Prospectus dated 2 May 2018

Investor AB
(incorporated as a limited liability company in the Kingdom of Sweden)

€5,000,000,000
Debt Issuance Programme

Under the Debt Issuance Programme described in this Prospectus (the "**Programme**"), Investor AB (publ) ("**Investor**", the "**Issuer**" or the "**Company**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed €5,000,000,000 (or the equivalent in other currencies).

Application has been made to the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the "**Prospectus Act 2005**") to approve this document as a base prospectus. By approving this Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transaction contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme for the period of twelve months from the date of approval by the CSSF of this Prospectus to be admitted to listing on the Official List of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Market**"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. However, Notes may be listed on any other stock exchange or may be unlisted as specified in the relevant Final Terms (as defined below).

As at the date of this Prospectus, the Issuer and the Programme are each rated Aa3 (stable outlook) by Moody's Deutschland GmbH ("**Moody's**") and AA- (stable outlook) by Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies Inc. ("**S&P**"). Tranches of Notes (as defined in "General Description of the Programme") may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the applicable Final Terms. Credit ratings included or referred to in this Prospectus have been issued by Moody's and S&P, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**") of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. Fitch and S&P are established in the European Union and registered under the CRA Regulation. Further information relating to the registration of rating agencies under the CRA Regulation can be found on the website of the European Securities and Markets Authority on its website (at *http://www.esma.europa.eu/page/list-registered-and-certified-CRAs*) in accordance with the CRA Regulation. 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.

Each Series (as defined in "General Description of the Programme") of Notes in bearer form will initially be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**"), or a permanent global note in bearer form (each a "**Permanent Global Note**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking SA. ("**Clearstream, Luxembourg**") (the "**Common Depositary**"). Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Certificates may be deposited on the issue date of the relevant Tranche with the Common Depositary. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Overview of Provisions Relating to the Notes while in Global Form".

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (the "**EEA**") or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), as amended, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Arranger

J.P. Morgan

Dealers

Citigroup **Deutsche Bank**

Goldman Sachs International **J.P. Morgan**

Morgan Stanley **SEB**

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes amendments made by Directive 2010/73/EU) (the "**Prospectus Directive**") and for the purpose of giving information with regard to the Issuer and its subsidiaries and affiliates taken as a whole (the "**Group**") which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

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

Neither the Arranger nor Dealers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or accepts any responsibility for any act or omission of the Issuer or any other person (other than the relevant Dealer(s)) in connection with the issue and offering of any Notes. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below) and, in relation to any Series of Notes, should be read and construed together with the relevant Final Terms (as defined herein). Copies of the Final Terms will be available from the registered office of the Issuer and the specified office of the Paying Agent, and, in the case of Notes listed on the Official List and admitted to trading on the Market, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "General Description of the Programme"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons (as defined in the US Internal Revenue Code of 1986, as amended, and regulations thereunder). The Notes are being offered and sold outside the United States to non-US persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any document incorporated by reference nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements or any document incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus 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 relevant Notes and the impact such investment 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 relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant 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 adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investors generally purchase Notes 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 Notes unless

it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

MIFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of **MiFID II** or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). 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.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "**US$**" and "**US dollars**" are to United States dollars, to "**EUR**" are to euro and to "**SEK**" are to Swedish kronor.

Amounts payable under the Notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**") or the London Interbank Offered Rate ("**LIBOR**") which are administered by the European Money Markets Institute ("**EMMI**") and the ICE Benchmark Administration Limited ("**ICE**") respectively. As at the date of this Prospectus, EMMI and ICE do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**").

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as Stabilisation Manager(s) (or any persons acting on behalf of any stabilisation Manager(s) in the applicable Final

Terms) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Table of Contents

Page

RISK FACTORS 7
DOCUMENTS INCORPORATED BY REFERENCE 13
PROSPECTUS SUPPLEMENT 16
GENERAL DESCRIPTION OF THE PROGRAMME 17
TERMS AND CONDITIONS OF THE NOTES 21
OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM 41
USE OF PROCEEDS 46
INVESTOR 47
TAXATION 60
SUBSCRIPTION AND SALE 62
FORM OF FINAL TERMS 65
GENERAL INFORMATION 73

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on Investor's business, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes and which in other ways affect Investor's ability to fulfil its obligations under the Programme and the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks Investor faces. Investor has described only those risks relating to its operations that it considers to be material. There may be additional risks that Investor currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.

Risk factors which may affect Investor's ability to fulfil its obligations under Notes issued under the Programme

The following represent the material risk factors which may affect Investor's ability to fulfil its obligations in respect of Notes issued under the Programme because they may lead to a decrease in Investor's net profit or net assets thus adversely affecting Investor's creditworthiness and may ultimately result in the bankruptcy of Investor.

Commercial risks

Investor's business activities are subject to a variety of risks and uncertainties. Maintaining long-term ownership in core investments and a flow of investments and divestments in other equity activities involves commercial risks, such as having a high exposure to a certain industry or an individual holding, changed market conditions for finding attractive investment candidates, or barriers that arise and prevent exits from a holding at the chosen time. For instance, a certain industry sector in which Investor has significant investments may experience a decrease in demand.

