London Branch as calculation agent or agent bank (the "**Agent Bank**", which expression shall include any successor thereto and together with the Principal Paying Agent and the Paying Agents, the "**Agents**") and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the specified office of each of the Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. **Form, Denomination and Title**

The Notes are in bearer form, serially numbered, in the denominations of EUR 100,000 and integral multiples of EUR 1,000 to and including EUR 199,000, each with Coupons attached on issue. Notes of one denomination may not be exchanged for Notes of any other denomination. Title to the Notes and to the Coupons will pass by delivery. The Issuer, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership thereof or writing thereon, or any notice of loss or theft or of any trust or interest therein) and shall not be liable for so treating such bearer of any Note.

2. **Status and Subordination**

- (a) *Status:* The Notes and Coupons constitute, in the case of the Notes, dated and, in the case of the Notes and the Coupons, direct, unsecured and subordinated obligations of the Issuer, conditional as described below, and (together with any damages awarded for breach of any obligations in respect of the Notes) in the event of the Liquidation of the Issuer rank: (i) junior to Senior Creditors; (ii) *pari passu* without any preference among themselves and among Parity Obligations outstanding from time to time (whether actual or contingent); and (iii) senior to all classes of Junior Obligations.
- (b) *Subordination:* The right to payment in respect of the Notes and the Coupons is subordinated in the event of the Liquidation of the Issuer and (except in the event of the Liquidation of the Issuer) all payments of principal and interest by the Issuer in respect of the Notes and the Coupons are conditional upon the Issuer being Solvent at the time of payment and immediately thereafter (the "**Solvency Condition**") and (except as aforesaid) no principal or interest shall be payable in respect of the Notes or the Coupons except to the extent that the Issuer could make such payment in whole or in part, rateably with the payments in respect of Parity Obligations, and still be Solvent immediately thereafter.

The payment of interest on the Notes is also subject to the provisions of Condition 4(a) (*Optional Deferral of Interest*) and Condition 4(b) (*Mandatory Deferral of Interest*) and

the payment of principal on the Notes is also subject to the provisions of Condition 6(b) (*Issuer suspension of redemption date*).

The provisions of this Condition 2 (*Status and Subordination*) apply only to the principal and interest in respect of the Notes and nothing in this Condition 2(b) (*Subordination*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

- (c) *No Set-off*: No Holders of Notes or Coupons who shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.

3. Interest

- (a) *Interest Payment Dates*: The Notes bear interest on their outstanding principal amount from and including the Interest Commencement Date, payable (subject as provided below) annually in arrear on 4 October in each year from and including 4 October 2020 to and including the First Call Date (each a "**Fixed Interest Payment Date**"). Thereafter interest will be payable quarterly in arrear on 4 January, 4 April, 4 July and 4 October in each year (together with each Fixed Interest Payment Date, each an "**Interest Payment Date**"). If any Interest Payment Date (other than a Fixed Interest Payment Date) would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Whenever it is necessary to compute an amount of interest in respect of the Notes for a period other than an Interest Period and such period ends prior to the First Call Date or on the First Call Date, such interest shall be calculated by applying the Fixed Rate of Interest to the Calculation Amount multiplying such sum by the Fixed Day Count Fraction and rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

Whenever it is necessary to calculate an amount of interest in respect of the Notes for a period beginning on or after the First Call Date, such interest shall be calculated in accordance with Condition 3(d) (*Determination of Floating Rate of Interest and Interest Amount*) below.

- (b) *Interest Accrual*: Each Note will cease to bear interest from and including its due date for redemption (which due date shall, in the case of suspension of a redemption date in accordance with Condition 6(b) (*Issuer suspension of redemption date*), be the latest date to which redemption of the Notes is so suspended) unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused, in which event interest shall continue to accrue as provided in the Trust Deed.
- (c) *Interest Rate*: The rate of interest payable in respect of each Interest Period ending prior to the First Call Date shall be 1.875 per cent. per annum (the "**Fixed Rate of Interest**").

Thereafter, the rate of interest payable from time to time in respect of the Notes (the "**Floating Rate of Interest**") will be determined on the basis of the following provisions:

- (i) the Floating Rate of Interest for the Interest Period shall be the Screen Rate plus the Margin. On each Interest Determination Date, the Agent Bank will determine the Screen Rate at approximately 11.00 a.m. (Central European Time) on that Interest Determination Date;
- (ii) if the Screen Rate does not appear on that page or if the Relevant Screen Page is unavailable, the Agent Bank will:
 - (A) request the principal European office of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Euro are offered by it to prime banks in the European interbank market for three months at approximately 11.00 a.m. (Central European Time) on the

Interest Determination Date in question and for a Representative Amount;
and

- (B) determine the arithmetic mean of such quotations; and
- (iii) if fewer than two such rates are provided as requested, the Agent Bank will determine the arithmetic mean of the rates (being the nearest to the Screen Rate, as determined by the Agent Bank) quoted by the principal European office of major banks, selected by the Issuer, at approximately 11.00 a.m. (Central European Time) on the first day of the relevant Interest Period for loans in Euro to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in the market at that time,

and the Floating Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however*, that if the Agent Bank is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to a relevant Interest Period, the Floating Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period (save in respect of the first Interest Period following the First Call Date, in which case the Floating Rate of Interest shall be equal to the Fixed Rate of Interest).

- (d) *Determination of Floating Rate of Interest and Interest Amount:* In respect of each Interest Period starting on or after the First Call Date, the Agent Bank shall, as soon as practicable after 11.00 a.m. (Central European Time) on each Interest Determination Date determine the Euro amount (the "**Interest Amount**") payable in respect of interest on each Note for the relevant Interest Period. The Interest Amount shall be determined by applying the Floating Rate of Interest to the Calculation Amount, multiplying the sum by the Floating Day Count Fraction, rounding the resultant figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.
- (e) *Publication of Floating Rate of Interest and Interest Amount:* The Agent Bank shall cause the Floating Rate of Interest and the Interest Amount for each Interest Period starting on or after the First Call Date and the relative Interest Payment Date to be notified to the Issuer, the Paying Agents and the Trustee (by no later than the first day of each Interest Period) and to be published in accordance with Condition 11 (*Notices*) as soon as possible after their determination, and in no event later than the second Business Day thereafter. The Issuer will in turn deliver or procure to be delivered any such notices to any stock exchange or other relevant authority on which the Notes are at the relevant time listed. The Interest Amount and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Calculation Amount is less than the minimum denomination, the Agent Bank shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum denomination.
- (f) *Notifications, etc. to be final:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 (*Interest*), whether by the Reference Banks (or any of them), the Agent Bank or the Trustee (or its agent), shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents and all Noteholders and Couponholders and (in the absence of the Reference Banks', the Agent Bank's or the Trustee's, as applicable, own gross negligence, fraud or wilful default) no liability to the Issuer, or the Noteholders or the Couponholders shall attach to the Reference Banks (or any of them), the Agent Bank or, if applicable, the Trustee (or its agent) in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 3 (*Interest*).

(g) *Agent Bank:* The Issuer shall procure that, so long as any of the Notes remains outstanding (as defined in the Trust Deed), there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Floating Rate of Interest and the Interest Amount for any Interest Period, the Issuer shall, subject to the prior written approval of the Trustee, appoint the European office of another major bank engaged in the European interbank market to act in its place. The Agent Bank may resign its duties without a successor having been appointed however; such resignation will only take effect upon appointment of a successor. The Agent Bank may not be removed without a successor having been appointed.

(h) *Benchmark Discontinuation:*

Notwithstanding the provisions above in Condition 3(c) (*Interest Rate*) or 3(d) (*Determination of Floating Rate of Interest and Interest Amount*), if a Benchmark Event occurs in relation to the Original Reference Rate, then the following provisions shall apply.

(i) *Independent Adviser*

The Issuer shall use its reasonable endeavours to select and appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3(h)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 3(h)(iii)) and any Benchmark Amendments (in accordance with Condition 3(h)(iv)).

An Independent Adviser appointed pursuant to this Condition 3(h) shall act in good faith and (in the absence of wilful default, gross negligence, bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with to the operation of this Condition 3(h).

(ii) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser and acting in good faith determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Floating Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 3(h)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Floating Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 3(h)).

(iii) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser and acting in good faith determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a

relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3(h) and the Issuer, following consultation with the Independent Adviser and acting in good faith determines (i) that amendments to these Conditions (including, without limitation, to the definitions of Floating Rate Day Count Fraction, Business Day, Relevant Screen Page, Interest Determination Date or Reference Banks) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, and subject to the Issuer giving notice thereof in accordance with Condition 3(h)(v), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, the Trustee shall, at the request and expense of the Issuer, but subject to receipt by the Trustee of the certificate referred to below, without the requirement for any consent or approval of the Noteholders, effect the Benchmark Amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required by the Issuer in order to give effect to this Condition (*Benchmark Replacement*) (which, for the avoidance of doubt, shall not be treated as being within the scope of the Reserved Matters), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee, doing so would have the effect of (i) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any documents supplemental thereto).

In connection with any such variation in accordance with this Condition 3(h)(iv), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

(v) *Notices, etc.*

The Issuer shall notify the Trustee and the Agents and, in accordance with Condition 11, the Noteholders and the Couponholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3(h). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, Alternative Rate and, (iii) where applicable, the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 3(h) (*Benchmark Replacement*); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate, as the case may be.

The Trustee shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate (as applicable) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate (as applicable) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Noteholders;

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Trustee, the Agents, the Noteholders and the Couponholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under the provisions of this Condition 3(h), the Original Reference Rate and the fallback provisions provided for in Condition 3(c) will continue to apply unless and until a Benchmark Event has occurred and only then once the Trustee and the Agents, as applicable, have been notified of the Successor Rate or Alternative Rate (as the case may be) and any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable) in accordance with Condition 3(h)(v).

(vii) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the relevant Interest Determination Date, the Issuer is unable to appoint an Independent Advisor or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this Condition 3(h) by such Interest Determination Date, the Floating Rate of Interest applicable to the next succeeding Interest Period shall be equal to the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period (save in respect of the first Interest Period following the First Call Date, in which case the Floating Rate of Interest shall be equal to the Fixed Rate of Interest).

For the avoidance of doubt, this Condition 3(h) shall apply to the determination of the Floating Rate of Interest on the relevant Interest Determination Date only, and the Floating Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(h).

(viii) *Capital Disqualification Event*

Notwithstanding any other provision in this Condition 3(h) (*Benchmark Replacement*), no Successor Rate, Alternative Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Conditions will be made pursuant to this Condition 3(h) (*Benchmark Replacement*), if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to give rise to a Capital Disqualification Event.

4. **Deferral of Payments**

- (a) *Optional Deferral of Interest*: Without prejudice to Condition 4(b) (*Mandatory Deferral of Interest*), on any Optional Interest Payment Date, the Issuer may in the manner described in Condition 4(d) (*Notification in respect of Interest Payments*) elect to defer payment of all (but not some only) of the interest in respect of the Notes accrued in the Interest Period ending on the day immediately preceding such date. If the Issuer so elects,

it shall not have any obligation to make such Interest Payment and any failure to pay shall not constitute a default by the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes.

(b) *Mandatory Deferral of Interest:*

- (i) Subject to Condition 4(b)(ii) below, Interest Payments by the Issuer will be mandatorily deferred on each Mandatory Interest Deferral Date. The deferral of any payment of interest on a Mandatory Interest Deferral Date in accordance with this Condition 4(b) or in accordance with Condition 2(b) shall not constitute a default by the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes.
- (ii) Notwithstanding that an Interest Payment Date may be a Mandatory Interest Deferral Date, Interest Payments (or part thereof) may still be paid on such Interest Payment Date to the extent that:
 - (A) the Issuer Supervisor has exceptionally waived the deferral of such Interest Payments or part thereof;
 - (B) payment of such Interest Payments (or part thereof) does not further weaken the solvency position of the Issuer; and
 - (C) the Minimum Capital Requirement is complied with immediately after such Interest Payments are made.
- (iii) At the same time as notifying the Trustee and the Noteholders of a Mandatory Interest Deferral Date in accordance with Condition 4(d) (*Notification in respect of Interest Payments*), the Issuer shall send to the Trustee a certificate signed by two Authorised Signatories of the Issuer confirming that the relevant Interest Payment Date is a Mandatory Interest Deferral Date. Any such certificate shall, in the absence of manifest error, be treated and accepted by the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and the Trustee shall be entitled to rely on such certificate without liability to any person.

(c) *Arrears of Interest:*

- (i) Any interest in respect of the Notes not paid on an Interest Payment Date as a result of the exercise by the Issuer of its discretion to defer such Interest Payments pursuant to Condition 4(a) (*Optional Deferral of Interest*), the obligation of the Issuer to defer such Interest Payments pursuant to Condition 4(b) (*Mandatory Deferral of Interest*) and/or any interest not paid due to the Solvency Condition not being satisfied, shall, to the extent and so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest shall not themselves bear interest.
- (ii) Arrears of Interest may (subject to the Solvency Condition being satisfied and to receiving the prior approval of the Issuer Supervisor (if required) and provided that the intended date of such payment is not a Mandatory Interest Deferral Date), at the option of the Issuer, be paid in whole or in part at any time upon the expiry of not less than five (5) days' notice to such effect given by the Issuer to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) and in any event become due and payable by the Issuer (subject, in the case of paragraphs (A) and (C) below, to the Solvency Condition being satisfied, and to receiving the prior approval of the Issuer Supervisor (if required)) in full (and not in part) on the earliest of:
 - (A) the date on which the Notes are to be redeemed or purchased pursuant to any provision of Condition 6 (*Redemption, Purchase, Substitution and Variation*) (subject to any suspension of such redemption date pursuant to Condition 6(b) (*Issuer suspension of redemption date*)); or

- (B) the date on which a decree or order being made by a court or agency or supervisory authority having jurisdiction in respect of the same for the Liquidation of the Issuer or a resolution being passed for the Liquidation of the Issuer; or
- (C) the next Interest Payment Date which is a Compulsory Interest Payment Date.

Arrears of Interest shall not be due solely by virtue of any payment on any Parity Obligations the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment.

- (d) *Notification in respect of Interest Payments:* The Issuer shall give to the Trustee and the Noteholders in accordance with Condition 11 (*Notices*) not less than five (5) Business Days' nor more than fourteen (14) Business Days' prior notice:

- (i) of (subject as provided below) any Optional Interest Payment Date on which, pursuant to the provisions of Condition 4(a) (*Optional Deferral of Interest*) above, the Issuer will not pay any Interest Payments in respect of the Notes;
- (ii) of any Mandatory Interest Deferral Date, provided that if the conditions to the relevant Interest Payment Date being a Mandatory Interest Deferral Date are satisfied less than five (5) Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of such event;
- (iii) if any payment of interest will not become due on any Interest Payment Date as a result of a failure to satisfy the Solvency Condition, provided that if the circumstances resulting in non-satisfaction of the Solvency Condition occur, or are determined to have occurred, less than five (5) Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of such event (and in either case shall specify that interest will not be paid as a result of non-satisfaction of the Solvency Condition); and
- (iv) of any date upon which, pursuant to the provisions of Condition 4(c)(ii) (*Arrears of Interest*) above, amounts in respect of Arrears of Interest shall become due and payable,

but provided that failure to make such notification shall not (in the case of (ii) and (iii) above) oblige the Issuer to make a payment of such Interest, or cause the same to become due and payable, on such date, or (in the case of (iv) above) invalidate the obligation of the Issuer to make a payment of such Arrears of Interest on such date.

- (e) *Partial Payment of Arrears of Interest:* If amounts in respect of Arrears of Interest become partially payable:
 - (i) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period; and
 - (ii) the amount of Arrears of Interest payable in respect of any Note in respect of any period shall be made *pro rata* to the total amount of all unpaid Arrears of Interest accrued in respect of that period.

5. **Payments and Exchanges of Talons**

- (a) *Payments in respect of Notes and Coupons:* Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an

Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

- (b) *Method of Payment:* Payments 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 or, at the option of the payee, by Euro cheque.
- (c) *Missing Unmatured Coupons:* In relation to the period from the Issue Date up to but excluding the First Call Date, each Note should be presented for payment together with all relative unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons) (if any), failing which an amount equal to the face value of each missing unmatured coupon (or, in the case of part payment only, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) due to (and including) the First Call Date shall be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of the relevant Note whether or not the relevant Coupon would have become void pursuant to Condition 8 (*Prescription*). At any time on or after the First Call Date, if the Notes are redeemed in whole, then all unmatured Coupons relating thereto (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons) (whether or not still attached) shall become void on the relevant date for redemption and no payment shall be made in respect thereof.
- (d) *Payments subject to Applicable Laws:* Payments (i) in respect of principal and interest on the Notes and Coupons are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- (e) *Payment only on a Presentation Date:* A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 3 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

"**Presentation Date**" means a day which (subject to Condition 8 (*Prescription*)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a Euro account, is a TARGET Settlement Day.

In this Condition 5 (*Payments and Exchanges of Talons*), "**Business Day**" means, in relation to any place, 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 that place.

- (f) *Exchange of Talons:* On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 8 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to

mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

- (g) *Initial Paying Agents:* The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:
 - (i) there will at all times be a Principal Paying Agent; and
 - (ii) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the stock exchange (or any other relevant authority) on which the Notes may be listed from time to time.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 11 (*Notices*).

