

1. GENERAL

The European Markets Infrastructure Regulation (EMIR) is an EU regulation aimed at reducing the risks associated with trading in derivatives. EMIR lays down the requirement that all derivative transactions, such as interest rate swaps and currency futures (both exchange traded as well as OTC contracts), must be reported to an approved trade repository. The details must be reported no later than the business day following the conclusion, modification or early termination of each transaction.

The responsibility for reporting lies on each individual undertaking which is party to the transaction. According to EMIR, a party which is subject to the reporting requirement may delegate its part of the reporting to the Counterparty or a third party, but will nonetheless remain formally responsible for its reporting.

The data which must be reported comprises two principal groups: "counterparty data", which refers to data about a relevant party, and "common data", which refers to information about the relevant transaction.

Swedbank has entered into an agreement with REGIS-TR, which is an authorised trade repository, regarding reporting of transactions. Swedbank is thereby able to report its own counterparty data and the common data applicable to the transaction. Furthermore, the agreement enables Swedbank, at the request and on behalf of the Counterparty (but with the Counterparty retaining formal responsibility), to perform the Counterparty's reporting obligation regarding transactions entered into with the bank.

All derivative transactions entered into as from 12 February 2014 must be reported no later than the immediately following business day.

EMIR draws a distinction between financial counterparties ("FC") and non-financial counterparties ("NFC") (see the definitions in section 2). Financial counterparties are subject to more far-reaching reporting requirements. The same more far-reaching requirements are also imposed on non-financial counterparties which engage in such large-scale speculative derivative activities that they exceed the Clearing Threshold over a 30-day period (see the definition in section 2).

These terms and conditions only govern reporting in respect of non-financial counterparties below the Clearing Threshold ("NFC-"). The bank can only report transactions on behalf of FC and NFC+ (see the definitions in section 2) if a separate agreement is entered into between the bank and the relevant Counterparty.

2. DEFINITIONS

"Clearing" A way of passing the risk regarding settlement of a derivative transaction from a Counterparty to a clearing house which accedes to the transaction as a Counterparty and assumes liability for the performance of the parties' obligations in the transaction.

"Clearing Threshold" EUR 1 billion in underlying nominal gross value for credit derivatives and equity-related derivatives, and EUR 3 billion for each other group of derivatives.

"FC" Financial Counterparty – a financial counterparty as defined in EMIR, i.e. (i) an investment firm; (ii) a bank or other credit institution; (iii) an insurance company or other type of insurance undertaking; (iv) a fund/fund management company; (v) an occupational pension fund or pension foundation; or (vi) an alternative investment fund managed by an AIF manager.

"Counterparty" A counterparty in a transaction with the bank which is an NFC-.

"NFC" Non-Financial Counterparty, i.e. an undertaking which is not an FC.

"NFC+" An NFC whose rolling average position on a group consolidated basis regarding transactions of a speculative nature over 30 business days has exceeded the Clearing Threshold.

"NFC-" An NFC which is not an NFC+.

"LEI" A global ID number - Legal Entity Identifier - in accordance with special regulations for identification of undertakings.

"REGIS-TR" A trade repository in accordance with EMIR to which the bank reports.

3. AGREEMENT REGARDING REPORTING AND SCOPE OF THE REPORTING

The bank carries out reporting - by itself or when applicable through the relevant trading venue or clearing house - according to an agreement entered into with the Counterparty, provided that the bank has received details of the Counterparty's LEI.

The bank's reporting covers (once an agreement regarding reporting has been entered into) such transactions as a Counterparty enters into with the bank or which the bank executes on behalf of the Counterparty on a trading venue, or where the bank only administers Clearing on behalf of the Counterparty. Reporting by the bank is conditional on the bank possessing in its systems the information required for the performance of reporting.

The bank reports counterparty data and common data. As far as concerns the reporting of counterparty data, the bank regularly reports the following data on behalf of the Counterparty in certain reporting fields¹:

- The Counterparty is an NFC- (fields 7 and 16).
- The Counterparty itself is the Beneficiary of the transaction (field 11).
- All types of transactions other than equity-related transactions are intended to mitigate risk and directly connected to the Counterparty's business operations or liquidity management. The contrary applies with respect to equity-related transactions (field 15).
- The Counterparty is below the Clearing Threshold (field 16).

The bank is entitled, but not obliged, to refrain from reporting a transaction if any circumstance occurs which, in the bank's opinion, renders reporting more difficult or would result in incorrect reporting.

4. INFORMATION REGARDING REPORTED DATA

Information regarding data which the bank reports on behalf of the Counterparty shall be provided to the Counterparty upon request, as soon as such can take place. Such a request must be made to the Counterparty's contact person at the bank.

By entering into an agreement (Non-Reporting Entity agreement) with REGIS-TR, a Counterparty may obtain access to data reported on behalf of the Counterparty directly from REGIS-TR.

5. THE COUNTERPARTY'S RESPONSIBILITY

The Counterparty is obliged to comply with the instructions from the bank which the bank deems necessary for the performance of reporting on behalf of the Counterparty.

Notwithstanding that the Counterparty has delegated its reporting to the bank, pursuant to EMIR the Counterparty remains formally responsible for its reporting.

6. CONFIDENTIALITY

The Counterparty is aware and acknowledges that the bank's reporting on behalf of the Counterparty includes confidential information and that this does not entail any violation of the bank's confidentiality undertakings to the Counterparty.

7. FEES

The bank reserves the right to charge the Counterparty fees in respect of its reporting corresponding to reasonable costs incurred by the bank.

8. THE BANK'S LIABILITY

Reporting in accordance with EMIR is technically complicated, highly automated (without prior verification) and takes place at a distance based on a regulatory framework which, in certain respects, is ambiguous. Accordingly, the bank provides no warranties regarding error-free reporting. Nor does the bank assume any liability for loss (whether direct or indirect loss), which may be incurred by the Counterparty due to incorrect reporting.

Furthermore, the bank shall not be liable for losses due to Swedish or foreign legislative provisions, measures taken by Swedish or foreign public authorities, acts of war, strikes, blockades, boycotts, lockouts, telephony or data communication outages or other similar circumstances beyond the bank's control. The reservation in respect of strikes, blockades, boycotts, lockouts shall apply notwithstanding that the bank is the object of, or takes, such industrial action.

¹ As regards reporting fields, see Regulatory Technical Standards (EU) No. 148/2013.

Where, due to any circumstance beyond the bank's control as stated in this section, the bank is prevented, wholly or partially, from performing any measure pursuant to these terms and conditions, the measure may be deferred until the impediment has ceased.

9. AMENDMENTS TO THESE TERMS AND CONDITIONS

The bank shall be entitled to amend these terms and conditions. Such amendments shall enter into force 30 days after publication of the amended terms and conditions on the bank's website: www.swedbank.se/avtalshandlingar. If the bank is of the opinion that an amendment is of minor importance for the Counterparty, or that it is necessary that an amendment take immediate effect, the amendment may be implemented without delay.