Investor's subsidiaries operate in sectors where changes in legislation, regulation or government policy could adversely affect the subsidiaries' business and results.

Investor's financial investments compete across a diverse range of geographic, product and services markets and are naturally exposed to commercial risks. Their revenue and growth potential are directly linked to the global economic situation.

All of these risks could have a severe impact on the creditworthiness of Investor.

Financial risks

The main financial risks that the Group is exposed to are market risks. These are, primarily, risks associated with fluctuations in share prices, but also interest rate risks and foreign exchange rate risks. Other risks that arise in the Group's operations include liquidity risks, financing risks, credit risks and operational risks. Activities to manage and monitor risks in the business are carried out through the Audit and Risk Committee, which is a subcommittee to Investor's Board of Directors. All these risks, which are described in more detail below, could severely affect the financial position and creditworthiness of Investor.

Price risks

Share price risk is the major risk for Investor. The value of Investor's securities will change due to changes in share prices, exchange rates or interest rates. In relation to Investor's assets, the major part of the price risk exposure is concentrated in its listed core investments (share price risks). It should be noted that Investor, as an investment company, may be particularly affected by the fluctuation of share prices as such fluctuation may have a significant effect on the value of a material part of Investor's assets thus indirectly affecting the value and creditworthiness of Investor.

The Issuer's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions

The global financial markets continue to experience significant volatility related to political uncertainty as well as concerns about changes in global demand reflecting an increasing lack of confidence among consumers, companies and governments. Despite significant interventions by governments and other nongovernmental bodies, capital and credit markets around the world continue to be volatile and be subject to intermittent and prolonged disruptions. Any change or exit of a country within the Eurozone could have a direct impact on Investor's assets in EUR. The outlook for the global economy over the near to medium terms remains challenging.

The Group's businesses and performance are influenced by local and global economic conditions and perceptions of those conditions and future economic prospects. Changes in economic conditions could have a negative impact on the Issuer's business and financial position.

Listed Core investments

Listed Core investments account for approximately 82 per cent. of Investor's total assets. Investor's listed core investments are continuously monitored and analysed by Investor. Through committed ownership, which is exercised through board representation and other ways, Investor influences the strategy and decisions of its listed core investments. Weakening trends in the global markets could have a direct effect on the businesses which make up Investor's listed core investments and this could result in lower share prices. However, in line with Investor's long-term ownership strategy, a price fall does not necessarily lead to any action to reduce the exposure. Long-term commitments lay the groundwork for Investor's strategic measures. For the core investments listed in SEK, there is no direct currency risk that affects Investor's balance sheet, although Investor is indirectly exposed to currency risks in holdings which have international operations or have foreign currency as their pricing currency (or effective currency). For investments listed in foreign currencies, Investor has a direct currency exposure. An increased SEK-rate may negatively affect the value of Investor's assets in foreign investments. This risk also impacts the company's balance sheet and income statement, which has an indirect effect on the valuation of the shares.

To support transactions in listed core investments and to acquire market intelligence, Investor's business requires a certain trading function. Investor has a limited trading operation, amounting to less than a half of one per cent. of Investor's total assets, which conducts short-term equity trading and deals in equity derivatives. Trading is exposed to share price risk and foreign exchange rate risks. The price risk in this activity is currently measured and monitored in terms of cash delta. Limits of portfolio's gross and net exposure, single position exposure and liquidity are measured daily. Currency risks in the trading business are lowered through currency swap contracts at the portfolio level. It should be noted that such swap counterparties may, even though they may have a strong rating today, in fact prove to be rather weak counterparties. Accordingly, Investor's portfolio management business may contain major risks due to exposure to the relevant counterparties. If such counterparty were to default under its obligations towards Investor, it could have major impact on Investor's trading operation.

EQT

Investments in EQT funds account for approximately 4 per cent. of Investor's total assets. Investor's EQT investments are exposed to share price risks and foreign exchange rate risks in investments made in foreign companies. Investor decides on capital commitments in the EQT funds, as a limited partner in each EQT fund and has no influence on the activities within the EQT funds. Additionally, being a sponsor of EQT, Investor receives carried interest and fee surplus on top of the returns from the limited partnership.

Patricia Industries: Subsidiaries

Investor's investments in its operating subsidiaries, via Patricia Industries, account for approximately 11 per cent. of its total global assets. Investor takes an active role, through board participation, in its subsidiaries. Subsidiaries operating within the health sector, in particular, are exposed to legislative measures in different countries, which could result in changes in tariffs, import quotas or taxation that could adversely affect the subsidiaries' turnover and operating profit. Supply of, use of and payment for products is influenced by world economic conditions which could place increased pressure on demand and pricing, adversely impacting the ability of Investor's subsidiaries to deliver revenue and margin growth. As such, the prosperity of Investor's subsidiaries is linked to general economic conditions.