6. **Redemption, Purchase, Substitution and Variation**

- (a) *Redemption at Maturity:* Subject to Conditions 6(b) (*Issuer suspension of redemption date*), 6(d) (*Redemption at the Option of the Issuer*), and 6(g) (*Preconditions to redemption, purchases, variation and substitution*), satisfaction of the Solvency Condition and to receiving the prior approval of the Issuer Supervisor (if required), unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on the Maturity Date together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the Maturity Date.
- (b) *Issuer suspension of redemption date:*
 - (i) Subject to Condition 6(b)(ii) below, no Notes shall be redeemed on the Maturity Date pursuant to Condition 6(a) (*Redemption at Maturity*) or prior to the Maturity Date pursuant to Conditions 6(c) (*Taxation reasons redemption, variation or substitution*), 6(d) (*Redemption at the Option of the Issuer*), or 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*) if the date set for redemption is a Mandatory Redemption Suspension Date and redemption shall be suspended in accordance with the provisions of this Condition 6(b) (*Issuer suspension of redemption date*). Any failure to pay principal as a result of any such suspension pursuant to this paragraph (i) or Condition 2(b) shall not constitute a default by the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any other action under the Notes or the Trust Deed, provided that nothing in this paragraph (i) shall be construed to permit the Issuer to defer any principal otherwise due and payable except under the circumstances specified in this paragraph (i) and Condition 2(b).
 - (ii) Notwithstanding that the date set for redemption may be a Mandatory Redemption Suspension Date, the Notes may be redeemed and the relevant redemption amount may still be paid to the extent:
 - (A) the Issuer Supervisor has exceptionally waived the suspension of redemption of the Notes;
 - (B) the Notes are exchanged for or converted into other Tier 1 Capital or Tier 2 Capital of at least the same quality; and
 - (C) the Minimum Capital Requirement is complied with immediately after redemption of the Notes.
 - (iii) The Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) no later than five (5)

Business Days prior to any date set for redemption of the Notes if such redemption is to be suspended in accordance with either paragraph (i) above or non-satisfaction of the Solvency Condition, provided that if the relevant circumstance requiring redemption to be suspended arises, or is determined, less than five (5) Business Days prior to the date set for redemption, the Issuer shall give notice of such suspension in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of such event *but provided that* failure to make such notification shall not oblige the Issuer to redeem the Notes on such date.

- (iv) If redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c) (*Taxation reasons redemption, variation or substitution*), 6(d) (*Redemption at the Option of the Issuer*), 6(d) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*) as a result of paragraph (i) above, the Issuer shall (subject, in the case of sub-paragraphs (A) and (B) below only, to the Solvency Condition being satisfied and to receiving the prior approval of the Issuer Supervisor (if required)) redeem such Notes at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest, upon the earliest of:

- (A) the date falling ten (10) Business Days after the first date which immediately follows the date set for redemption and which is not a Mandatory Redemption Suspension Date (with, for the purposes of such definition, the relevant date being deemed to be a date on which the Notes would otherwise be redeemed pursuant to this Condition 6 (*Redemption, Purchase, Substitution and Variation*)) (unless such 10th Business Day is itself a Mandatory Redemption Suspension Date, in which case the provisions of paragraph (i) above and this paragraph (iv) will apply *mutatis mutandis* to determine the due date for redemption of the Notes); or
- (B) the date falling ten (10) Business Days after the Issuer Supervisor has agreed to the repayment or redemption of the Notes; or
- (C) the date on which order for the Liquidation of the Issuer is made,

and the Issuer shall give notice of such redemption to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following the occurrence of the relevant event triggering such redemption.

- (v) If paragraph (i) above does not apply, but redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c) (*Taxation reasons redemption, variation or substitution*), 6(d) (*Redemption at the Option of the Issuer*), or 6(e) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*) as a result of the Solvency Condition not being met at the time and immediately after such payment, subject to receiving the prior approval of the Issuer Supervisor (if required), such Notes shall be redeemed at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest on the 10th Business Day immediately following the day that (A) the Issuer is Solvent and (B) the redemption of the Notes would not result in the Issuer ceasing to be Solvent, provided that if such Business Day specified for redemption is a Mandatory Redemption Suspension Date, then the Notes shall not be redeemed on such date and paragraph (iv) above shall apply *mutatis mutandis* to determine the due date for redemption of the Notes.

At the same time as delivering any notice to the Trustee and the Noteholders pursuant to this Condition 6(b) (*Issuer suspension of redemption date*), the Issuer shall send to the

Trustee a certificate signed by two Authorised Signatories of the Issuer confirming (i) that the relevant date set for redemption is or is not (as applicable) a Mandatory Redemption Suspension Date, (ii) the satisfaction or otherwise of the Solvency Condition, and (iii) (if required) that the Issuer has received the prior approval of the Issuer Supervisor. Any such certificate shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and the Trustee shall be entitled to rely on such certificate without liability to any person.

(c) *Taxation reasons redemption, variation or substitution:* If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that, as a result of:

- (i) any amendment to, clarification of or change (including any announced prospective change) in the laws or treaties (or regulations thereunder) of the Relevant Jurisdiction affecting taxation;
- (ii) any governmental action; or
- (iii) any amendment to, clarification of or change in the official position or the interpretation of any such governmental action or pronouncement,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective or such pronouncement or decision is announced on or after the Issue Date, there is, more than an insubstantial risk that:

- (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Notes;
- (B) the treatment of any of the Issuer's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges; or
- (C) the Issuer would be required to pay additional amounts, as provided or referred to in Condition 7 (*Taxation*),

the Issuer may at its option (subject to Conditions 6(b) (*Issuer suspension of redemption date*) and 6(g) (*Preconditions to redemption, purchases, variation and substitution*), satisfaction of the Solvency Condition and the Issuer having received the prior approval of the Issuer Supervisor (if required)), having given not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 11 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption),

- (I) redeem all (but not some only) of the Notes at any time at their principal amount, together with any accrued interest and Arrears of Interest; or
- (II) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities and the Trustee shall (subject to each of Condition 6(j) (*Trustee role on redemption, variation or substitution*) and Condition 6(k) (*Trustee not obliged to monitor*)) and the receipt by it of the certificates of the Authorised Signatories referred to in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) below) agree to such substitution or variation.

(d) *Redemption at the Option of the Issuer:* The Issuer may (subject to Conditions 6(b) (*Issuer suspension of redemption date*) and 6(g) (*Preconditions to redemption, purchases,*

variation and substitution) and having received the prior approval of the Issuer Supervisor (if required)), having given:

- (i) not less than thirty (30) nor more than sixty (60) days' notice to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*); and
- (ii) notice to the Trustee and the Principal Paying Agent not less than fifteen (15) days before the giving of the notice referred to in paragraph (i) above,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes on the First Call Date or any Interest Payment Date thereafter at their principal amount together with any accrued interest and Arrears of Interest.

- (e) *Capital Disqualification Event redemption, variation or substitution:* If a Capital Disqualification Event has occurred and is continuing, the Issuer may at any time (subject to Conditions 6(b) (*Issuer suspension of redemption date*), 6(g) (*Preconditions to redemption, purchases, variation and substitution*), satisfaction of the Solvency Condition and receiving the prior consent of the Issuer Supervisor (if required)), having given:

- (i) not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 11 (*Notices*); and
- (ii) notice to the Trustee and the Principal Paying Agent not less than fifteen (15) days before the giving of the notice referred to in paragraph (i) above,

(which notices shall be irrevocable and shall specify the date fixed for redemption):

- (A) redeem all (but not some only) of the Notes at their principal amount, together with any accrued interest and Arrears of Interest; or
- (B) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities and the Trustee shall (subject to both Condition 6(j) (*Trustee role on redemption, variation or substitution*) and Condition 6(k) (*Trustee not obliged to monitor*)) and the receipt by it of the certificates of the Authorised Signatories referred to in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) below) agree to such substitution or variation.

- (f) *Rating Agency Event redemption, variation or substitution:* If a Rating Agency Event has occurred and is continuing, the Issuer may at any time (subject to Conditions 6(b) (*Issuer suspension of redemption date*) and 6(g) (*Preconditions to redemption, purchases, variation and substitution*), satisfaction of the Solvency Condition and receiving the prior consent of the Issuer Supervisor (if required)), having given:

- (i) not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 11 (*Notices*); and
- (ii) notice to the Trustee and the Principal Paying Agent not less than fifteen (15) days before the giving of the notice referred to in paragraph (i) above,

(which notices shall be irrevocable and shall specify the date fixed for redemption):

- (A) redeem all (but not some only) of the Notes at their principal amount, together with any accrued interest and Arrears of Interest; or
- (B) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities

and the Trustee shall (subject to both Condition 6(j) (*Trustee role on redemption, variation or substitution*) and Condition 6(k) (*Trustee not obliged to monitor*) and the receipt by it of the certificates of the Authorised Signatories referred to in Condition 6(g) (*Preconditions to redemption, purchases, variation and substitution*) below) agree to such substitution or variation.

(g) *Preconditions to redemption, purchases, variation and substitution:*

- (i) Prior to the publication of any notice of redemption before the Maturity Date or any purchase, variation or substitution of the Notes, provided that no Regulatory Deficiency Redemption Suspension Event has occurred or is continuing, the Issuer will be required to be in continued compliance with the Relevant Rules and on the same date as publishing any notice of redemption before the Maturity Date or making any purchase, variation or substitution of the Notes the Issuer shall deliver to the Trustee a certificate from two Authorised Signatories of the Issuer confirming such compliance. Any such certificate shall be conclusive evidence of such compliance (it being declared that the Trustee may rely absolutely on such certification without liability to any person).
- (ii) Prior to the publication of any notice of redemption, variation or substitution pursuant to Conditions 6(c) (*Taxation reasons redemption, variation or substitution*) or 6(d) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*), the Issuer shall deliver to the Trustee (A) in the case of a redemption, variation or substitution pursuant to Condition 6(c) (*Taxation reasons redemption, variation or substitution*) a certificate signed by two Authorised Signatories stating that any or all of the requirements referred to in paragraphs (i), (ii) or (iii) of such Condition will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, together with an opinion of independent tax counsel of recognised standing to such effect (other than in relation to whether the Issuer may take reasonable measures available to it) and the certificate shall also confirm that (if required) the Issuer has received the prior approval of the Issuer Supervisor and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above; and (B) in the case of a redemption, variation or substitution pursuant to Condition 6(d) (*Capital Disqualification Event redemption, variation or substitution*) or Condition 6(f) (*Rating Agency Event redemption, variation or substitution*) a certificate signed by two Authorised Signatories stating that a Capital Disqualification Event or Rating Agency Event (as applicable) has occurred and is continuing and the certificate shall also confirm that (if required) the Issuer has received the prior approval of the Issuer Supervisor. Any such certificate shall be conclusive and binding on the Trustee, the Noteholders and the Couponholders.

In the case of a redemption or purchase pursuant to Conditions 6(c) (*Taxation reasons redemption, variation or substitution*), 6(d) (*Capital Disqualification Event redemption, variation or substitution*) or 6(f) (*Rating Agency Event redemption, variation or substitution*), (to the extent then required pursuant to the Relevant Rules) such redemption or purchase shall be funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Relevant Rules permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6 (*Redemption, Purchase, Substitution and Variation*), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

- (h) *Purchases:* The Issuer or any of its Subsidiaries may (subject to receiving the prior consent of the Issuer Supervisor (if required)), at any time purchase Notes (provided that all

unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Any Notes so purchased may be held, reissued or surrendered for cancellation.

- (i) *Cancellations:* All Notes which are (a) redeemed, or (b) purchased by or on behalf of the Issuer or any of its Subsidiaries pursuant to Condition 6(h) (*Purchases*) above and surrendered for cancellation will forthwith be cancelled, together with all relative unmaturing Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be held, reissued or resold.
- (j) *Trustee role on redemption, variation or substitution:* The Trustee shall not be obliged to co-operate in or agree to any such substitution or variation of the terms referred to in this Condition 6 (*Redemption, Purchase, Substitution and Variation*) if the securities into which the Notes are to be substituted or are to be varied or such substitution or variation imposes, in the Trustee's opinion, more onerous obligations or duties upon it or exposes it to liabilities or reduces its protections. If the Trustee does not so co-operate or agree as provided above, the Issuer may instead, subject as provided above, redeem the Notes as provided above.
- (k) *Trustee not obliged to monitor:* The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of this Condition 6 (*Redemption, Purchase, Substitution and Variation*) and will not be responsible to the Noteholders for any loss arising from any failure by it to do so. Unless and until the Trustee has written notice of the occurrence of any event or circumstance within this Condition 6 (*Redemption, Purchase, Substitution and Variation*), it shall be entitled to assume that no such event or circumstance exists.

7. **Taxation**

- (a) *Payment without Withholding:* All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts in respect of interest (but not in respect of principal) as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:
 - (i) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
 - (ii) presented for payment in the Relevant Jurisdiction; or
 - (iii) held by or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
 - (iv) presented for payment more than thirty (30) days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of thirty (30) days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 5(e) (*Payment only on a Presentation Date*)).
- (b) *Additional Amounts:* Any reference in these Conditions to any amounts in respect of the Notes and/or Coupons shall be deemed also to refer to any additional amounts which may be payable under this Condition 7 (*Taxation*) or under any undertakings given in addition to, or in substitution for, this Condition 7 (*Taxation*) pursuant to the Trust Deed.

8. **Prescription**

Notes and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5 (*Payments and Exchanges of Talons*). There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition 8 (*Prescription*) or Condition 5 (*Payments and Exchanges of Talons*).

9. **Enforcement**

There are no events of default.

- (a) *Enforcement by the Trustee:* The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce its rights under the Notes, the Coupons, the Trust Deed or the Agency Agreement (other than in respect of any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including any payment of damages awarded for breach of any obligations thereunder) but in no event shall the Issuer, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. The Trustee shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Agency Agreement, the Notes or the Coupons unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding, and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing and provided that the Trustee shall not be liable for the consequences of taking any such action and may take such action without having regard to the effect of such actions on individual Noteholders or Couponholders.
- (b) *Enforcement by the Noteholders:* No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period (which in any event shall be not less than 30 days) and the failure shall be continuing.
- (c) *Liquidation:* If a Liquidation of the Issuer occurs, the Trustee at its discretion may and, if so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding relevant Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) declare such Notes to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount together with any accrued but unpaid interest, including any Arrears of Interest, as provided in the Trust Deed and payments are subject to the subordination provisions set out in Condition 2(a).

10. **Replacement of Notes, Coupons and Talons**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Replacement Agent (being the Paying Agent in London and as defined in the Agency Agreement) upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. **Notices**

All notices to the Noteholders will be valid if published in a leading English language daily newspaper having general circulation in Europe. 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 the

relevant authority on which the Notes are for the time being listed, including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 11 (*Notices*).

12. **Meetings of Noteholders, Modification, Waiver, Authorisation and Substitution**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of Reserved Matters, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than three quarters, or at any adjourned such meeting not less than one quarter, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. In addition, a resolution in writing signed by or on behalf of Noteholders holding or representing not less than three-quarters of the aggregate principal amount of the Notes for the time being outstanding who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.
- (b) *Modification, Waiver, Authorisation and Substitution:* The Trustee may agree, without the consent of the Noteholders or Couponholders, (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement or (ii) to the substitution of the Issuer, provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, or may agree, without any such consent as aforesaid, to any modification of any of these Conditions or the provisions of the Trust Deed or the Agency Agreement which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

Additionally, the Issuer may, subject to Condition 3(h), vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders, as described in Condition 3(h) (*Benchmark Discontinuation*) and the Trustee shall agree to such variations or amendments in accordance with Condition 3(h).

- (c) *Trustee to have Regard to Interests of Noteholders as a Class:* In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not be obligated to have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of

any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

- (d) *Notification to the Noteholders:* Any modification, abrogation, waiver, authorisation or substitution in accordance with these Conditions shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11 (*Notices*).

13. **Substitution**

(a) ***Discretion to agree to substitution***

The Trust Deed contains provisions permitting the Trustee to agree, subject to certain conditions set out in the Trust Deed being satisfied, but without the consent of the Noteholders or the Couponholders:

- (i) to the substitution of a successor in business of the Issuer in place of the Issuer or any previous substitute under this Condition 13 as principal debtor under the Trust Deed and the Notes; or
- (ii) (subject to the Notes being irrevocably guaranteed on a subordinated and (subject to the Solvency Condition) unconditional basis by the Issuer), to the substitution of a Subsidiary of the Issuer in place of the Issuer or any previous substitute under this Condition 13 as principal debtor under the Trust Deed and the Notes.

Any such substitution shall be subject to the Issuer having received the prior approval of the Issuer Supervisor (if required).

(b) ***Change in law***

In the case of any substitution pursuant to this Condition 13, the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing Conditions 2 (*Status and Subordination*), 4(a) (*Mandatory Deferral of Interest*), 6(b) (*Issuer suspension of redemption date*) and/or 6(d) (*Capital Disqualification Event redemption, variation or substitution*) of the Notes and the related provisions of the Trust Deed to the law of the jurisdiction of incorporation of the Substituted Obligor, provided that such change or the substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(c) ***Notice to Noteholders***

The Issuer will give notice of any substitution pursuant to this Condition 13 to Noteholders in accordance with Condition 11 (*Notices*) as soon as reasonably practicable following such substitution provided failure to do so shall not prevent the substitution from being effective.