Investor is both directly and indirectly exposed to foreign exchange rate risks of its operating subsidiaries due to their international operations. The currency hedging of these investments is evaluated on a case by case basis. It should however be noted that the credit crisis has shown that certain financial counterparties, such as currency hedge counterparties, may in fact prove to be rather weak counterparties when market conditions turn severe. Accordingly, Investor could experience a significantly increased currency risk if the hedge counterparties were to fail to honour their respective obligations towards Investor. If such counterparty were to default in its obligations Investor's financial position could be adversely affected.

Patricia Industries: Financial investments and associated companies

Financial investments, within Patricia Industries, account for approximately 3 per cent. of Investor's total assets. Investor's financial investments are exposed to share price risks and foreign exchange rate risks in investments made in foreign companies. Investor also takes an active role in these companies through board representation. There is no regular hedging of private equity investments in foreign currency, since the investments are long-term and currency fluctuations are expected to balance out over time. Investor's policy is to hedge, by means of forward contracts, the future known cash flows. The hedging policy is subject to continuous evaluation and deviations from the guideline may be allowed. However, private equity investments are usually relatively highly leveraged and there is a greater risk than in relation to, for instance, core investments that Investor's entire investment could be lost. Such losses could severely affect Investor's financial position and creditworthiness.

Investor has a significant influence in investments consolidated as associated companies. Investor takes an active role, through board participation, in these companies. Investor is indirectly exposed to foreign exchange rate risks of its associated companies since they have international operations. The currency hedging of these investments is evaluated on a case by case basis. It should however be noted that the latest credit crisis has shown that certain financial counterparties, such as currency hedge counterparties, may in fact prove to be rather weak counterparties when market conditions turn severe. Accordingly, Investor could experience a significantly increased currency risk if the hedge counterparties were to fail to honour their respective obligations towards Investor. If such a counterparty were to default in its obligations Investor's financial position could be adversely affected.

Excess liquidity

For excess liquidity exposed to interest rate risks, Investor's goal is to maximize return within established guidelines whilst limiting interest rate risks. High financial flexibility is also strived for in order to satisfy future liquidity needs. Investments are therefore made in interest-bearing securities with maturity dates which are not longer than two years. The company's liabilities are exposed to interest rate and currency risks. Investor strives to manage interest rate risks by having an interest rate fixing period that provides the flexibility to change the loan portfolio in step with investment activity and minimize loan costs and volatility in the cash flow over time. The currency risk in loans in foreign currency is lowered through currency swap contracts. It should however be noted that such investments may deteriorate in value if the relevant issuer thereof were to enter into financial difficulties. Should such issuer enter into insolvency proceedings for example, Investor's entire investment may be lost which could in turn severely affect Investor's financial position.

Liquidity and financing risks

Liquidity risks refer to the risk that a financial instrument cannot be divested without considerable extra costs, and to the risk that liquidity will not be available to meet payment commitments. A liquidity event could also force Investor to sell assets at suppressed price levels (even at a loss), with a corresponding effect on Investor's profitability. Financing risks are defined as the risk that financing cannot be obtained, or can only be obtained at increased costs as a result of changed conditions in the capital market. For Investor that could mean refinancing existing maturing debts could become more costly which would have a negative effect on Investor's profit.

Credit risks

Credit risks are the risk of a counterparty or issuer being unable to repay a liability to Investor. Investor is exposed to credit risks primarily through investments of excess liquidity in interest-bearing securities. Credit risks also arise as a result of positive market values in derivative instruments, mainly interest rate and currency swaps. According to Investor's credit risk policy, Investor is exposed to credit risks towards counterparties with high creditworthiness, based on the ratings of the recognised rating institutes, for a limited amount and for a limited duration per counterparty. For

hedging purposes, in relation to Investor's long-term loan financing, however, Investor is using swap derivative contracts with longer durations.

Investor implements an extensive limit structure related to the creditworthiness of the issuers or counterparties and maturity of the securities. With a view to further limiting credit risks in interest rate and currency swaps, and other derivative transactions, agreements are made in accordance with the International Swaps and Derivatives Association, Inc. (ISDA), as well as netting agreements. It should however be noted that the credit crisis has shown that financial counterparties with a strong rating may in fact prove to be rather weak counterparties when market conditions turn severe. Potentially Investor could thus face a relatively large exposure to certain counterparties, and such counterparties may not be in a position to honour their obligations. Accordingly, the exposure against counterparties in, for instance, the financial sector may, even though measures are taken to limit the risks, be high. If such counterparties were to default under their obligations towards Investor then Investor's financial position could be severely damaged.

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

Risks related to the structure of a particular issue of Notes

Different types of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

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

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

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to the structure of a particular issue of Floating Rate Notes

Reference Rates and indices, including interest rate benchmarks, such as LIBOR and EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated.

International proposals for reform of Benchmarks include the European Council's Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation") which was published in the Official Journal on 29th June, 2016. In addition to the aforementioned regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Pursuant to article 20 of the Benchmark Regulation and to Regulation (EU) 2016/1368, EURIBOR and LIBOR have each been considered a critical benchmark, and are therefore subject to mandatory administration, in accordance with article 21 of the Benchmark Regulation. Accordingly, the administrator for each of EURIBOR and LIBOR shall be part of the register of benchmark administrators referred to in article 36 of the Benchmark Regulation.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks, which may impact the value of and the amount payable under the Notes as compared to the situation where such factors would be absent.

LIBOR, EURIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. 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 benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

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

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

Risks related to Notes generally

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

Modification, waivers and substitution

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

The Terms and Conditions of the Notes also provide that the Trustee (as defined in "Terms and Conditions of the Notes) may, without the consent of Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed (as defined in "Terms and Conditions of the Notes") that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. The Trustee may also agree (without the consent of Noteholders) to the substitution of any Subsidiary (as defined in the Trust Deed) of the Issuer in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes provided that the Issuer unconditionally and irrevocably guarantees all amounts payable under the Trust Deed and the Notes.

Change of law

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Integral multiples of less than €100,000

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will 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 it holds an amount equal to one or more Specified Denominations. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination which is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

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

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

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Market value of the Notes

The market value of the Notes may be affected by the credit worthiness or perceived creditworthiness of Investor and a number of additional factors, including market interest, yield rates and the market's perception of comparable debt instruments issued by other corporate or financial institutions.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and which have been filed with the CSSF:

- the unaudited first quarter interim results of the Issuer (interim financial information has been prepared based on the recognition and measurement principles consistent with International Financial Reporting Standards ("**IFRS**")) for the three months ended 31 March 2018;
- the audited consolidated financial statements of the Issuer (prepared in accordance with IFRS) for the financial years ended 31 December 2017 and 31 December 2016 together in each case with the audit report thereon;
- the terms and conditions contained in pages 22 to 44 of the base prospectus relating to the Programme dated 16 May 2014;
- the terms and conditions contained in pages 21 to 43 of the base prospectus relating to the Programme dated 3 June 2013;
- the terms and conditions contained in pages 20 to 37 of the base prospectus relating to the Programme dated 15 December 2011;
- the terms and conditions contained in pages 19 to 36 of the base prospectus relating to the Programme dated 15 December 2010;
- the terms and conditions contained in pages 18 to 35 of the base prospectus relating to the Programme dated 15 December 2009;
- the terms and conditions contained in pages 18 to 35 of the base prospectus relating to the Programme dated 20 November 2008;
- the terms and conditions contained in pages 15 to 31 of the base prospectus relating to the Programme dated 16 November 2006; and
- the terms and conditions contained in pages 15 to 31 of the base prospectus relating to the Programme dated 3 November 2005.

Such documents shall be incorporated by reference in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The tables below set out the relevant page references for (a) the unaudited consolidated first quarter interim results for the three months ended 31 March 2018 as set out in the Interim Management Statement January-March 2018 and (b) the audited consolidated annual statements for the financial years ended 31 December 2017 and 31 December 2016 as set out in the Issuer's Annual Reports for 2017 and 2016 respectively. Only the parts of the audited consolidated annual statements specifically referred to in the tables below shall be incorporated by reference in, and form part of, the Prospectus.

Unaudited consolidated interim financial information of the Issuer for the three months ended 31 March 2018

	Page of Interim Management Statement January – March 2018
Consolidated Income Statement, in summary	Page 18
Consolidated Balance Sheet, in summary	Page 19
Consolidated Statement of Changes in Equity, in summary	Page 19
Consolidated Cash Flow, in summary	Page 20
Basis of preparation for the Interim Management Statement	Page 16-17

Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017

	Page of 2017 Annual Report
Administration Report and Proposed Disposition of Earnings	Pages 4-6, 26, 38
Consolidated Income Statement	Pages 40
Consolidated Balance Sheet	Pages 41
Consolidated Statement of Change in Equity	Page 42
Consolidated Cash Flow	Page 43
Notes	Pages 44-79
Statements and Notes for the Parent company	Pages 80-90

	Page of 2017 Annual Report
Auditor's Report	Page 91-93

Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2016

	Page of 2016 Annual Report
Administration Report and Proposed Disposition of Earnings	Pages 4-5, 21, 33
Consolidated Income Statement	Pages 34
Consolidated Balance Sheet	Pages 35
Consolidated Statement of Change in Equity	Page 36
Consolidated Cash Flow	Page 37
Notes	Pages 38-72
Statements and Notes for the Parent company	Pages 73-83
Auditor's Report	Page 84-86

Those parts of the Issuer's Interim Management Statement January-March 2018, the Issuer's Annual Reports for the financial years ended 31 December 2017 and 31 December 2016, and those parts of the prospectus dated 16 May 2014, 3 June 2013, 15 December 2011, 15 December 2010, 15 December 2009, 20 November 2008, 16 November 2006, 3 November 2005, which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus. Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer, the specified office of the Issuing and Paying Agent, from the website of the Luxembourg Stock Exchange (www.bourse.lu) or from the website of the Issuer at http://www.investorab.com/investors-media/reports/. Any websites included in this Prospectus are for information purposes only and do not form part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 13 of the Prospectus Act 2005, the Issuer will prepare and make available an appropriate supplement to this Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a prospectus supplement as required by the Luxembourg Stock Exchange and Article 13 of the Prospectus Act 2005.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes whose inclusion in this Prospectus or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare and submit to the CSSF for approval a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of Notes and shall supply to each Dealer such number of copies of such supplement or replacement as such Dealer may reasonably request.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this document and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this overview.