14. **Indemnification of the Trustee and its Contracting with the Issuer**

- (a) *Indemnification of the Trustee:* The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.
- (b) *Trustee Contracting with the Issuer:* The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or

Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

15. **Further Issues**

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) having the same terms and conditions as the Notes in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the Notes or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

16. **Governing Law and Submission to Jurisdiction**

(a) *Governing Law:* The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are and shall be governed by, and construed in accordance with, English law, except for Conditions 2 (*Status and Subordination*), 4(a) (*Mandatory Deferral of Interest*), 6(b) (*Issuer suspension of redemption date*) and 6(d) (*Capital Disqualification Event redemption, variation or substitution*), which shall be governed by, and construed in accordance with, Finnish law.

(b) *Jurisdiction of English Courts:* The Issuer has, in the Trust Deed and Agency Agreement, irrevocably agreed for the benefit of the Trustee that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, Agency Agreement, the Notes and/or the Coupons (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and/or the Coupons) or the consequences of their nullity and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed and Agency Agreement, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee may take Proceedings arising out of or in connection with the Trust Deed, Agency Agreement, the Notes and/or the Coupons (including any Proceeding relating to any non-contractual obligations arising out of or in connection with the Trust Deed, Agency Agreement, the Notes and/or the Coupons) against the Issuer in any other court with jurisdiction and, to the extent allowed by law, concurrent Proceedings in any number of jurisdictions.

(c) *Appointment of Process Agent:* The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed If P&C Insurance Company, UK branch at its registered office for the time being (being Alpha House, 24a Lime Street, London EC3M 7HJ) as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition 16(c) applies to Proceedings in England and to Proceedings elsewhere.

17. **Rights of Third Parties**

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

18. **Definitions**

In these Conditions, except where otherwise defined:

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

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of an Alternative Rate or (where (a) above does not apply) in the case of a Successor Rate, the Issuer, following consultation with the Independent Adviser and acting in good faith determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (c) (if the Issuer determines that (a) above does not apply and no such spread, formula or methodology is recognised or acknowledged as being customary market usage as referred to in (b) above) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith determines to be appropriate.

"Alternative Rate" means an alternative to the Original Reference Rate which the Issuer, following consultation with the Independent Adviser and acting in good faith determines in accordance with Condition 3(h)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof in respect of bonds denominated in Euro and of a comparable duration to the relevant Interest Period) or if no such rate exists, the rate which is most comparable to the Original Reference Rate;

"Arrears of Interest" has the meaning given in Condition 4(c) (*Arrears of Interest*).

"Assets" means, for the purposes only of the definition of Solvent, at any time, the non-consolidated total assets of the Issuer, as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events, all valued in such manner as the Board of Directors of the Issuer may determine.

"Authorised Signatory" means any registered authorised signatory of the Issuer or any other person or persons duly authorised by the Board of Directors who, jointly with another Authorised Signatory, has the authority to sign the company name on behalf of the Issuer.

"Benchmark Amendments" has the meaning given to it in Condition 3(h)(iv).

"Benchmark Event" means:

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

- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (d)(i) above;
- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i) above;
- (f) it has become unlawful for any Paying Agent or the Agent Bank to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable.

"Board of Directors" means the board of directors of the Issuer.

"Business Day" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and a TARGET Settlement Day.

"Calculation Amount" means EUR 1,000.

"Capital Disqualification Event" is deemed to have occurred if as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Relevant Rules becoming effective on or after the Issue Date or the Issuer Supervisor has stated in writing to the Ultimate Solvency II Regulated Entity and/or the Issuer that all or any part of the Notes are no longer capable of counting as:

- (a) cover for capital requirements or treated as own funds (however such terms might be described in Solvency II or the Relevant Rules) applicable to the Issuer and/or the Issuer's Group and/or the Solvency II Group (as appropriate) whether on a solo, group or consolidated basis, or
- (b) Tier 2 Capital for the purposes of the Issuer and/or the Issuer's Group and/or the Solvency II Group (as appropriate) whether on a solo, group or consolidated basis,

except where in the case of either paragraphs (a) or (b) above such non-qualification is only as a result of any applicable limitation on the amount of such capital.

"Compulsory Interest Payment Date" means each Interest Payment Date which is not a Mandatory Interest Deferral Date during the six (6) months immediately prior to which:

- (a) a declaration or payment of any distribution or dividend on or in respect of any Junior Obligations or Parity Obligations has been made by the Issuer; or
- (b) the Issuer, directly or indirectly, redeemed, repurchased or acquired any Junior Obligations or Parity Obligations (with the exception of any repurchases in connection with stock options or ownership programmes for management or employees that are made in the normal course of business),

provided that, it shall not be a Compulsory Interest Payment Date solely by virtue of any payment on any Junior Obligations or Parity Obligations the terms of which do not allow the issuer of the relevant securities to defer, pass on or eliminate the relevant payment.

"Extraordinary Resolution" has the meaning given to such term in the Trust Deed.

"First Call Date" means the Interest Payment Date falling on 4 October 2024.

"Fixed Day Count Fraction" means, in respect of any period, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year (according to the ISMA method).

"Fixed Interest Payment Date" has the meaning given in Condition 3(a) (*Interest Payment Dates*).

"Fixed Rate of Interest" has the meaning given in Condition 3(c) (*Interest Rate*).

"Floating Day Count Fraction" means, in respect of any period, the actual number of days in such period divided by 360.

"Floating Rate of Interest" has the meaning given in Condition 3(c) (*Interest Rate*).

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise selected and appointed by the Issuer under Condition 3(h) at its own expense.

"Insolvent Insurer Winding-up" means:

- (a) the winding-up of any insurance undertaking or reinsurance undertaking within the Issuer's Group and/or the Solvency II Group other than the Issuer; or
- (b) the appointment of an administrator of any insurance undertaking or reinsurance undertaking within the Issuer's Group and/or the Solvency II Group other than the Issuer,

in each case, where the Issuer has determined that the assets of that insurance undertaking may or will be insufficient to meet all claims of the policyholders pursuant to a contract of insurance of that insurance undertaking which is in a winding-up or administration (and, for these purposes, the claims of policyholders pursuant to a contract of insurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of insurance companies that reflect any right to receive or expectation of receiving benefits which policyholders may have). For the purposes of this definition, **"insurance undertaking"** and **"reinsurance undertaking"** have the meaning given to such terms in the Solvency II Directive.

"Interest" includes, where appropriate, Arrears of Interest.

"Interest Amount" has the meaning given in Condition 3(d) (*Determination of Floating Rate of Interest and Interest Amount*).

"Interest Commencement Date" means 4 October 2019.

"Interest Determination Date" means the second TARGET Settlement Day before the first day of the relevant Interest Period.

"Interest Payment Date" has the meaning given in Condition 3(a) (*Interest Payment Dates*).

"Interest Payments" means payments of interest in respect of the Notes.

"Interest Period" means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

"Issue Date" means 4 October 2019.

"Issuer's Group" means the Issuer and such other group entities as may be construed as part of its regulatory group under Solvency II or the Relevant Rules or otherwise by the Issuer Supervisor, as the case may be.

"Issuer Supervisor" means the Finnish Financial Supervisory Authority (*Fi. Finanssivalvonta*) and/or any entity (including any successor entity thereto) with primary responsibility for regulatory supervision of the Issuer, the Issuer's Group and/or the Solvency II Group for Solvency II purposes, as determined by the Issuer.

"Junior Obligations" means:

- (a) all classes of share capital (including, without limitation, preference share capital) of the Issuer; and
- (b) subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital of the Issuer; and
- (c) subordinated obligations of the Issuer ranking or expressed to rank junior to the Notes.

"Liabilities" means, for the purposes only of the definition of Solvent, at any time, the non-consolidated liabilities of the Issuer, as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events, all valued in such manner as the Board of Directors of the Issuer may determine.

"Liquidation" of any person shall mean the voluntary liquidation or mandatory liquidation of such person pursuant to the Finnish Companies Act (624/2006, as amended) or the Finnish Insurance Companies Act (521/2008, as amended) or such person being adjudicated or found bankrupt.

"Mandatory Interest Deferral Date" means each Interest Payment Date (or for the purposes only of Condition 4(c) (*Arrears of Interest*) each date) in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date.

"Mandatory Redemption Suspension Date" means any date in respect of which a Regulatory Deficiency Redemption Suspension Event has occurred and is continuing or would occur if the payment of the relevant redemption amount otherwise due pursuant to Condition 6 (*Redemption, Purchase, Substitution and Variation*) was made on such date.

"Margin" means:

- (a) 2.30 per cent. per annum for each Interest Period from (and including) the First Call Date and to but excluding the Interest Payment Date falling in October 2029; and
- (b) 3.30 per cent. per annum for each Interest Period from (and including) the Interest Payment Date falling in October 2029 and to but excluding the Maturity Date.

"Maturity Date" means the Interest Payment Date falling in October 2049.

"Minimum Capital Requirement" means the minimum Solvency Capital Requirement applicable to the Solvency II Group, and/or the Issuer and/or the Issuer's Group (as appropriate), in each case whether on a solo, group or consolidated basis, referred to in, or any other minimum capital requirement howsoever described in, Solvency II or the Relevant Rules.

"Optional Interest Payment Date" means any Interest Payment Date:

- (a) which is not a Mandatory Interest Deferral Date; and
- (b) which is not a Compulsory Interest Payment Date.

"Original Reference Rate" means the originally-specified Screen Rate used to determine the relevant Floating Rate of Interest (or any component part thereof) on the Notes.

"Parity Obligations" means subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital, constitute Tier 2 Capital and any other obligations ranking or expressed to rank *pari passu* with the Notes.

"Presentation Date" has the meaning given in Condition 5(e) (*Payment only on a Presentation Date*).

"Proceedings" means any suit, action or proceedings.

"Qualifying Tier 2 Securities" means securities issued directly or indirectly by the Issuer that have terms not materially less favourable to a Noteholder (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing and provided that a certification to such effect (including as to the consultation with the independent investment bank and in respect of (i) to (viii) below) signed by two Authorised Signatories shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without liability to any person) prior to the issue of the relevant securities) and shall (i) contain terms which comply with the then current requirements of the Relevant Rules in relation to Tier 2 Capital, (ii) have the same interest rate and interest payment dates, (iii) rank senior or *pari passu* with the Notes, (iv) preserve the rights to any unpaid accrued interest and/or Arrears of Interest, (v) have the same credit ratings, (vi) contain the same redemption provisions, (vii) have been approved by the Issuer Supervisor in accordance with the Relevant Rules and (viii) to the extent that such securities are issued indirectly, benefit from a subordinated guarantee from the Issuer with terms equivalent to Tier 2 Capital.

"Rating Agency" means S&P Global Ratings Europe Limited or any successor thereof.

"Rating Agency Event" will be deemed to occur upon a change in the rating methodology of the Rating Agency (or in the interpretation of such methodology) becoming effective on or after the Issue Date as a result of which the equity content assigned by the Rating Agency to the Notes, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, becomes, in the reasonable opinion of the Issuer, materially less favourable when compared to the equity content assigned by the relevant Rating Agency to the Notes on or around the Issue Date.

"Reference Banks" means the principal European office of each of four major banks engaged in the European interbank market as selected by the Issuer on the advice of an investment bank of international repute.

"Regular Period" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

"Regulatory Deficiency Interest Deferral Event" means any event (i) (including, without limitation, any event which causes the Solvency Capital Requirement or the Minimum Capital Requirement applicable to the Issuer, the Issuer's Group or the Solvency II Group (as the case may be) to be breached and such breach is an event) which under Solvency II and/or the Relevant Rules would require the Issuer to defer Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes and/or (ii) where the Issuer Supervisor has directly notified the Issuer in writing that such deferral of Interest Payments (or, if applicable, Arrears of Interest) in respect of the Notes is required and the Issuer Supervisor has not revoked such notification.

"Regulatory Deficiency Redemption Suspension Event" means any event (i) (including, without limitation, where an Insolvent Insurer Winding-up has occurred and is continuing, or any event which causes the Solvency Capital Requirement or the Minimum Capital Requirement applicable to the Issuer, the Issuer's Group or the Solvency II Group (as the case may be) to be breached and the continuation of such Insolvent Insurer Winding-up is or as the case may be, such breach is, an event) which under Solvency II and/or the Relevant Rules would require the Issuer to suspend repayment or redemption of the Notes and/or (ii) where the Issuer Supervisor has directly notified the Issuer in writing that such suspension of repayment or redemption of the Notes is required and the Issuer Supervisor has not revoked such notification.

"Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 11 (*Notices*).

"Relevant Jurisdiction" means the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax in respect of payments made by it of principal or interest on the Notes or Coupons.

"Relevant Nominating Body" means, in respect of the Original Reference Rate:

- (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

"Relevant Rules" means any legislation, rules, regulations or guidelines (whether having the force of law or otherwise) applying to the Issuer, the Issuer's Group or the Solvency II Group from time to time implementing Solvency II or otherwise relating to the characteristics, features or criteria of own funds or capital resources and the requirement to retain capital resources in excess of prescribed capital resources requirement and, for the avoidance of doubt and without limitation to the foregoing, includes any legislation, rules and regulations or guidelines relating to such matters which are supplementary or extraneous to the obligations imposed on Member States by the Solvency II Directive.

"Relevant Screen Page" means Reuters Screen SIDE page under the heading "FIXINGS" (or such other page as may replace it on that service or, as the case may be, on such other information service that may replace that service, in each case, as may be nominated by the Agent Bank providing the information appearing there for the purpose of displaying rates comparable to the relevant rate).

"Representative Amount" means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time.

"Reserved Matter" means the following proposals to be approved at a meeting of the Noteholders by Extraordinary Resolution:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment provided however for the avoidance of doubt that Benchmark Amendments and the selection of a Successor Rate, an Alternative Rate or an Adjustment Spread (in each case in accordance with the provisions of Condition 3(h)) shall not constitute Reserved Matters;
- (b) to change the currency in which amounts due in respect of the Notes are payable;
- (c) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution;
- (d) other than pursuant to Condition 13 (*Substitution*) to sanction any such scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, bonds, notes, debentures, debenture stock and/or other obligations and/or Notes of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, notes, debentures, debenture stock and/or other obligations and/or Notes as aforesaid and partly for or into or in consideration of cash; or

- (e) to amend provisos to paragraphs 5 or 6 of the provisions for convening a meeting of Noteholders in the Trust Deed.

"Screen Rate" means the Euro interbank offered rate ("**EURIBOR**") for three month deposits in Euro which appears on the Relevant Screen Page.

"Senior Creditors" means all creditors of the Issuer (i) who are policyholders from time to time or other unsubordinated creditors of the Issuer, or otherwise rank or are expressed to rank senior to the Notes; or (ii) who are subordinated creditors of the Issuer other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the Notes.

"Solvency II" means the Solvency II Directive and any implementing measures adopted pursuant to and to give effect to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation or by further directives or otherwise).

"Solvency II Directive" means Directive 2009/138/EC of the European Union (as amended) on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II).

"Solvency II Group" means the Ultimate Solvency II Regulated Entity and such other group entities as may be construed as part of its regulatory group under Solvency II or the Relevant Rules or otherwise by the Issuer Supervisor, as the case may be.

"Solvency Capital Requirement" means the Solvency Capital Requirement of the Solvency II Group and/or the Issuer and/or the Issuer's Group (as appropriate), in each case whether on a solo, group or consolidated basis, referred to in, or any other capital requirement howsoever described in, Solvency II or the Relevant Rules.

The Issuer shall be "**Solvent**" if:

- (a) it is able to pay its debts as they fall due; and
- (b) its Assets exceed its Liabilities.

A report as to the Solvency or lack of Solvency of the Issuer signed by two Authorised Signatories or, in certain circumstances as provided in the Trust Deed, accountants of international repute appointed by the Board of Directors or (if the Issuer is in liquidation, bankruptcy proceedings, dissolution, administration or other winding-up in its jurisdiction of incorporation) its liquidator, bankruptcy trustee or administrator shall in the absence of manifest error be treated and accepted by the Issuer, the Trustee and the Noteholders and Couponholders as correct and sufficient evidence thereof.

"Subsidiary" has the meaning given in the Trust Deed.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

"Taxes" means taxes, duties, assessments or governmental charges of whatever nature.

"Tier 1 Capital" means capital which is treated as issued Tier 1 Capital under the Relevant Rules.

"Tier 2 Capital" means capital which is treated as issued Tier 2 Capital under the Relevant Rules.

"Ultimate Solvency II Regulated Entity" means the highest level parent company of the Issuer which is regulated under Solvency II on a consolidated basis. At the Issue Date the Ultimate Solvency II Regulated Entity was Sampo plc.

There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and Specified Offices of the Paying Agents as set out at the end of these Listing Particulars.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following is a summary of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the Conditions while the Notes are in global form.

1. **Exchange**

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg.