Issuer	Investor AB (publ)
Programme Amount	Up to €5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Arranger	J.P. Morgan Securities plc
Dealers	Citigroup Global Markets Limited Deutsche Bank AG, London Branch Goldman Sachs International J.P. Morgan Securities plc Morgan Stanley & Co. International plc Skandinaviska Enskilda Banken AB (publ) The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee	Citicorp Trustee Company Limited
Issuing and Paying Agent, Registrar, Transfer Agent and Calculation Agent	Citibank, N.A., London Branch
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in US dollars, Australian dollars, Canadian dollars, Danish kroner, euro, New Zealand dollars, Norwegian kroner, Sterling, Swedish Kronor, Swiss francs or Japanese yen or in other currencies if the Issuer and the relevant Dealers so agree.
Denomination	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Sterling Notes) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have

	a minimum denomination of £100,000 (or its equivalent in other currencies).
Form of Notes	The Notes may be issued in bearer form only ("**Bearer Notes**"), in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**"), or in registered form only ("**Registered Notes**"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a Temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "General Description of the Programme — Selling Restrictions"), otherwise such Tranche will be represented by a Permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".
Maturities	Subject to compliance with all relevant laws, regulations and directives, the Notes may have any maturity from one month to perpetuity.
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount. The Issue Price for each Tranche will be set out in the relevant Final Terms document (the "**Final Terms**").
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**"), having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**"), on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms.
Clearing Systems	Clearstream, Luxembourg and Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.
Initial Delivery of Notes	On or before the issue date for each Tranche, if the relevant Global Note is a NGN, the Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Certificate representing Registered Notes may be deposited with a

	common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Fixed Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series by reference to **LIBOR** or **EURIBOR** (or such other Benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable Margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Optional Redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Early Redemption	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes — Redemption, Purchase and Options".
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Sweden, subject to customary exceptions, all as described in "Terms and Conditions of the Notes — Taxation".
Status of Notes	The Notes will constitute unsubordinated and unsecured obligations of the Issuer as described in "Terms and Conditions of the Notes — Status".
Negative Pledge	The Notes will contain a Negative Pledge as described in "Terms and Conditions of the Notes — Negative Pledge".
Cross Default	The Notes will contain a cross default provision as described in "Terms and Conditions of the Notes — Events of Default".
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "Risk Factors" below and include commercial risks, finance risks and liquidity and financing risks. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.

Ratings	As at the date of this Prospectus, the Issuer and the Programme are each rated Aa3 (stable outlook) by Moody's Deutschland GmbH ("**Moody's**") and AA- (stable outlook) by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), a division of The McGraw-Hill Companies Inc. Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, its rating will be specified in the Final Terms. Such rating will not necessarily be the same as ratings assigned to the Programme. Credit ratings included or referred to in this Prospective have been issued by Moody's and S&P, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing, approval and admission to trading	Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange to list the Notes issued under the Programme on the Official List and to admit them to trading on the Market for listed securities or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may also be unlisted.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.
Selling Restrictions	United States, Public Offer Selling Restriction under the Prospectus Directive (Prohibition on sales to retail investors), United Kingdom, the Kingdom of Sweden, Japan and such other restrictions as may be required in connection with a particular issue of Notes. See "Subscription and Sale". Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act. The Notes will be issued in compliance with US Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of section 4701 of the U.S. internal Revenue Code of 1986, as amended) (the "**D Rules**"), unless (i) the relevant Final Terms states that Notes are issued in compliance with US Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of section 4701 of the U.S. internal Revenue Code of 1986, as amended) (the "**C Rules**"), or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. The full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by an amended and restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**"), dated 28 April 2017 between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An amended and restated Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**"), dated 3 June 2013 has been entered into in relation to the Notes between the Issuer, the Trustee, Citibank, N.A., London Branch as issuing and paying agent and calculation agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "Calculation Agent(s)". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**"), appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**"), 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 are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**"), or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**"), in each case in the specified Denomination(s) shown hereon provided that in the case of any Notes admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(f)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Exchange Free of Charge

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject to the provisions of Condition 4) rank and will at all times rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4 Negative Pledge

So long as any of the Notes or Coupons remain outstanding (as defined in the Trust Deed), neither the Issuer nor any Subsidiary (as defined in the Trust Deed) shall create or permit to be outstanding any pledge, lien, mortgage, charge or other security interest upon the whole or any part of their respective undertakings, assets or revenues present or future, to secure any (i) existing or future Securities of the Issuer (or to secure any guarantee or indemnity in respect thereof) or (ii) guarantee or indemnity given by the Issuer in respect of any existing or future Securities of a third party, without in any such case at the same time according to the Notes and the Coupons either the same security as is granted to or is outstanding in respect of such Securities (or such guarantee or indemnity in respect thereof) or such other security as the Trustee shall in its sole discretion deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

As used in this Condition, "**Securities**" means any loan or other indebtedness in the form of, or represented or evidenced by, bonds, debentures, notes or other securities which are or are to be quoted, listed, ordinarily dealt in or traded on any stock exchange, or over-the-counter or other securities market.