The Temporary Global Note will be exchangeable, in whole or in part, for interests in the Permanent Global Note not earlier than 40 days after the Issue Date of the Notes upon certification as to non-U.S. beneficial ownership.

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for Definitive Notes only if one of the following events occurs:

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available; or
- (b) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two (2) Authorised Signatories is given to the Trustee.

Thereupon (in the case of paragraph (a) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and (in the case of paragraph (b) above) the Issuer may give notice to the Trustee and the Noteholders of its intention to exchange the Permanent Global Note for Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of paragraph (b) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the prompt delivery (free of charge to the bearer) of, an equal aggregate principal amount of Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Notes.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in minimum denominations of EUR100,000 and higher integral multiples of EUR1,000 up to a maximum of EUR199,000, but will in no circumstances be issued to Noteholders who hold Notes in the relevant Clearing System in amounts that are less than EUR100,000.

For these purposes, "**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to paragraph (a) above, in the place in which the relevant clearing system is located.

2. **Payments**

On and after 14 November 2019, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to the order of the Principal

Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Principal Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes and will discharge the Issuer's obligations in respect thereof. Any failure to make the relevant entries shall not affect such discharge.

Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

Payments of principal and interest in respect of the Notes will not be made within the United States.

In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note "**business day**" means 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 Sweden).

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, paragraph (b) in the definition of Presentation Date in Condition 5(e) (*Payment only on a Presentation Date*) shall be deemed deleted.

3. **Calculation of Interest**

Notwithstanding the provisions of the second paragraph of Condition 3(a), for so long as all of the Notes are represented by a Global Note, interest shall be calculated on the aggregate principal amount of the Notes represented by such Global Note (and not per EUR1,000 in principal amount), but otherwise shall be calculated in accordance with Condition 3 (*Interest*).

4. **Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 11 (*Notices*) except that such notices shall also be published in a manner which complies with the rules and regulations of Euronext Dublin or of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

5. **Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (which certificate or other document may comprise any form of statement or print-out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom System)) as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream,

Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

6. **Prescription**

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after ten (10) years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 18 (*Definitions*)).

7. **Cancellation**

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

8. **Euroclear and Clearstream, Luxembourg**

References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

9. **Authentication**

Neither the Temporary Global Note nor the Permanent Global Note shall become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Principal Paying Agent.

10. **Legend**

The following legend generally will appear on the Notes and any Coupons:

"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."

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for the general corporate and financing purposes of the Group and to strengthen the capital base of the Issuer.

DESCRIPTION OF THE ISSUER, THE ISSUER'S GROUP AND THE SAMPO GROUP

The Issuer

Mandatum Life Insurance Company Limited (in Finnish: *Mandatum Henkivakuutusosakeyhtiö*) (the "**Issuer**" or "**Mandatum Life**" or "**ML**" and, together with its subsidiaries, the "**Issuer's Group**") is a Finnish life insurance company. The Issuer is a private limited company incorporated on 19 November 1986 under the Finnish Insurance Companies Act (521/2008, as amended) and registered in Finland with corporate registration number 0641130-2. The registered office of the Issuer is in Helsinki (visiting address: Bulevardi 56, FI-00120 Helsinki and postal address P.O. Box 627, FI-00101 Helsinki, Tel: +358 10 515 225).

The Issuer operates in Finland and the Baltic countries. The Issuer's new business is mainly focused on unit linked business and corporate and high net worth individual customers. A major part of the Issuer's current with-profit portfolios were sold in the 1990's.

The Issuer is a wholly owned subsidiary of Sampo plc ("**Sampo**", and together with its subsidiaries, the "**Sampo Group**"), a Finnish company listed on Nasdaq Helsinki. Sampo is a public limited company incorporated under the Finnish Companies Act (624/2006, as amended). Its registered office and headquarters are in Helsinki, Finland.

The Issuer as part of Sampo Group

History

Currently, Sampo Group's main business areas include property and casualty ("**P&C**") insurance and life insurance. Sampo Group divested its banking business in 2007 by selling the Sampo Bank Group to Danske Bank A/S.

The roots of Sampo Group's P&C insurance business reach back to the 18th century and its life insurance business dates back to the 19th century. At the beginning of 2002, the P&C insurance operations of Sampo Group were combined with If P&C Insurance Holding Ltd (publ) ("**If P&C**", and together with its subsidiaries the "**If Group**"). Through this transaction and two other transactions, If P&C became a wholly owned subsidiary of Sampo.

Sampo is also the largest shareholder in the Nordic banking group Nordea, with a holding of 19.87 per cent. as at 31 August 2019. Nordea is recorded as an associated company in Sampo Group's accounts since 2009.

Business overview

Organisational structure

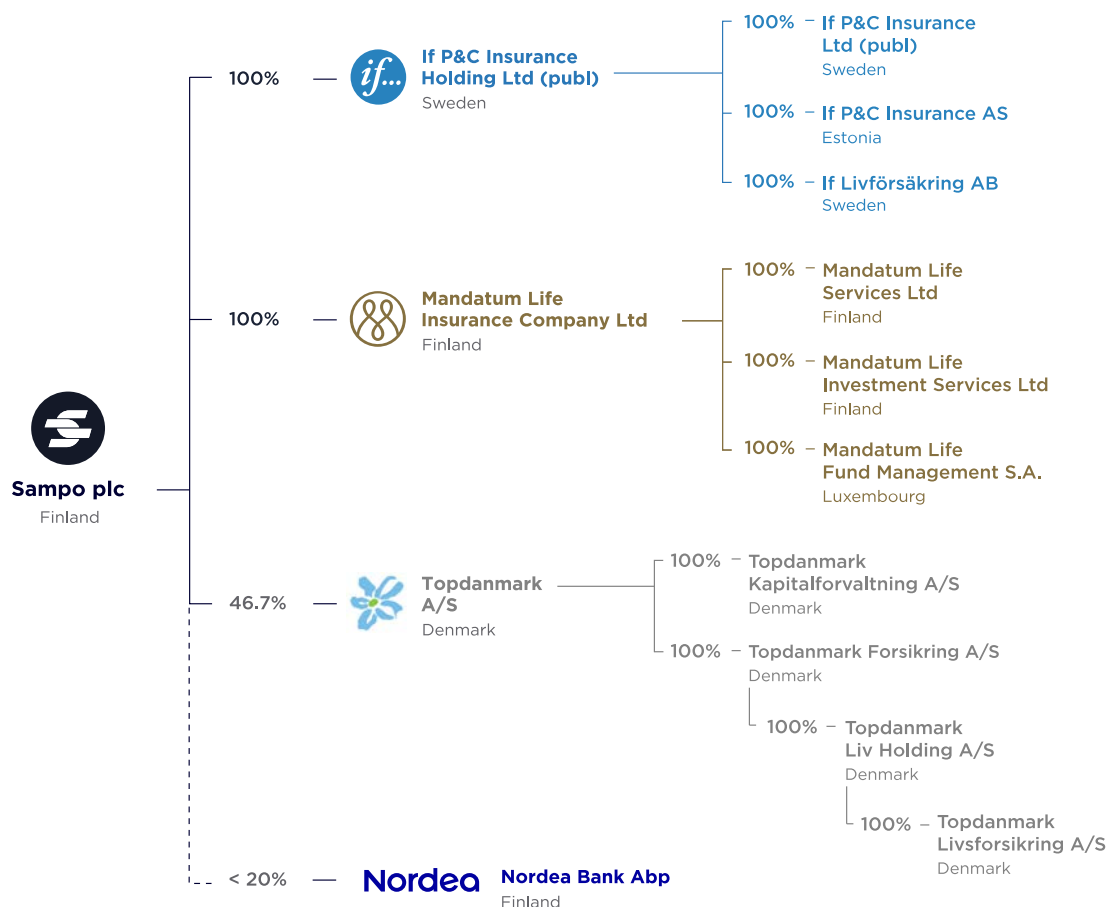
Sampo Group is engaged in non-life insurance and life insurance mainly in the Nordics.

Non-life insurance and life insurance activities are conducted by Sampo's subsidiaries If P&C, the Issuer and Topdanmark. The first two are wholly owned by Sampo, which is a listed holding company and has no insurance or banking activities of its own. As of 30 June 2019, Sampo had a 46.7 per cent. of shares and 48.4 per cent. of voting rights in Topdanmark.

In addition to the insurance subsidiaries, as at 31 August 2019, Sampo held an equity stake of 19.87 per cent. in Nordea through which Sampo Group is engaged in banking business.

Sampo as a holding company manages its subsidiaries and associated companies independently of each other meaning that the legal sub-groups of the Issuer, If P&C, Topdanmark and the associated company Nordea conduct their businesses independently from each other. The independent sub-groups have their own infrastructures and management as well as operative processes in place. In instances where the subsidiaries and the associated companies cooperate in some business areas, cooperation is conducted similarly as with any third-party.

The following table shows the Sampo Group structure as of 31 August 2019.



The Issuer and the Issuer's Group

History

The Issuer's primary operating area is Finland. In addition, the Issuer has branches in the Baltic countries. Sampo Life Insurance Company Limited ("**Sampo Life**"), was established in 1997, when unit linked portfolios and individual and group pension portfolios were transferred from Kaleva Mutual to Sampo Life. A merger of Sampo Life and Nova Life took place at the end of 1998. Leonia Life was merged into Sampo Life at the end of 2000. Sampo Life changed its name to Mandatum Life Insurance Company Limited in 2008.

The Baltic subsidiary Mandatum Life Insurance Baltic SE, which merged into the Issuer in 2017, was established in 2007, when all of the Issuer's Baltic subsidiaries were merged together. Sampo Group expanded its life insurance operations outside Finland in 1999 by setting up AS Sampo Elukindlustus in Estonia and acquiring a life insurance company (AAS Sampo Dzīvība) in Latvia, which had been established a year earlier by Hansabank. In Lithuania, life insurance operations (UAB Sampo Gyvybės Draudimas) were started in 2001 with the support of a P&C insurance company, as was the case in Estonia and Latvia. the Issuer has been responsible for steering the operations of the Baltic companies almost from the beginning since the Issuer acquired the entire stock of the companies from Sampo in 2004.

In 2008 the Issuer began using the marketing brand of Mandatum Life and extended its business model to asset management under insurance solutions. The concept is based on launching savings and investment solutions linked to insurance and capital redemption policies.

The Issuer started an alternative investment fund ("**AIF**") operation in November 2014. Mandatum Life Investment Fund SICAV -SIF (the "**Fund**") is operated as an umbrella fund under Luxembourg Sif regulations (Specialised Investment Fund). The Fund is managed by Mandatum Life Fund Management S.A., which is a wholly-owned subsidiary of the Issuer. The Fund and the management company are domiciled in Luxembourg and regulated under the EU alternative investment fund managers (AIFM) regime. The Fund focuses on international and professional customers in the Nordic/Baltic region.

As a result of the regulatory limitations concerning the scope of the life insurance licence, the Issuer reorganised its operations in Finland in April 2014 by transferring its unit-linked portfolio management unit to a new Finnish investment services company, Mandatum Life Investment Services Ltd, which provides portfolio management services to the Issuer's unit-linked insurance business and to the Luxembourg fund operation. At the same time, the majority of the support functions were transferred from the Issuer to a new services company, Mandatum Life Services Ltd, which provides various intragroup services to other group companies.

In connection with the acquisition of the Sampo Group's banking operations by Danske Bank A/S in early 2007, Sampo Bank plc (now Danske Bank A/S, Finland Branch), and Sampo Life (now Mandatum Life Insurance Company Ltd) signed an agency agreement that provided Sampo Life with the exclusive right to sell life and pension insurance products through Danske Bank's branch network in Finland. The agency agreement was replaced in April 2018 when the Issuer and Danske Bank signed a new co-operation and agency agreement. The new agreement is valid for five-year periods at a time, but Danske Bank is entitled to extend it for a period of 15 years.

Vision and Strategy

The Issuer's vision is to be the most respected manager of customer assets and provider of protection from financial risks in Finland. The Issuer's strategy is to bring its customers financial security by combining innovative wealth management and life insurance and create value for the shareholder.

The Issuer aims to be the leading life insurance provider in Finland and in the Baltic countries. The Issuer's core product areas are unit-linked policies, risk products and group pension schemes. The financial results of the Issuer consist of three components - investment result, risk result and expense result. In Finland the rules regarding profit-sharing between the company and its policy-holders (i.e., the so-called principle of fairness) are more flexible than in some other jurisdictions. This justifies the company seeking higher returns for its investments rather than risk free returns though still taking into account the restrictions of current and forecasted solvency position. For the expense and risk results the Issuer seeks growth. The Issuer's financial target is to produce a return on equity of 17.5 per cent.

Business overview

The Issuer's Group provides its customers with a variety of services, including pensions, wealth management, investments, savings, personal risk insurance as well as incentive and reward solutions.

The Issuer's range of life insurance products and services include all voluntary life and pension insurance needs for both private and corporate customers. The products offered can be categorised into unit-linked policies, with-profit policies and personal risk policies, although new sales are focused on unit-linked insurance and personal risk products. As at 30 June 2019, 65 per cent. of the liabilities for insurance and investment contracts ("**Liabilities**") relate to unit-linked policies. The Issuers Baltic branches focus on unit-linked insurance and personal risk policies.

Unit-linked policies allow the customer to invest insurance premiums in a variety of investment alternatives and ultimately to bear the risks related to the investments. With-profit insurance policies allow the customer to receive a guaranteed interest rate plus a possible bonus and consequently the Issuer bears the investment risks. Although with-profit policies are not subject to active new sales, the Issuer has a significant with-profit insurance portfolio. The Issuer's with-profit insurance portfolio is divided into two different parts as follows:

- The group pension portfolio and related receivables that were transferred from Suomi Mutual on 30 December 2014 have been segregated ("**Segregated Portfolio**" or "**Segregated Assets**") from the rest of Issuer's balance sheet. The Segregated Portfolio has its own policies concerning the distribution of profit, as well as its own investment policy and Asset-Liability Committee.

- The with-profit policies that are not part of the Segregated Portfolio shall be referred to hereinafter as the "**Original With-Profit Portfolio**". The assets covering Original With-Profit Portfolio are referred as "**Original With-Profit Assets**".

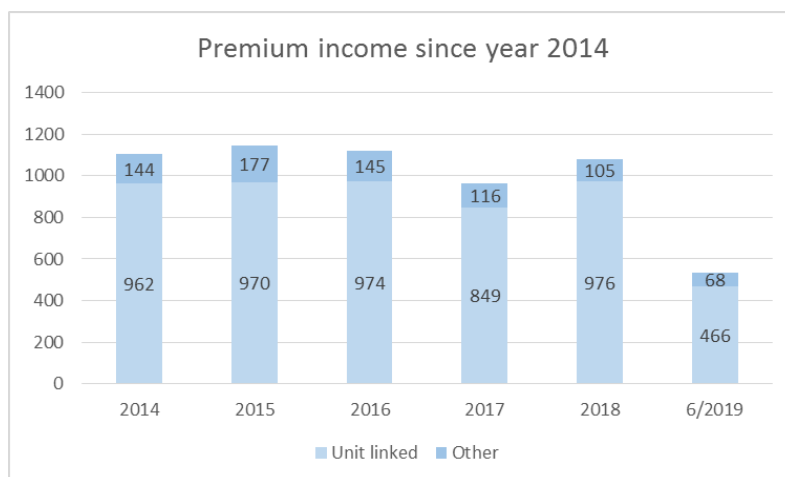
The Issuer is one of the leading life insurers in Finland with market share of 25 per cent.¹ The Issuer also commands a strong position in the Baltic life insurance markets.

The Finnish life insurance market is relatively consolidated. The three largest players account for approximately 75 to 80 per cent. of the market.

Premium Volume and Results

For the year ended 31 December 2018, the Issuer's Group reported direct premiums written of EUR 1,081 million (2017: EUR 966 million). Premiums written on unit-linked policies were EUR 976 million (EUR 849 million). Premiums written from the Baltic countries were EUR 25 million (EUR 24 million). For the H1 2019, direct premium income was EUR 534 million (EUR 531 million) of which unit-linked premiums were EUR 466 million (EUR 476 million).