5 Interest and Other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates: Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon

(y) the Designated Maturity is a period specified hereon and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest isto be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) If the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of

Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(c) *Zero Coupon Notes:* Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) *Accrual of Interest:* Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(e) *Margin, Maximum/Minimum Rate of Interest and Rounding:*

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5 above by adding (if a positive number) or subtracting the absolute value of (if a negative number) such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that are due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(f) *Calculations:* The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:* The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment

Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) *Determination or Calculation by Trustee:* If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(i) *Definitions:* In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which the TARGET system is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**"):

(i) if "**Actual/365**" or "**Actual/Actual-ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)]}{} + \frac{[30 \text{ x } (M_2 - M_1)]}{360} + \frac{(D_2 - D_1)}{}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)]}{} + \frac{[30 \text{ x } (M_2 - M_1)]}{360} + \frac{(D_2 - D_1)}{}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)]}{} + \frac{[30 \text{ x } (M_2 - M_1)]}{360} + \frac{(D_2 - D_1)}{}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

(vii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"**Specified Currency**" means the currency specified hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(j) *Calculation Agent:* The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d), (e) or (f), each Note

shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided herein, will be its nominal amount).

(b) Early Redemption

(i) Zero Coupon Notes

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Early Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (aa) a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking

reasonable measures available to it and (bb) an opinion of independent legal advisers of recognised standing acceptable to the Trustee to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate or opinion as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) Redemption at the Option of the Issuer (Call Option)

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, redeem all or, if so provided, some of the Notes. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(e) Redemption at the option of the Issuer (Make-whole Redemption Option)

If Make-whole Redemption Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (which notice shall specify the date fixed for redemption (the "**Make-whole Redemption Date**")), redeem all or, if so provided, some of the Notes then outstanding on any Make-whole Redemption Date. Any such redemption of Notes shall be at an amount (a "**Make-whole Redemption Amount**") equal to the higher of the following, in each case together with interest accrued to but excluding the date fixed for redemption:

(i) the nominal amount of the Note; and

(ii) the nominal amount of the Note multiplied by the price (as reported in writing to the Issuer and the Trustee by a financial adviser (the "**Financial Adviser**") appointed by the Issuer and approved by the Trustee) expressed as a percentage (rounded to the nearest fifth decimal places, 0.000005 being rounded upwards) at which the Gross Redemption Yield on the Notes on the Determination Date specified in the Final Terms is equal to the Gross Redemption Yield at the Quotation Time specified hereon the Determination Date of the Reference Bond specified hereon (or, where the Financial Adviser advises the Trustee that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend) plus any applicable Redemption Margin specified in the Final Terms.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than a Maximum Redemption Amount, in each case as may be specified hereon.

All Notes in respect of which any such redemption notice is given to the Noteholders shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

In this Condition:

"**Gross Redemption Yield**" means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Issuer and the Trustee by the Financial Adviser.

(f) Redemption at the Option of Noteholders

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice"), in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) Purchases

The Issuer and any of its Subsidiaries (as defined in the Trust Deed) may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) Cancellation

Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(iii)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre for that currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Registered Notes

(iii) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(iv) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the

Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 7(a), such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law.

(d) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European financial centres (including, so long as the Notes are approved by the CSSF in its capacity as competent authority under the Prospect Act 2005 and admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's EEA Regulated Market), and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved in writing in advance by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons and Unexchanged Talons

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-whole Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above

against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note, comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments in respect of the Notes or Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Kingdom of Sweden or any political sub-division of, or any authority in, or of, the Kingdom of Sweden having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts 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:

(a) in the Kingdom of Sweden; or

(b) to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of the Note or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of the Note or Coupon; or

(c) to, or to a third party 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

(d) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days.; or

(e) presented (or, in the case of a Registered Note, where the Certificate representing it is presented) for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note (or, in the case of a Registered Note, the Certificate representing it), or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Make-whole Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events ("**Events of Default**"):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or