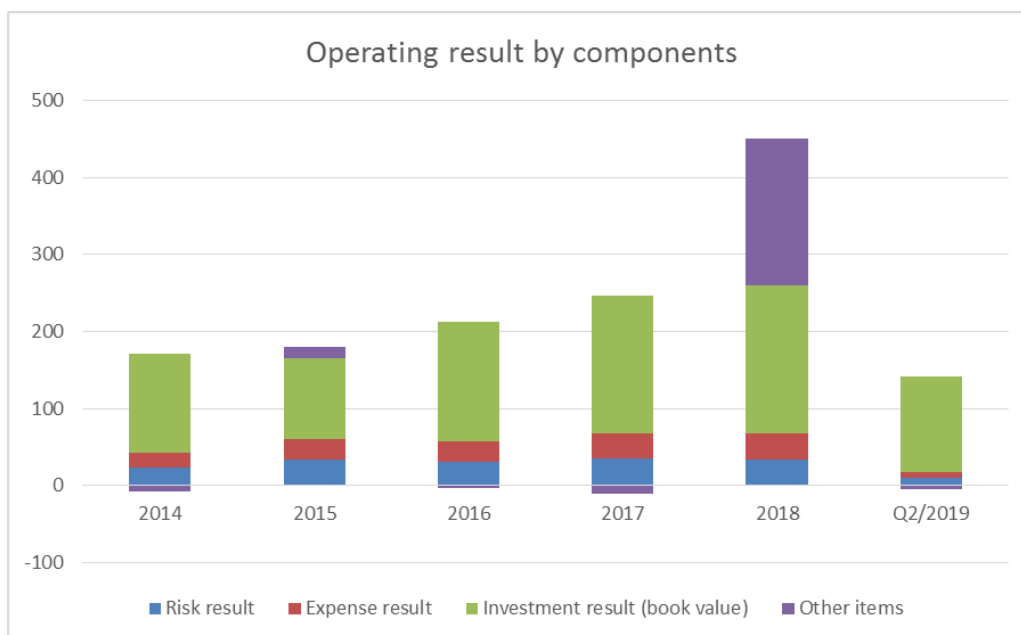
The following graph shows the development of the Issuer's premium income since 2014:



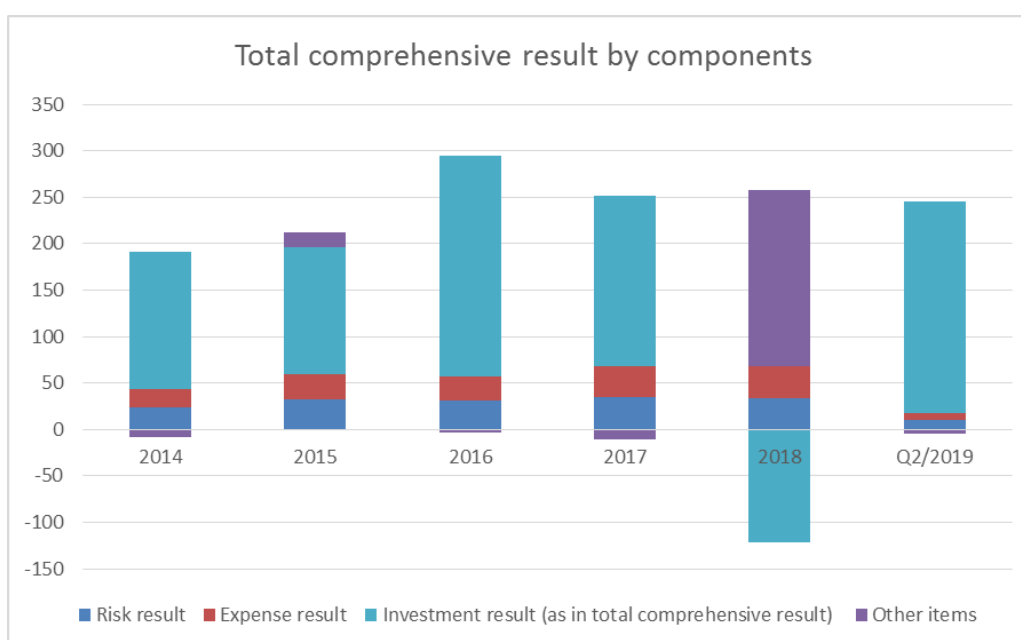
The Issuer's Group's operating profit before tax for the year ended 31 December 2018 amounted to EUR 450 million (EUR 236 million for the year ended 31 December 2017) and the total comprehensive result after tax was EUR 112 million (EUR 188 million). Investment result, including change in fair value, was EUR -122 million (EUR 184 million), expense result was EUR 35 million (EUR 33 million) and underwriting result EUR 33 million (EUR 35 million). Result for the financial year ended 31 December 2018 included a EUR 197 million one-off item paid by Danske Bank in June for rearranging and renewing the agency agreement with the Issuer (as described above). Profit before tax for the six-month period ended 30 June 2019 was EUR 137 million (EUR 313 million for the six-month period ended 30 June 2018) and the total comprehensive result after tax was EUR 190 million (EUR 185 million).

The following graph shows the operating result before taxes of the Issuer's Group by components since 2014 (EUR million):

¹ Estimate based on National Insurance Association statistics.



The following graph shows the total comprehensive result of the Issuer's Group before taxes by components since 2014 (EUR million):

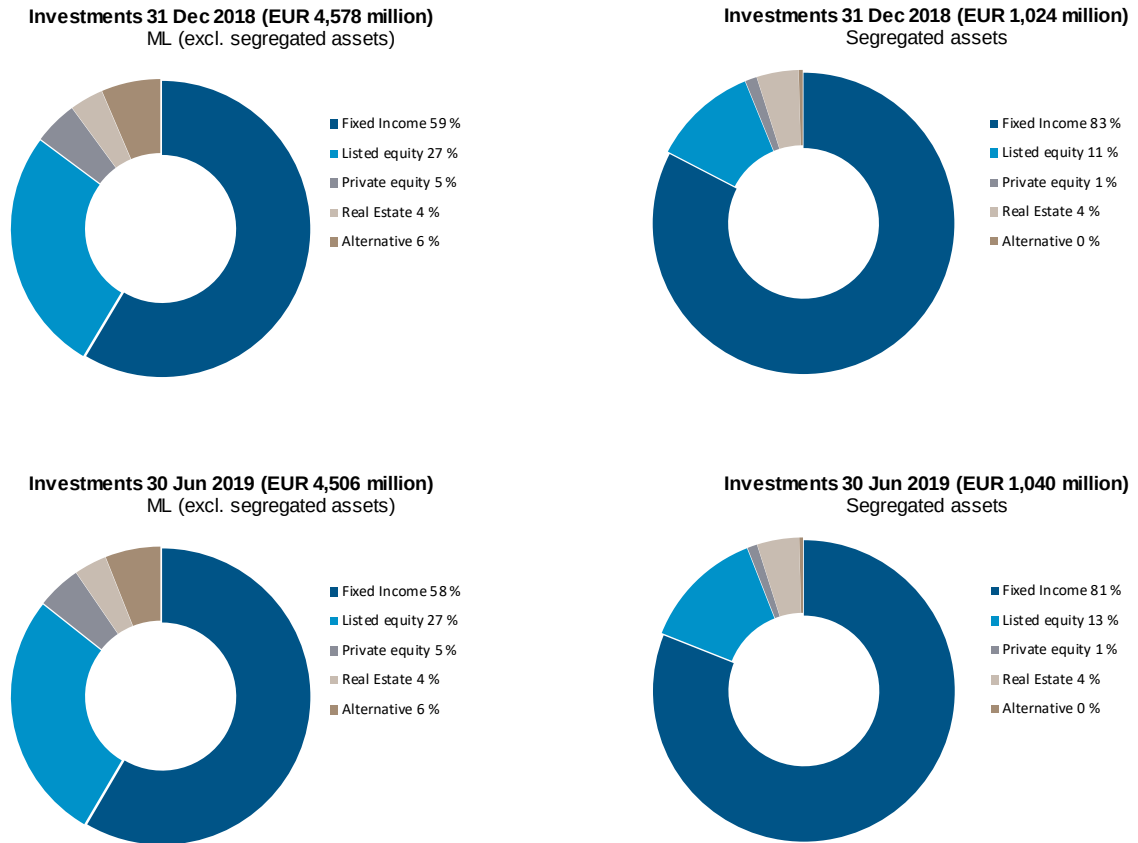


Asset management

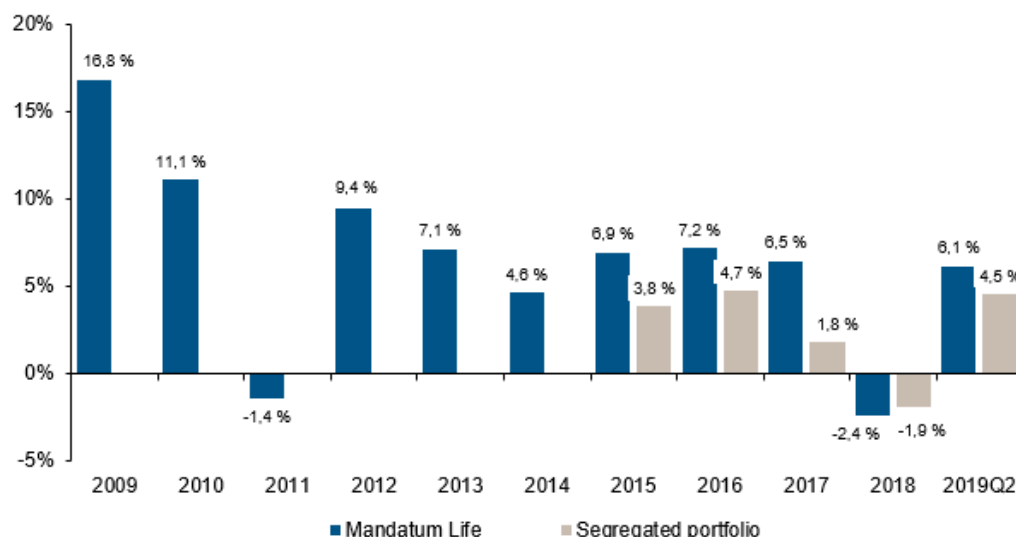
Investment decisions related to the management of the Issuer's assets covering the Original With-Profit Portfolio as well as the Segregated Assets are outsourced to Sampo in accordance with an asset management agreement between the Issuer and Sampo. The allocation of investment assets is based on the overall risk appetite, risk tolerance, regulatory requirements and the nature of the Technical Provisions.

The investment portfolio of the Issuer's with-profit assets is managed in accordance with the Issuer's investment policy (the "**Investment policy**"). Sampo's investment unit makes the daily investment decisions, which are based on the principles and authorisations laid down in the Investment Policy. Sampo is required to comply with all restrictions, limitations, rules and regulations stated in the Investment Policy and is also responsible for ensuring that internal and external sub-managers are compliant with the Investment Policy.

The market value of the Issuer's Original With-Profit Assets was EUR 4,578 million as at 31 December 2018 and EUR 4,506 million as at 30 June 2019. The market value of the Segregated Assets was EUR 1,024 million as at 31 December 2018 and EUR 1,040 million as at 30 June 2019.



The mark-to-market investment return for the Issuer's Original With-Profit Assets was -2.4 per cent for the financial year ended 31 December 2018 and 6.1 per cent for the six-month period ended 30 June 2019. The mark-to-market investment return for the Segregated Assets was -1.9 per cent for the financial year ended 31 December 2018 and 4.5 per cent for the six-month period ended 30 June 2019. The annual investment returns are presented in the graph below.



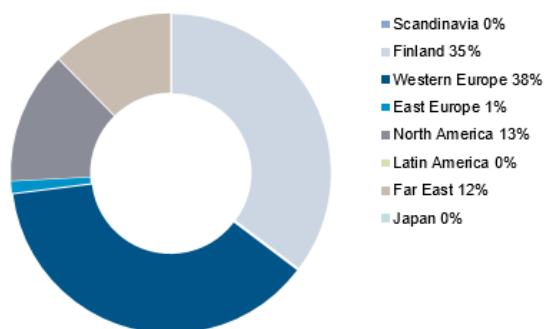
The duration of the fixed income investments of the Original With-Profit Assets as at 31 December 2018 was 2.5 years and as at 30 June 2019 the duration of the fixed income investments was 2.9 years. The duration of the Segregated Assets was 2.5 years as at 31 December 2018 and 2.7 years as at 30 June 2019.

ML (excl. segregated assets)			Segregated assets	
31 Dec 2018	% of Fixed Income Portfolio	Average Maturity	% of Fixed Income Portfolio	Average Maturity
Money Market Securities and Cash	16,1 %	0,0	6,3 %	0,0
Government Bonds	1,0 %	2,0	2,7 %	1,2
Covered Bonds	3,4 %	1,4	5,1 %	1,3
Investment Grade Bonds and Loans	40,3 %	2,7	57,2 %	2,7
High Yield Bonds and Loans	30,1 %	3,5	17,1 %	4,2
Asset Backed Securities	0,0 %	0,0	0,0 %	0,0
Subordinated / T2 -type	2,6 %	5,7	3,4 %	5,4
Subordinated / T1 -type	6,4 %	5,2	8,1 %	6,8
Interest Rate Derivatives	0,1 % -		0,0 % -	
Total	100,0 %	2,7	100,0 %	3,1

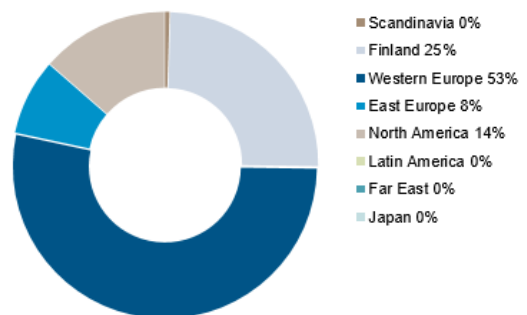
ML (excl. segregated assets)			Segregated assets	
30 Jun 2019	% of Fixed Income Portfolio	Average Maturity	% of Fixed Income Portfolio	Average Maturity
Money Market Securities and Cash	22,7 %	0,0	17,6 %	0,0
Government Bonds	0,0 %	0,0	2,6 %	0,6
Covered Bonds	0,0 %	0,0	1,6 %	5,2
Investment Grade Bonds and Loans	32,9 %	4,0	46,7 %	3,3
High Yield Bonds and Loans	33,8 %	3,4	19,0 %	4,1
Asset Backed Securities	0,0 %	0,0	0,0 %	0,0
Subordinated / T2 -type	3,4 %	5,2	3,8 %	5,2
Subordinated / T1 -type	7,0 %	5,1	8,7 %	6,6
Interest Rate Derivatives	0,1 % -		0,0 % -	
Total	100,0 %	3,0	100,0 %	3,2

The equity investments in the Original With-Profit Assets amounted to EUR 1,219 million as at 31 December 2018 and EUR 1,227 million as at 30 June 2019. This corresponds to an equity weight of 27 per cent as at 31 December 2018 and 27 per cent as at 30 June 2019 respectively. The equity investments in the Segregated Assets amounted to EUR 115 million as at 31 December 2018 and EUR 136 million as at 30 June 2019. This corresponds to an equity weight of 11 per cent as at 31 December 2018 and 13 per cent as at 30 June 2019 respectively. Private equity investments are not included in the geographical allocations of equity presented below.

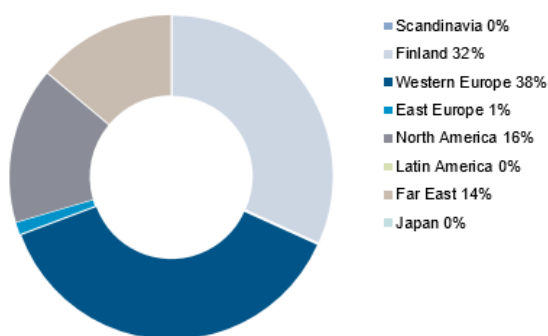
ML (excl. segregated assets)
EUR 1,219 million, 31 December 2018



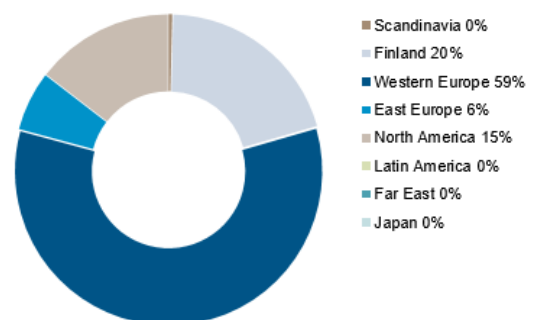
Segregated assets
EUR 115 million, 31 December 2018



ML (excl. segregated assets)
EUR 1,227 million, 30 June 2019



Segregated assets
EUR 136 million, 30 June 2019



Liabilities for Insurance and Investment Contracts

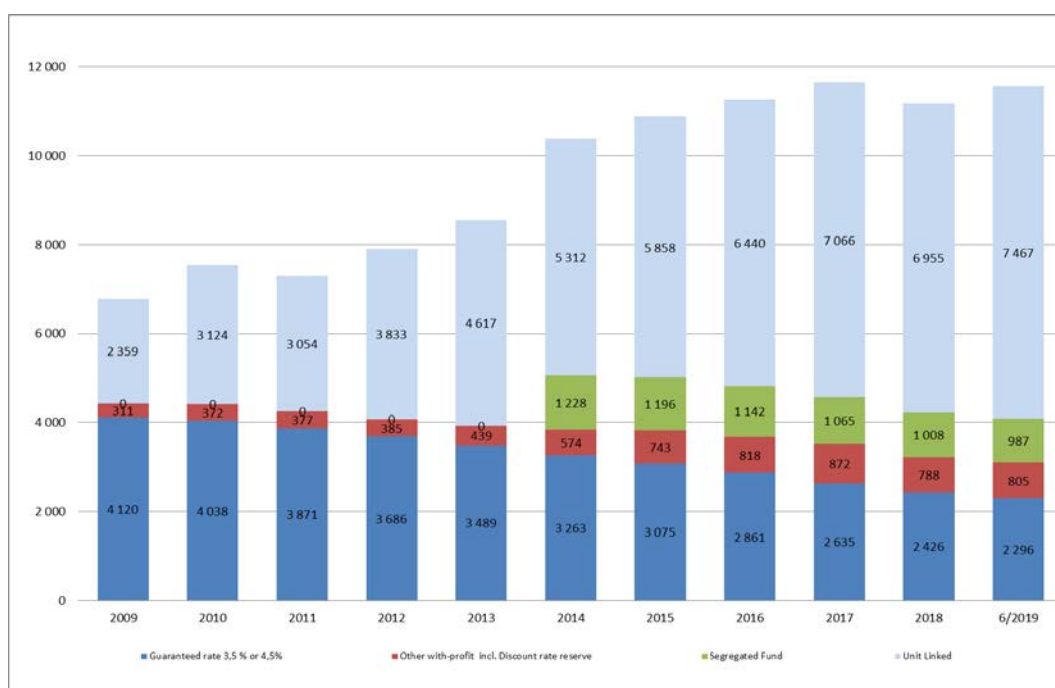
Liabilities as defined in the IFRS are the amount that an insurance company has reserved to fulfil its obligations to policyholders. Liabilities of unit-linked policies is the market value of unit-linked investments which are directly linked to unit linked policies. Liabilities for other policies comprise the present value of expected claims and expenses where discount rates varies between portfolios from 0.0% to 3.5% and expected claims and expenses include a prudence margin due to uncertainty.