(b) if the Issuer fails to perform or observe any of its obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if any other indebtedness for borrowed money (as defined in the Trust Deed) of the Issuer becomes due and repayable prematurely by reason of an event of default (however described) and any steps are taken to obtain repayment or the Issuer fails to make any payment in respect of any other indebtedness for borrowed money on the due date for payment as extended by any originally applicable grace period or any security given by the Issuer

for any indebtedness for borrowed money of the Issuer becomes enforceable and is enforced or if default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to any other indebtedness for borrowed money of any other person and any steps are taken to obtain repayment thereof, provided that no event shall constitute an Event of Default unless the indebtedness for borrowed money or other relative liability either alone or when aggregated with other indebtedness for borrowed money and/or other liabilities relative to all (if any) other events which shall have occurred and be at the relevant time outstanding and in respect of which the relevant default or failure shall not have been remedied shall amount to at least US$100,000,000 (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer save for the purposes of a reorganisation on terms approved in writing by the Trustee; or

(e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of a reorganisation on terms approved in writing by the Trustee, or the Issuer stops or threatens to stop payment of, or is unable to or admits inability to pay, its debts generally (or any material class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (a) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed in relation to the Issuer or, as the case may be, in relation to the whole or a part of its undertaking or assets, or an encumbrancer takes possession of the whole or a part of its undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of its undertaking or assets, and (b) in any case (other than the appointment of an administrator) is not discharged within 45 days; or if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally or any class of its creditors; or

(g) if any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d), (e) and (f) above, provided that, in the case of any Event of Default other than those described in paragraphs (a) and (c), the Trustee shall have certified to the Issuer that the Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders.

11 Meeting of Noteholders, Modification, Waiver and Substitution

(a) Meeting of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Make-whole Redemption Amount,

including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders and the Couponholders as soon as practicable.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of any Subsidiary (as defined in the Trust Deed) of the Issuer in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes provided that the Issuer unconditionally and irrevocably guarantees all amounts payable under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it, and any other securities (with the consent of the Trustee), shall be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities or other series where the Trustee so decides.

14 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (b) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

15 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing, except that so long as the Notes are listed on the Luxembourg Stock Exchange's regulated market and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a leading newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

17 Currency Indemnity

Any amount received or recovered or falling to be due in a currency other than the currency in which payment under the relevant Note or Coupon is due (under any applicable law and whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by the Trustee or any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall

indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

The Issuer has irrevocably appointed the Swedish Trade Council, Winchester House, 259 — 269 Old Marylebone Road, London NW1 5RA to receive, for it and on its behalf, service of process in any proceedings in England.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, they will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg or any other clearing systems and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg or any other clearing systems will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg or such alternative clearing system authorised to hold such notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may (if indicated in the relevant Final Terms) also be credited to the accounts of other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "General Description of the Programme — Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each Temporary Global Note which is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 4, in part for Definitive Notes or, in the case of paragraph 4 below, Registered Notes:

(i) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and

(ii) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**"), and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(iii) if principal in respect of any Notes is not paid when due by the holder giving notice to the Issuing and Paying Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3 Permanent Global Certificates

If the Final Terms states that the Notes are to be represented by a Permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if principal in respect of any Notes is not paid when due; or

(iii) with the consent of the Issuer;

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

4 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and that clearing system so permits, such Permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes if principal in respect of any Notes is not paid when due.

5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying

Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and (if applicable) a Talon), Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6 Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Agency Agreement. All payments in respect of CGNs represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

2 Prescription

Claims against the Issuer in respect of Notes that are represented by a Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

3 Meetings

For the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4 Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note.

5 Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented to a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. If any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system, as the case may be (to be reflected in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as either a pool factor or a reduction in nominal amount, at their discretion).

7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and at the same time, where the Permanent Global Note is a CGN, presenting the Permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

8 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

9 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

USE OF PROCEEDS

The net proceeds of each issue of Notes will be used by the Issuer for its general corporate purposes.

INVESTOR

General

Investor AB is a Nordic-based industrial holding company founded on 16 October 1916 by the Wallenberg family. Investor's business concept is, through board participation, industrial experience, network and financial strength, to strive to make its holdings best-in-class and thereby generate attractive long-term returns for its shareholders by owning and developing companies with solid potential for value creation. Investor is an active owner and utilizes experience, knowledge and a unique network to develop listed and unlisted companies to make them best-in-class.

Investor's key figures

	As at 31 December 2017	As at 31 December 2016
Assets, SEK million	348,486	316,829
Net debt, SEK million	(12,224)	(16,752)
Net asset value, SEK million	336,262	300,077
Net asset value, SEK/share	440	393

	1 January to 31 December 2017	1 January to 31 December 2016
Development during the period		
Net income, SEK million	44,298	33,665
Net income, SEK/share	57.96	44.09

Investment Strategy

Investor's investment strategy is based on investing in companies with potential for value creation and divesting companies that cannot become best-in-class in the long term, or which it believes have reached their full potential value. Investments are currently made in the technology, engineering, healthcare and financial services sectors, where Investor anticipates attractive development.

History

Investor's origins date back to 1856 when Stockholm's Enskilda Bank (the "**Bank**") was founded. The Bank played an important role in the industrialization of the Kingdom of Sweden by providing capital to entrepreneurs and innovative companies. Through direct investments or by way of loan collateral, the Bank accumulated a significant share portfolio. In 1916, in response to legal changes restricting banks' holdings of equities, the Bank's shareholdings were transferred to a newly founded investment company, Investor. Investor operates under the Swedish Companies Act (2005:551) as amended and is registered by Bolagsverket (the Swedish Companies Registration Office) in the Kingdom of Sweden with registration number 556013-8298.