The gross Liabilities of the Issuer's Group as at 31 December 2018 were EUR 11,176 million (EUR 11,638 million as at 31 December 2017) of which the Liabilities of unit-linked portfolios were EUR 6,955 million (EUR 7,067 million). The Liabilities of other than unit-linked portfolios were EUR 4,221 million (EUR 4,573 million) of which total amount of discount rate reserves were EUR 482 million (EUR 586 million). As at 30 June 2019, Liabilities were EUR 11,555 million (EUR 11,489 million for the six-month period ended 30 June 2018) of which Liabilities of unit-linked portfolios were EUR 7,467 million (EUR 7,097 million).

The following table shows the change in Liabilities from year end 2018 to end of June 2019 by product type and guaranteed rates:

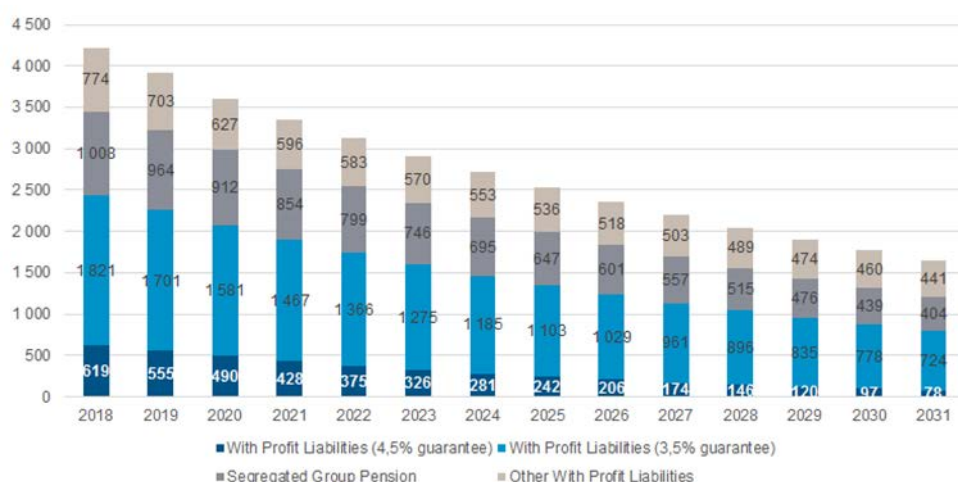
LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS OF MANDATUM LIFE GROUP ***)								Liability	share
EURm	Liability 2018	Premiums	Claims paid (*)	Expense charges	Guaranteed Interest	Bonuses	Other	30.6.2019	%
MANDATUM LIFE PARENT COMPANY									
Unit linked liabilities	6 810	457	-447	-37	0	2	531	7 316	63
Individual pension insurance	1 298	27	-10	-7	0	0	130	1 438	12
Individual life	2 195	71	-134	-11	0	0	171	2 293	20
Capital redemption operations (**	2 519	313	-299	-15	0	0	147	2 666	23
Group pension	797	46	-4	-5	0	2	84	919	8
With Profit and other liabilities total	4 208	67	-217	-18	57	0	-23	4 075	35
Group pension	1 880	21	-102	-3	29	1	-22	1 804	16
Guaranteed rate 3,5 %	1 603	1	-86	-1	27	0	-29	1 516	13
Guaranteed rate 2,5 %, 1,5%, 0,5% or 0,0 %	276	20	-16	-2	2	0	7	288	2
Group pension insurance, segregated portfolio	1 008	0	-28	0	11	0	-2	987	9
Basic liabilities, guaranteed rate 3,5%	658	0	-28	0	11	0	-2	638	6
Reserve for decreased discount rate (3,5% >0,5%)	250	0	0	0	0	0	-34	216	2
Future bonus reserves	100	0	0	0	0	0	34	134	1
Individual pension insurance	763	4	-69	-2	14	0	2	712	6
Guaranteed rate 4,5 %	567	2	-39	-2	12	0	-7	534	5
Guaranteed rate 3,5 %	128	1	-16	0	2	0	6	120	1
Guaranteed rate 2,5 %, 1,5%, 0,5% or 0,0 %	69	1	-14	0	1	0	3	58	1
Individual life insurance	153	18	-12	-5	3	0	-6	150	1
Guaranteed rate 4,5 %	52	2	-2	-1	1	0	0	53	0
Guaranteed rate 3,5 %	76	5	-7	-2	1	0	0	73	1
Guaranteed rate 2,5 %, 1,5%, 0,5% or 0,0 %	25	11	-3	-3	0	0	-5	25	0
Capital redemption operations (**	24	0	0	0	0	0	1	25	0
Guaranteed rate 3,5 %	0	0	0	0	0	0	0	0	0
Guaranteed rate 2,5 %, 1,5%, 0,5% or 0,0 %	24	0	0	0	0	0	1	25	0
Future bonus reserves	0	0	0	0	0	0	0	0	0
Reserve for decreased discount rate	232	0	0	0	0	0	10	242	2
Longevity reserve	95	0	0	0	0	0	0	95	1
Assumed reinsurance	3	0	0	0	0	0	0	3	0
Other liabilities	50	25	-8	-8	0	0	-5	56	0
TOTAL, excluding Baltic	11 017	524	-664	-54	57	2	508	11 391	99
BALTIC	159	11	-15	-2	0	0	11	164	1
Unit linked liabilities	145	10	-13	-2	0	0	11	151	1
Other liabilities	14	1	-1	0	0	0	0	14	0
MANDATUM LIFE GROUP TOTAL	11 176	535	-679	-56	58	2	519	11 555	100

The following graph shows the development of the Liabilities of the Issuer's Group since 2009 (EUR million):



The Issuer has focused on the unit-linked business since year 2001. With-profit business with the highest guarantees has been in run off status for years and the Issuer has actively made actions to speed up the decreasing trend on these liabilities. Since 2011 the Liabilities relating to the with-profit business have decreased on average by EUR 205 million per year between year end 2010 and June 2019. This trend is expected to continue.

The following graph shows the expected development of the Liabilities of with-profit portfolios with highest guarantees until the end of the transitional period of Solvency II:



Risk Management System

The very nature of the insurance business is to transfer risks from policyholders to insurance company. Due to this, risk is an essential and inherent element of the Issuer's business activities and operating environment. The purpose of the risk management process is to identify the various risks affecting the business. The risk management process is intended to ensure that the various risks can be assessed, mitigated and controlled.

The key objectives of risk management are to ensure capital adequacy in relation to the risks inherent in business activities, to limit fluctuations in financial results, to guarantee efficient and continued business processes under all circumstances and to limit the risks of all operations to a level accepted by the board of directors of the Issuer (the "**Board of Directors**").

The Issuer is a wholly-owned subsidiary of Sampo. The Issuer and the Issuer's Group follow the risk management principles defined by the Sampo Group where the characteristics of the life insurance business have been taken into account.

Risk Management Strategy

The Issuer's risk management objective is not to completely remove risks or mitigate them in full. The Issuer's risk management strategy follows the principles set in Sampo Group's Risk Management Principles and the key objectives of risk management are:

- balance between risks, capital and earnings,
- cost efficient and high quality processes and
- strategic and operational flexibility.

When targets related to key risk objectives are met, risk management contributes positively on return on equity and mitigating the yearly fluctuations in profitability. Also, by ensuring that the confidence of supervisory authorities' and other stakeholders' is maintained, risk management contributes positively to reputation.

The Risk Appetite Framework

One important factor which has influence on risk management is the risk appetite of the Issuer. This has been addressed when the Board of Directors has approved:

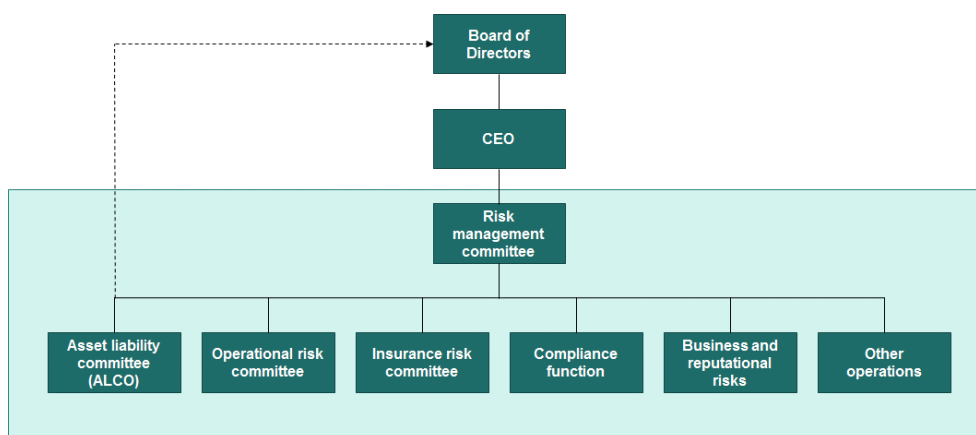
- internal methods to evaluate risk-bearing capacity,
- investment policy and allocation limits, and
- underwriting policy.

The risk appetite framework, the risk profile and the status of the Issuer's capital are analysed and reported in a quarterly risk and solvency assessment process which includes analysis of the capital adequacy and regulatory capital requirements under various risk scenarios. Consequently, the process influences the Issuer's capital management, business planning and product development and design.

Responsibilities within the Risk Management System

The Board of Directors is responsible for the adequacy of the Issuer's risk management and internal control. The Board of Directors annually approves the Risk Management Policy, Investment Policy, Capital Management Policy and other relevant guidance related to risk management and internal control.

The Chief Executive Officer ("CEO"), has the overall responsibility for the implementation of risk management in accordance with the guidance of the Board of Directors. The responsibilities of the Chief Risk Officer are to ensure that risk management is organised accordingly and scope is adequate with respect to operations in general. Line organisations are responsible for the identification, assessment, control and management of their operational risks.



Risk management organisation

The Issuer's Risk Management Committee (the "**RMC**") coordinates how risk management is organised and monitors all risks in the Issuer. The RMC is chaired by the CEO. Risks are divided into main groups which are insurance, market, operational, legal and compliance risks as well as business and reputational risks. Also risks related to other than insurance activities are included. In addition to the CEO and the Chief Risk Officer each risk area has a responsible person in the RMC. The Issuer has two Asset and Liability Committees ("**ALCOs**"), of which one is responsible for the Segregated Portfolio of the Issuer and the other for the Issuer's Original With-Profit Portfolio. The ALCOs ensure that the investment activities of the Issuer are conducted within the limits defined in the Investment Policy and monitor the adequacy of liquidity and solvency capital in relation to the risks in the balance sheet. The ALCOs also prepare investment proposals in accordance with the Investment Policy for the Board of Directors. The ALCOs meet monthly and report to the Board of Directors and to the RMC.

The Issuer's Insurance Risk Committee (the "**IRC**") coordinates the maintenance of the Issuer's underwriting policy and monitors the functioning of the risk selection and claims processes. The IRC also reports all deviations from the underwriting policy to the RMC. The IRC is chaired by the Chief Actuary who is responsible for ensuring that the principles for pricing policies and for the calculation of insurance liabilities are adequate and in line with the risk selection and claims processes. The Board of Directors

approves the insurance policy pricing and the central principles for the calculation of insurance liabilities. In addition, the Board of Directors defines the maximum amount of risk to be retained on the Issuer's own account and approves the reinsurance policy annually.

The Operational Risk Committee (the "**ORC**") analyses and handles operational risks, e.g. in relation to new products and services, changes in processes and risks as well as realised operational risk incidents. Significant observations are reported to the RMC and to the Board of Directors. The ORC is also responsible for maintaining and updating the continuity and preparedness plans as well as the internal control policy.

The Legal, Compliance and Data Governance Unit (the "**Unit**") is responsible for legal, compliance and data governance matters. The head of the Unit is responsible for organisation of the Unit and acts as a Compliance Officer and a member of the RMC. At least one member of the ORC is from the Unit.

There is no specific committee for business and reputational risks. Those risks are managed as part of strategic planning and management of daily operations. Due to nature of the risks, the CEO is responsible for those and they are reported on a regular basis to the RMC.

Mandatum Life Investment Services Ltd and Mandatum Life Fund Management S.A. have their own Risk Management Policies and responsible persons, and the boards of directors of other subsidiaries are responsible for risk management at those subsidiaries. In addition to this all major incidents at subsidiary level are reported to the RMC and operational risks are reported to the ORC.

The Baltic branches have their own risk management procedures.

In addition to the above mentioned committees and units, the internal audit function has a role in ensuring by audit recommendations that adequate internal controls are in place and provides an annual internal audit review to the Board of Directors.

Capital management

The goal of capital management is to ensure the adequacy of available capital in relation to risks arising from the Issuer's business activities and business environment and the goal of capital management is to make sure items accounted as own funds are adequate with respect to capital requirements. The current solvency capital adequacy is assessed by comparing the amount of eligible own funds to the amount of risk capital required to bear the risks arising from the current business activities.

Capital position and Solvency of the Sampo Group and the Issuer

The Issuer's regulatory capital requirements and own funds are calculated under the Solvency II Directive while the Sampo Group regulatory capital requirements and own funds are calculated under both the Solvency II Directive and Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (the "**Conglomerate Directive**"). However, for the purposes of the Terms and Conditions of the Notes, only the regulatory capital requirement and own funds under the Solvency II Directive are relevant, and not those of the Conglomerate Directive. For the avoidance of doubt in the next sections all concepts, figures and ratios are based on the Solvency II Directive, unless otherwise stated. Sampo has submitted an application to the FIN-FSA in August 2019 to dissolve its Financial Conglomerate status and, if approved, the solvency calculation under the Conglomerate Directive would end.

Solvency II Directive

Solvency II is a regulatory framework for insurance companies and groups where solvency capital requirements and own funds are risk-based and based on economic valuation principles. Due to the rules related to group supervision within Solvency II, the group solvency capital requirement is calculated at the level of the Sampo Group. According to the Solvency II regulation, the Issuer and the Sampo Group are subject to two regulatory intervention points. The first intervention point is the ratio of eligible own funds to solvency capital requirement ("**SCR**") including other financial sectors and the undertakings included via deduction and aggregation. The second intervention point is the ratio of eligible own funds to minimum consolidated SCR. The Solvency II standard formula is applied for Sampo Group as well as all its

subsidiaries, including the Issuer, when calculating their SCRs which contribute to the consolidated group SCR.

Solvency calculation of the Issuer

From a regulatory point of view, as at the date of these Listing Particulars, the Issuer's Group is not supervised as a group under Solvency II and hence the Issuer is subject to solvency capital requirements only on a solo level. However, the balance sheet and operations of the Issuer's Group contribute substantially to the consolidated group solvency capital requirement at the Sampo Group level.

The Solvency II standard formula including the transitional measures related to equities and Technical Provisions are applied by the Issuer in calculating its solvency capital requirement and minimum capital requirement. The equity transitional measure (in force until 31 December 2022) allows for applying a lower equity charge for equities bought before the introduction of Solvency II on 1 January 2016. Transitional measures on Technical Provisions (until 31 December 2031) are applied to the Issuer's original with-profit pension policies with a guaranteed interest rate of 3.5 or 4.5 per cent. The transitional measure on Technical Provisions increases the own funds under Solvency II while the equity risk transitional measure decreases the SCR. Also, the volatility adjustment is applied when calculating the Issuer's Technical Provisions.

The Issuer has met the regulatory solvency capital requirements under Solvency II as of 31 December 2017 and 31 December 2018. The solvency position is reported quarterly to the supervisory authorities.

The following table shows the Solvency II standard-formula own funds and solvency capital requirement for the Issuer (millions of EUR):

	31 December 2017	31 December 2018	30 June 2019
	<i>(millions of EUR)</i>		
Mandatum Life's eligible own funds.....	1,977	1,740	1,795
Mandatum Life's SCR	1,087	990	1,160
Ratio of eligible own funds to group SCR.....	182 %	172 %	155 %

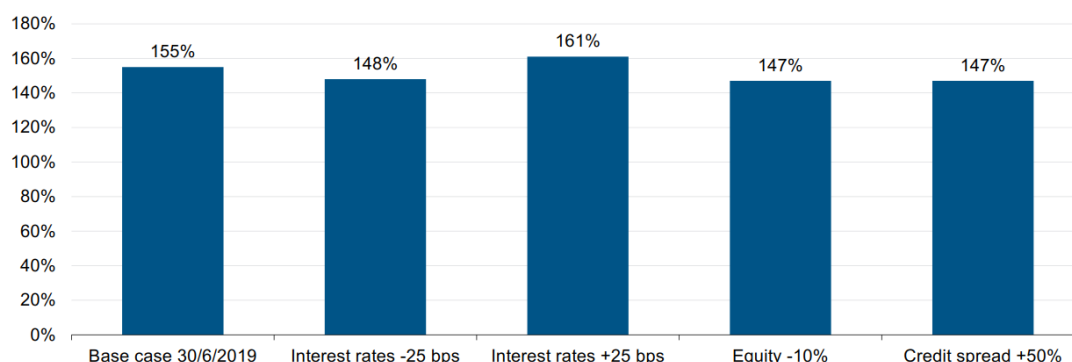
Eligible own funds include Restricted Tier 1 subordinated debt of EUR 100 million as at 30 June 2019 (EUR 100 million as at 31 December 2018 and EUR 100 million as at 31 December 2017).

The following table shows the Issuer's SCR composition as at 31 December 2017, 31 December 2018 and 30 June 2019 (millions of EUR):

	31 December 2017	31 December 2018	30 June 2019
	<i>(millions of EUR)</i>		
Insurance risk.....	408	352	425
Market risk.....	1,263	1,169	1,355
Counterparty risk	68	47	59
Diversification	(297)	(252)	(303)
Operational risk	38	36	36
Loss absorbing capacity of technical provisions.....	(121)	(114)	(122)
Loss absorbing capacity of deferred taxes	(272)	(248)	(290)
Mandatum Life's SCR.....	1,087	990	1,160

The following graph shows the Issuer's Solvency II ratio of eligible own funds to SCR, in certain sensitivity scenarios, as at 30 June 2019. Equity and Credit Spread risk sensitivities takes into account only negative effect i.e. negative investment return, but not possible mitigating effects like Symmetric Adjustment (Equity risk) or Volatility Adjustment (Credit Spread risk) which could potentially decrease capital requirement (Symmetric Adjustment) or Technical Provisions (Volatility Adjustment):

Mandatum Life, SCR Coverage Ratio, estimated sensitivities, 30 June 2019



Sampo Group ratio of eligible own funds to group SCR

Sampo Group's own funds for deriving its ratio of eligible own funds to group SCR are calculated from its consolidated Solvency II balance sheet. Asset and liabilities are valued in accordance with article 75 of the Solvency II Directive. This means that the values are determined at the amount for which the assets could be exchanged and the liabilities could be transferred or settled, between knowledgeable willing parties in an arm's length transaction (i.e. on an economic value basis). Transitional measures are applied on the Issuer's Technical Provisions in respect of original pension policies with 3.5 per cent. and 4.5 per cent. guarantee rates. Also, the volatility adjustment is applied when calculating the Issuer's Technical Provisions. Topdanmark applies a volatility-adjusted Solvency II interest rate curve as well when calculating its Technical Provisions.

The Sampo Group SCR is calculated through two phases:

- (i) The capital requirement of risks other than foreign exchange-risk and concentration risk are calculated for the consolidated group including the respective standard formula SCRs of the parent company Sampo, If Group, the Issuer and Topdanmark and its subsidiaries (the "**Topdanmark Group**"). The individual company SCRs may include simplifications and other options as applied by them. The capital requirement for foreign exchange risk and concentration risks are calculated based on group-wide exposures calculated separately for this purpose. With respect to the capital requirement for foreign exchange-risk, translation risk exposures related to the SEK denominated equity of the If Group and the DKK denominated equity of the Topdanmark Group are also taken into account. A diversified capital requirement for the consolidated group SCR is then calculated from these risk-specific SCRs.
- (ii) Sampo's portion of Nordea's capital requirement is added to the consolidated group's capital requirement. NDX Intressenter AB's and the Issuer's capital requirements for other financial sectors is added as well.

Transitional measures are used for equity risk when calculating the Sampo Group SCR. The Sampo Group SCR accounts for diversification within the consolidated insurance group only and thus excludes the diversification effects of Nordea. Nordea and NDX Intressenter AB are included in Sampo Group's ratio of eligible own funds to group SCR as associated undertakings according to sectoral rules.

Sampo Group solvency calculated according to the Solvency II directive

As at 30 June 2019, the Sampo Group ratio of eligible own funds to group SCR was 137 per cent (140 per cent as at 30 June 2018).

In the fourth quarter of 2018, Nordea's Risk Exposure Amount increased EUR 35 billion to EUR 156 billion stemming mainly from migration of existing items from Pillar 2 to Pillar 1 due to the re-domiciliation of the bank from Sweden to Finland. At the same time, the systemic risk buffer decreased temporarily to zero per cent. As a consequence of these two effects, the nominal capital requirement for Sampo (for its holding in Nordea) was EUR 3,779 million as at 31 December 2018.

During the first six months of 2019, Sampo's capital requirement on Nordea holding increased by more than EUR 800 million to EUR 4,569 million. The increase was due to the 2 per cent other systemically important institution buffer in Finland and higher Risk Exposure Amount.

As a result of the extra dividend distributed in August 2019 in the form of Nordea's shares, Sampo's ownership in Nordea decreased to under 20%. This will change the treatment of Nordea shares in Sampo Group's own funds and SCR as the shares will be treated as equity investment and consequently the change will have an impact on the future solvency position of Sampo Group.

Sampo Group ratio of eligible own funds to minimum consolidated group SCR

Sampo Group's own funds for deriving its ratio of eligible own funds to minimum consolidated group SCR is calculated from the consolidated Solvency II balance sheet excluding holdings in associated companies Nordea and NDX Intressenter AB. The Sampo Group minimum consolidated group SCR is the sum of the minimum capital requirements ("MCR") of all the individual insurance companies of the If Group, Topdanmark Group and the Issuer only. As at 31 December 2018, the Sampo Group ratio of eligible own funds to minimum consolidated group SCR was 257 per cent. As at 30 June 2019, the Sampo Group ratio of eligible own funds to minimum consolidated group SCR was 312 per cent.

As there is no concept of a minimum capital requirement on a group basis, in accordance with article 331(2)(b) of the Solvency II Delegated Regulation (EU) 2015/35, the MCR applicable to the Sampo Group refers to the minimum consolidated group SCR.

Summary Sampo Group Solvency ratios

All operating insurance companies within the Sampo Group met their regulatory solvency capital requirements under Solvency II as of 31 December 2017 and 31 December 2018.

The following table shows Sampo Group eligible own funds, group SCR and minimum consolidated group SCR and their respective ratios as of 31 December 2017, 31 December 2018 and 30 June 2019:

	31 December		30 June
	2017	2018	2019
	<i>(EUR millions)</i>		
Total eligible own funds to meet the group SCR.....	10,945	10,355	11,645
Group SCR.....	7,000	7,413	8,527
Ratio of eligible own funds to group SCR.....	156%	140%	137%
Total eligible own funds to meet the minimum consolidated group SCR.....	3,557	2,908	3,879
Minimum consolidated group SCR.....	1,235	1,132	1,244
Ratio of eligible own funds to minimum consolidated group SCR.....	288%	257%	312%

The following table shows the Sampo Group's group SCR composition as of 31 December 2017, 31 December 2018 and 30 June 2019:

	31 December		30 June
	2017	2018	2019
	<i>(EUR millions)</i>		
Consolidated group SCR.....	3,558	3,572	3,862
Nordea	3,441	3,779	4,596
NDX Intressenter	0	59	67
Mandatum Life other financial sectors.....	2	2	2
Sampo Group SCR.....	7,000	7,413	8,527

Conglomerate Directive

According to the Conglomerate Directive, Sampo Group's total minimum requirement for own funds is the sum of the separate sub-groups' requirements (sectoral rules) and the parent company's requirement (banking rules) for the solvency capital. The Conglomerate capital requirement does not take into account any diversification between the sub-groups. For own funds, the starting point is the consolidated group equity. The sectoral items are added to group equity and the intangibles and other deductibles are subtracted from it. As at 31 December 2018, the Sampo Group Conglomerate solvency ratio was 147 per cent. (154 per cent. as at 31 December 2017). As at 30 June 2019, the Sampo Group Conglomerate solvency ratio was 130 per cent.

As a result of the distribution of the extra dividend in August 2019 in the form of Nordea's shares, Sampo's ownership in Nordea has decreased to below 20%. Hence, in the future, the Group's solvency would only be calculated by the Solvency II rules. Terminating the solvency calculation under the conglomerate rules is subject to formal approval by the Finnish Financial Supervisory Authority.

The Issuer's Risk and Capital Modelling and Internal Capital Measures

Solvency II also creates a basis for the internal monitoring of solvency position. The company-level solvency position monitoring model, the 'risk-bearing-capacity model', is based on the SCR calculated using the Solvency II transitional measures and own funds. In the risk-bearing-capacity model, anticipatory monitoring limits are set for the Issuer's solvency position to enable the company to react early enough to any weakening of its solvency position. There are three monitoring limits; they are alarm limits set above the Solvency II SCR and their levels are based on asset stress tests that have been determined beforehand. As the monitoring limit levels are based on the riskiness of investment assets at any given time, the Issuer has no fixed target level, for example, for the Issuer's solvency ratio. In the situation on 31 December 2018, the upper monitoring limit corresponded with a solvency ratio of around 146 per cent.

When the risk-bearing capacity is above the upper monitoring limit, the Issuer's investment operations are guided, as usual, by the Investment Policy and the limits set therein. If the risk-bearing capacity falls below the monitoring limits, the monitoring frequency of the solvency position will be strengthened, the Board of Directors' role in investment operations will be increased, risk-taking will be reduced and, in the final phase, the solvency position shall be strengthened either by reducing market risks or by increasing own funds, for example, through capitalisation.

In addition to the company-level risk-bearing-capacity model, the Segregated Portfolio has its own risk-bearing-capacity monitoring in place. The risk-bearing-capacity of the Segregated Portfolio is based on the buffering effect of the provision for future bonuses in the investment risks. The monitoring limits of risk-bearing-capacity monitoring are also based on asset stress tests that have been determined beforehand, and the measures in the case of falling below the monitoring limits are similar to those in the company-wide risk-bearing-capacity model.

Risk-bearing-capacity models and the monitoring limits contained therein are determined annually in the investment policies decided on by the Board of Directors. The risk-bearing-capacities and monitoring limits are reported to the Board of Directors at least monthly.

Rating agency measures

The Issuer has in 2019 been assigned an Issuer Credit Rating by S&P Global Ratings Europe Limited of A+ with stable outlook.

Personnel

The average number of employees of the Issuer's Group in 2018 was 531. Of these employees, 440 were in Finland, 34 in Estonia, 18 in Latvia and 37 in Lithuania.

Applied accounting principles

The Issuer's Group has prepared consolidated financial statements for 2018 in accordance with IFRS. In preparing the financial statements, the Issuer has applied all the standards and interpretations relating to its business, as applicable in the EU and effective at 31 December 2018.

During the financial year, the standards adopted or annual improvements to the standards had no material impact on the Issuer's Group's financial statements reporting.

Management

In accordance with the Issuer's Articles of Association, the Board of Directors consists of at least four and not more than seven members elected by the General Meeting of Shareholders. The term of the members is three years so that the term commences immediately after the General Meeting of their election and ends at the closing of the third Annual General Meeting following the election.

The names of the current members of the Board of Directors elected by the General Meeting of Shareholders, the Deputy to the CEO and the Chief Financial Officer, their positions, year of birth and key external roles are set out below. Knut Arne Alsaker was elected on 18 September 2018 as a new member as of 1 January 2019. The mandates of Patrick Lapveteläinen and Jarmo Salonen were renewed by the General Meeting of Shareholders held on 11 March 2019 and Petri Niemisvirta, acting also as CEO was elected as a new member as of 1 July 2019 by the Extraordinary General Meeting of Shareholders held on 13 June 2019.

Name and Year of Birth	Position	External Roles
Patrick Lapveteläinen, born 1966	Chairman	• Chief Investment Officer of Sampo plc • Member of the Sampo Group Executive Committee • Board Member of If P&C Insurance Ltd • Board Member of If P&C Insurance Holding Ltd • Board Member Saxo Bank A/S • Chairman of the Board of Asiakastieto Group Plc
Knut Arne Alsaker, born 1973	Deputy Chairman	• Chief Financial Officer of Sampo plc • Member of the Sampo Group Executive Committee • Board Member of If P&C Insurance Holding Ltd
Jarmo Salonen, born 1958	Board Member	• Head of Investor Relations and Group Communications of Sampo plc
Petri Niemisvirta, born 1970	Board Member and CEO	• Member of the Sampo Group Executive Committee • Member of Confederation of Finnish Industries EK, Finance and Tax Commission • Chairman of Finance Finland (FFI), Life Insurance Executive Committee • Board Member of Topdanmark A/S • Board Member of Finland Chamber of Commerce

Name and Year of Birth	Position	External Roles
		- Chairman of the Board of Kaleva Mutual Insurance Company - Chairman of the Board of Mandatum Life Services Ltd - Board Member of Varma Mutual Pension Insurance Company - Deputy Chairman of the Board of Alma Media Corporation - Board Member of BenCo Insurance Holding B.V., the Netherlands - Member of the Council of World Wide Fund For Nature, Finland
Jukka Kurki, born 1968	Chief Financial Officer and Deputy to the CEO	- Board Member of Mandatum Life Services Ltd - Board Member of Mandatum Life Investment Services Ltd

To the best of the Issuer's knowledge, there are no conflicts of interest between the duties to the Issuer of any members of the Board of Directors, the Deputy CEO or the Chief Financial Officer and their private interests or duties.

The office address of the members of the Board of Directors, the Deputy CEO or the Chief Financial Officer is Mandatum Life Insurance Company Limited, Bulevardi 56, FI-00120 Helsinki, Finland.

Selected Consolidated Financial Information relating to the Issuer's Group

The following tables set out in summary form balance sheet and income statement information relating to the Issuer's Group. Such information is extracted without material adjustment from the audited consolidated financial statements of the Issuer's Group as at and for the years ended 2018 and 2017. The financial statements of the Issuer's Group are prepared in accordance with International Financial Reporting Standards, as adopted by the commission of the EU. Such financial statements, together with the reports of Ernst & Young Oy and the accompanying notes, are incorporated by reference in these Listing Particulars. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

Consolidated Comprehensive Income Statement								
EUR million					1-12/2018	1-12/2017	1-6/2019	1-6/2018
Insurance premiums written					1 074	960	529	528
Net income from investments					-26	782	726	137
Other operating income					212	10	7	205
Claims incurred					-1 116	-1 021	-624	-627
Change in liabilities for insurance and investment contracts					426	-377	-433	135
Staff costs					-46	-47	-27	-24
Other operating expenses					-67	-63	-37	-39
Finance costs					-7	-7	-4	-4
Share of associates' profit/loss					0	0	0	0
Profit before taxes					450	236	137	313
Taxes					-91	-51	-26	-62
Profit for the period					360	185	110	251
Other comprehensive income for the period								
Items reclassifiable to profit and loss								
Exchange differences					-	0	-	-
Available-for-sale financial assets					-314	5	105	-84
Taxes					67	-2	-25	19
Total items reclassifiable to profit or loss, net of tax					-247	3	79	-65
Total comprehensive income for the period					112	188	190	185

Consolidated Balance Sheet					2018	2017	Q2 2019	Q2 2018
EUR million								
Assets								
Property, plant and equipment					5	3	15	3
Investment property					146	150	140	148
Intangible assets					5	5	9	4
Investments in associates					3	0	0	0
Financial assets					4 902	4 977	4 615	5 140
Investments related to unit-linked insurance contracts					6 960	3 986	7 523	7 076
Tax assets					-	-	-	-
Reinsurers' share of insurance liabilities					1	0	1	0
Other assets					182	106	120	269
Cash and cash equivalents					586	1 025	853	929
Assets held for sale					-	3 299	-	-
Total assets					12 789	13 551	13 276	13 570
Liabilities								
Liabilities for insurance and investment contracts					4 221	4 374	4 089	4 392
Liabilities for unit-linked insurance and investment contracts					6 955	3 965	7 467	7 097
Financial liabilities					133	106	109	198
Tax liabilities					96	164	120	123
Other liabilities					173	244	243	326
Liabilities related to assets held for sale					-	3 299	-	-
Total liabilities					11 578	12 152	12 027	12 137
Equity								
Share capital					40	40	40	40
Reserves					129	129	129	129
Retained earnings					689	631	649	731
Other components of equity					352	599	431	533
Total equity					1210	1 398	1 249	1 433
Total equity and liabilities					12 789	13 551	13 276	13 570

REGULATION

Issuer's Group

Supervision

The companies within the Issuer's Group are subject to regulation in all countries in which they operate. The Issuer is a Finnish life insurance company, licensed and supervised by the Finnish Financial Supervisory Authority (Fi. *Finanssivalvonta*) ("**FIN-FSA**"). The Issuer's Group operates its cross-border activities through branches of Mandatum Life Insurance Company Ltd in Estonia, Latvia and Lithuania. Accordingly, the FIN-FSA is responsible for the financial supervision of such branch activities. The operations must, however, still be in compliance with the laws of the countries where the branches operate in respect of matters such as marketing, consumer protection, insurance contract requirements and data protection. In Sweden, the Issuer has a representative office.

Mandatum Life Investment Services Ltd is licensed as an investment firm and supervised by the FIN-FSA. It operates in Finland and provides mainly asset management services for the Issuer's Group companies.

Mandatum Life Fund Management S.A ("**ML Fund Management**"), is licensed and supervised by the Luxembourg FSA, Commission de Surveillance du Secteur Financier, being the supervisory authority of Luxembourg. It operates in Luxembourg. In addition to Luxembourg, the funds, managed by the ML Fund Management are notified for distribution in the following EEA countries; SICAV-UCITS funds are notified for distribution in Finland, Sweden, Switzerland and Mandatum Life SICAV-SIF fund are notified for distribution in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, United Kingdom, and Ireland.

European Union regulatory framework

The European Union ("**EU**") has adopted legislation with a view to harmonising the member states' regulation of the insurance industry, thus creating a single European market in this respect. The current framework is known as Solvency II, and applies to insurance companies, reinsurance companies and insurance groups. The Solvency II Directive is implemented in all countries where the Issuer is licensed. A single passport principle is applicable in the insurance business under the Solvency II Directive. Accordingly, a licence from a competent authority in a member state (the "**home supervisory authority**") is valid throughout the European Economic Area ("**EEA**"). A licensed insurance undertaking may carry out its business within the EEA directly or through branches, without any further requirements for authorisations in the countries concerned.

Solvency II Directive

The Solvency II framework replaces previous life, non-life, reinsurance and insurance groups directives. The main aim of the Solvency II framework is to ensure the financial stability of the insurance industry across the EU and protect policyholders through establishing solvency requirements better matched to the true risks of the business. Solvency II adopts a three-pillar approach as adopted in the banking sector in Europe. These pillars are quantitative requirements (Pillar 1); qualitative requirements (Pillar 2); and supervisory reporting and public disclosure requirements (Pillar 3). With Solvency II, economic risk-based solvency requirements across all Member States of the EU have been introduced where insurers' material risks and their interactions are considered.

Under Pillar 1 of Solvency II, insurers are required to hold own funds equal to or in excess of a solvency capital requirement ("**SCR**"). Solvency II rules categorise own funds into three tiers with differing qualifications as eligible available regulatory capital. Under Solvency II, basic own funds are derived from the solvency balance sheet in which the undertaking's assets and liabilities are valued in accordance with the Solvency II regulations. The basic own funds consist of the positive difference between assets and liabilities (including Technical Provisions), which are reduced by the amount of own shares held. In addition, qualifying subordinated liabilities are also included in basic own funds. A basic principle of Solvency II is that assets and liabilities are valued on the basis of their economic value. This is the price which an independent party would pay or receive for acquiring the assets or liabilities. The SCR is a risk-based capital requirement which will be determined using either the standard formula (set out in level 2 implementing measures), or, where approved by the relevant supervisory authority, an internal model, or a mixture of both methods (partial internal model). A breach in SCR triggers first level intervention in the

supervision of the entity's solvency. In addition to the SCR requirement, there is also the minimum capital requirement which is intended to reflect a level of own funds that, where breached, triggers ultimate supervisory action, which may involve a transfer of the entity's liabilities to a different entity, withdrawal of its license or liquidation of its in-force business.

Under Pillar 2 of Solvency II, requirements for insurance companies include requirements to:

- have effective governance systems in place, proportionate to their business;
- meet specific requirements regarding risk management functions, internal controls, data quality controls, internal audit functions, actuarial functions, compliance functions and control over outsourcing arrangements;
- ensure that the directors and officers of insurance companies have the required professional qualifications and expertise;
- integrate effective risk management systems, including strategies, processes and reporting procedures, in order to monitor, manage and report risk exposures;
- conduct an own risk and solvency assessment ("**ORSA**") on a regular basis; and
- be effectively supervised by the National Competent Authorities (as defined in the Solvency II Directive).

Under Pillar 3 of Solvency II, extensive and frequent reporting to supervisory authorities, and additional external reporting, is required.

Insurance Distribution Directive

On 1 October 2018 the insurance distribution directive ("**IDD**") entered into force in the EU. The IDD covers all insurance distribution activities including direct sales by insurance and reinsurance companies without the use of an intermediary. Key features are, among others, mandatory disclosure requirements regarding remuneration, obliging insurers to disclose to their customers the nature of remuneration they receive and more extensive requirement on employees' knowledge and ability, including 15 hours of professional training and development per year. Further, insurers will be required to comply with information and disclosure requirements and certain conduct of business rules including a general obligation to act honestly, fairly and professionally in accordance with customers' best interests. In the case of the sale of bundled products, for instance, the insurance company will have to inform customers about the possibility to purchase the components of the package separately and about the costs of each component when purchased separately. In addition, the IDD sets out stricter requirements on remuneration of sales staff and introduces a mandatory product oversight and governance process for assessing the suitability of insurance products for customers.

General Data Protection Regulation

The General Data Protection Regulation ("**GDPR**") entered into force on 25 May 2018. The GDPR contains a number of obligations for data controllers in their processing of personal data, and include features such as expanded territorial reach, transparency requirement, the obligation to have a designated data protection officer, content to be included in data processing agreements and data breach notifications. The GDPR also sets out direct obligations for the data processors. In addition, the GDPR includes a number of rights for the data subjects, such as a right to require information about data being processed, access to data in certain circumstances, correction of incorrect data and data portability. The GDPR further establishes a penalty scheme for breaches enabling data processing authorities to impose administrative fines for infringements.

Anti-Money Laundering Directive

The 4th Anti-Money laundering directive (Directive 2015/849 on preventing the use of the financial system for money laundering or terrorist financing) was adopted by the EU in 2015 and was to be implemented into national legislation by 26 June 2017. The directive provides *inter alia* an obligation to apply customer due diligence measures when entering into insurance contracts, i.e. to identify and verify the identity of clients (including the identity of beneficiaries before payment of compensation and of beneficial owners of

legal ultimate entity customers), monitor transactions and report suspicious transactions. Breaches of the provisions in the directive may result in administrative sanctions. The 5th Anti-Money Laundering Directive, which amends the 4th Anti-Money Laundering Directive was published in the Official Journal of the European Union on 19 June 2018. The Member States must transpose this Directive by 10 January 2020.

Markets in Financial Instruments II Directive

The Markets in Financial Instruments Directive ("**MiFID II**") and Markets in Financial Instruments Regulation ("**MiFIR**") entered into force on 3 January, 2018 replacing the original Markets in Financial Instruments Directive from 2007 ("**MiFID**"). MiFID II harmonises the application of oversight among member nations and broadens the scope of the regulations. In particular, it imposes more reporting requirements and tests in order to increase transparency and reduce the use of dark pools and over-the-counter (OTC) trading. The new regulations also target high-frequency trading. MiFID II extends the scope of requirements under MiFID to more financial instruments. Equities, commodities, debt instruments, futures and options, exchange-traded funds, and currencies all fall under it. MiFID II places restrictions on inducements paid to investment firms or financial advisors by any third party in relation to services provided to clients and requires increased transparency in relation to costs. Furthermore, service providers will have to store all communications, including phone conversations with clients. On governance aspect, MiFID II introduces stricter product governance requirements and enhances the best execution framework.

SICAV-UCITS and AIF regulation for ML Fund Management

ML Fund Management acts as an authorised alternative investment fund manager for AIFs for Mandatum Life SICAV-SIF Fund and as Undertaking for Collective Investment in Transferable Securities ("**UCITS**") management company for Mandatum Life SICAV-UCITS Fund.

A Specialised Investment Fund ("**SIF**") is an investment fund that can invest in all types of assets limited to well-informed investors that are able to adequately assess the risks associated with an investment in such a vehicle. SIFs that are AIFs are governed by Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

UCITS Funds are investment funds that invest in liquid assets and can be distributed publicly to retail investors across the EU. These Funds are governed by Directive 2009/65/EC.

There are a number of additional rules that have to be observed at national and/or EU level (e.g. concerning AML, MiFID, market abuse, derivatives, securities financing transactions, shareholder rights).

Insurance groups and financial conglomerates

In October 1998, the EU adopted a directive (98/78/EC) on the supplementary supervision of insurance undertakings within insurance groups otherwise known as the Solvency I Directive. These rules have been further amended and succeeded by Solvency II. The rules impose among other things, group reporting including reporting of group solvency, supervision of intra-group transactions, risk concentrations and governance on a group level. Furthermore, own funds and SCR are calculated on a group level. The Solvency II group definition includes an insurance company, its subsidiaries and associated insurance companies in which the group owns at least 20 per cent. of the share capital or the votes as well as its ultimate parent undertaking, which is an insurance holding undertaking, mixed activity insurance holding company, a mixed financial holding company or a foreign insurer established outside the EEA. The consolidated group will also include any subsidiaries and associated companies of the ultimate parent undertaking. In addition to the reports that each insurance company needs to submit, several of the Pillar 3 reporting requirements also apply to the level of the group (including the ORSA report and the annual narrative reports such as the Solvency and Financial Condition Report) and these need to be submitted to the group supervisor. In the event that a group operates in several Member States, a group supervisor shall be appointed among the relevant financial supervisory authorities to be responsible for the coordination and exercise of the supplementary supervision. Representatives of the relevant financial supervisory authorities will participate in a college of supervisors to supervise the group.

In 2002 the EU adopted Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and

investment firms in a financial conglomerate (the "**Conglomerate Directive**"). The Conglomerate Directive introduced specific legislation for the supplementary supervision of financial groups that provide cross-sectoral services, typically banking and insurance services. A supervisory authority shall be the coordinator in respect of each conglomerate and shall be responsible for the supplementary supervision of the conglomerate. In case there are several competent supervisory authorities, one of the home supervisory authorities shall act as coordinator of the conglomerate. The supervision would include regular meetings with the representatives of conglomerates, receipt of solvency reports, risk concentrations and internal transactions and other requested reports regarding the conglomerate, which would include an assessment as to whether the capital of the conglomerate is adequate having regard to risk concentrations and internal transactions etc. The assessment would also include the structure of the conglomerate, its organisation and internal control systems. The Sampo Group has, since 31 December 2009 been classified as a financial conglomerate under the Finnish Act on the Supervision of Financial and Insurance Conglomerates (699/2004, as amended) pursuant to its holding in Nordea Bank Abp. However, following the decrease of its ownership in Nordea below 20%, Sampo has submitted an application to the FIN-FSA in August 2019 to dissolve its Financial Conglomerate status and, if approved, the solvency calculation under the Conglomerate Directive would end.

As of 1 January 2016, the Sampo Group is hence subject to regulatory group capital requirements as stipulated by the Solvency II Directive as well as by the Conglomerate Directive.

TAXATION

The following is a general description of certain Finnish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Finland or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of these Listing Particulars and is subject to any change in law that may take effect after such date.

The Republic of Finland

The comments below are of a general nature based on the Issuer's understanding of current law and practice in Finland. They relate only to the position of persons who are the absolute beneficial owners of the Notes and who are not resident in Finland for tax purposes. They may not apply to certain classes of person such as dealers. Prospective holders of the Notes who are not resident in Finland for tax purposes and are in any doubt as to their personal tax position or who may be subject to tax in any other jurisdiction should consult their professional advisers. It should be noted that the tax laws of Finland may be amended with retrospective application.

Taxation of payments in respect of the Notes

Under present Finnish domestic tax law, payments in respect of the Notes will be exempt from all taxes, duties, fees and imports of whatever nature, imposed or levied by or within the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein, except in the case of a holder of any Note which is liable to such taxes, duties, fees and imports in respect of such Note or Coupon by reason of such holder being connected with the Republic of Finland other than based on the mere holding of such Note or the receipt of income therefrom (i.e. in case the holder is resident in Finland for tax purposes or has a permanent establishment in Finland for tax purposes to which the Notes are attributable).

Finnish capital gains taxes

Holders of Notes who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland will not be subject to Finnish taxes or duties on gains realised on the sale or redemption of the Notes.

The proposed financial transaction tax ("FTT")

On 14 February 2013, the European Commission 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 the 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.

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 Finland) 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 the 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 the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes 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 "*Terms and Conditions of the Notes – Further Issues*") 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 the Notes.

SUBSCRIPTION AND SALE

Goldman Sachs International and Nordea Bank Abp (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 2 October 2019, agreed to subscribe or procure subscribers for the Notes at the issue price of 99.910 per cent. of their principal amount less a combined selling concession and management and underwriting commission. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

United States

The Notes have not been and will not be registered under the Securities Act 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 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. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent 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.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented, warranted, undertaken and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Joint Lead Manager has represented, warranted, undertaken and agreed that, except as permitted by the Subscription Agreement:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Republic of France

Each of the Joint Lead Managers has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, these Listing Particulars or any other offering material relating to the Notes, and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Code *monétaire et financier*, as amended from time to time, and any other applicable French law or regulation.

Belgium

Each Joint Lead Manager has represented and agreed that it has not advertised, offered, sold or delivered and will not advertise, offer, sell or deliver, directly or indirectly, Notes to any Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer. For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

Kingdom of Spain

These Listing Particulars have not been registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Notes may not be offered, sold or distributed, nor may any subsequent resale of the Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain.

Each Joint Lead Manager has represented and agreed that the Notes may only be offered or sold in Spain to professional clients (*clientes profesionales*) as defined in Article 205 of the Restated Spanish Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October (the "**Spanish Securities Market Law**") and Article 58 of Royal Decree 217/2008, of 15 February 2008 (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión y por el que se modifica parcialmente el Reglamento de la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, aprobado por el Real Decreto 1309/2005, de 4 de noviembre*), and eligible counterparties (*contrapartes elegibles*) as defined in Article 207 of the Spanish Securities Market Law, and in accordance with the provisions of the Spanish Securities Market Law and further developing legislation.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Joint Lead Manager represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of these Listing Particulars or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of these Listing Particulars or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations; and
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

General

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes these Listing Particulars or any other offering material relating to the Notes. Persons into whose hands these Listing Particulars come are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish these Listing Particulars or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 6 September 2019.

Listing and Admission to Trading

2. Applications has been made for the Notes to be admitted to listing on the Official List of Euronext Dublin and to trading on the Global Exchange Market.

Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The ISIN for the Notes is XS2053053273 and the Common Code is 205305327.

The CFI Code for the Notes is DBFXFB, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

The FISN Code is MANDATUM LIFE I/EUR NT 20241004 SU, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

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

Legal Entity Identifier

4. The Legal Entity Identifier (LEI) code of the Issuer is 743700YZJL0X6MH2U02.

Legal and Arbitration Proceedings

5. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position or profitability of the Issuer and its subsidiaries.

Significant/Material Change

6. There has been no material adverse change in the prospects of the Issuer or the Issuer and its subsidiaries since 31 December 2018 nor has there been any significant change in the financial or trading position of the Issuer or the Issuer and its subsidiaries since 30 June 2019.

Auditors

7. The consolidated financial statements of the Issuer have been audited without qualification for the years ended 2018 and 2017 by Ernst & Young Oy, Elielinaukio 5 B, FI-00100, Helsinki, Finland, members of the Finnish Association of Authorised Public Accountants.

Documents on Display

8. Copies of the following documents (together with English translations thereof, if applicable) may be inspected in physical form during normal business hours at the offices of the Issuer at Bulevardi 56, FI-00120, Helsinki, Finland and the Principal Paying Agent at Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom for so long as any of the Notes remain outstanding:

- (a) the extract from the trade register of the Finnish Patent and Registration Office and Articles of Association of the Issuer;
- (b) the audited consolidated financial statements of the Issuer for the years ended 2018 and 2017;
- (c) the audited consolidated financial statements of Sampo plc for the years ended 2018 and 2017 as well as the unaudited interim financial statements of Sampo plc in respect of the six month periods ended 30 June 2019 and 30 June 2018;
- (d) the Agency Agreement; and
- (e) the Trust Deed.

Each translation referred to above constitutes a direct and accurate translation of the original Finnish language text. The English language information has been provided for information purposes only and, in the event of a discrepancy, the Finnish version shall prevail.

Material Contracts

- 9. There are no contracts having been entered into outside the ordinary course of any of the Issuer's or a member of the Group's businesses, which are, or may be, material and contain provisions under which the Issuer or any member of the Group has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

Reliance by Trustee

- 10. The Trust Deed provides that any certificate or report of the auditors of the Issuer or any other expert called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein, whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and/or such auditors and/or expert in connection therewith contains any limit on liability (monetary or otherwise) of such auditors and/or expert.

Other Activities of the Joint Lead Managers

- 11. The Joint Lead Managers and their affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions or (b) act as financial advisers to the Issuer.

Language

- 12. The language of these Listing Particulars is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Yield

- 13. If the Issuer were to pay interest on each Interest Payment Date up to and including the First Call Date and were to redeem the Notes on the First Call Date, the above pricing gives a yield of 1.894 per cent. per annum. The Yield is calculated as of the date of these Listing Particulars and may fluctuate in the future. It is not an indication of future yield.

THE ISSUER

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