Last five years

During 2013, Investor acquired the medical technology company Permobil which became a new wholly-owned subsidiary of Investor. Investor invested SEK 1.0 billion in equity in Aleris and refinanced it with an all senior debt structure. The holding in Gambro was divested, with proceeds of about SEK 10.2 billion to Investor. Mölnlycke was refinanced through an equity injection of EUR 544 million, strengthening the balance sheet and enabling growth initiatives and future capital distribution to Investor. Investor and EQT completed the divestiture of Gambro to Baxter International Inc. for a total of SEK 719 million. Investor added to its positions in ABB (SEK 660 million) and Ericsson (SEK 59 million) during 2013.

During 2014, Investor purchased shares in ABB, Wärtsilä and SEB for a total of SEK 8,233 million and divested shares in SEB for a total of SEK 101 million. Investor also acquired shares in Mölnlycke's Management Participation Program (a combination of common and preferred shares) for a total of SEK 1,121 million. The acquisition price was confirmed through a third party fairness opinion. As a result of the transaction, Investor's ownership in Mölnlycke (including shareholder loans) increased from 98 per cent. to 99 per cent. The shares were purchased at a price exceeding the book value of the minority shareholders' share of equity, and therefore Investor's net asset value was affected by SEK -754 million. Investor contributed SEK 3,011 million in additional equity to 3 Scandinavia. Also, 3 Scandinavia distributed SEK 296 million to Investor. The divestiture of the majority in Lindorff was completed, with Investor receiving SEK 6.8 billion in proceeds. Following the completion of the transaction, Investor holds an equity position and a shareholder's note in Lindorff. The holding in Novare was divested. Investor acquired an additional 47 per cent. in the Swedish biotech company Affibody for SEK 116 million.

During 2015, Investor established a new structure with Listed Core Investments, EQT and Patricia Industries; Listed Core Investments consists of Investor's listed holdings, EQT consists of its investments in the EQT funds and the Patricia Industries portfolio consists of Investor's wholly-owned subsidiaries, 3 Scandinavia and Financial Investments. Financial Investments consists of all former Investor Growth Capital (IGC) holdings and other holdings for which the investment horizon has not yet been defined. Patricia Industries is run with Börje Ekholm as CEO and an independent board, acting pursuant to a mandate from the board of Investor. It has offices in Stockholm, New York and Palo Alto. During 2015, Investor purchased shares in ABB and Wärtsilä for a total of SEK 5.8 billion and committed SEK 3.2 billion to EQT VII, EQT's largest fund to date. Patricia Industries acquired its first U.S. subsidiary BraunAbility. Patricia Industries injected USD 331 million in equity for a 95 percent ownership in BraunAbility. Mölnlycke made a EUR 440 million distribution to Patricia Industries and 3 Scandinavia distributed SEK 987 million. On 12 May 2015, Johan Forssell was appointed President and CEO of Investor at the Annual General Meeting and a new Management Group was appointed consisting of Helena Saxon (CFO), Daniel Nodhäll (Head of Listed Core Investments), Petra Hedengran (General Counsel and Head of Corporate Governance and Compliance) and Stefan Stern (Head of Corporate Relations, Sustainability and Communications).

During 2016, Investor invested approximately SEK 1.5 billion within Listed Core Investments, of which SEK 1,011 million in Ericsson, SEK 353 million in Wärtsilä and SEK 125 million in Atlas Copco. Investor invested SEK 2,864 million in EQT funds and received proceeds of SEK 3,874 million. Net cash flow to Investor amounted to SEK 1,010 million. Patricia Industries completed the acquisition of Canadian medical technology company Laborie. The consideration amounted to SEK 5.4 billion. Mölnlycke distributed EUR 300 million to Patricia Industries, while Permobil and 3 Scandinavia distributed SEK 194 million and SEK 774 million respectively. Patricia Industries CEO Börje Ekholm resigned to become the CEO of Ericsson. Christian Cederholm and Noah Walley, both long-term Investor employees, were appointed Co-heads of Patricia Industries.

During 2017, Investor purchased additional shares in Ericsson for a total of SEK 1.2 billion. Patricia Industries received SEK 6.0 billion in distribution, of which SEK 4.3 billion was from Mölnlycke. In constant currency, Investor's investments in EQT increased by 21 per cent. and net cash flow to Investor amounted to SEK 976 million. Investor established an Extended Management Group, which in addition to the members of Investor's Management Group, include three additional members: Jessica Häggström, Head of Human Resources, and the Co-heads of Patricia Industries, Christian Cederholm and Noah Walley. Investor started to provide estimated market values for the major wholly-owned subsidiaries and partner-owned investments within Patricia Industries as a supplement to the reported book values. Investor's SEK 10 billion revolving credit facility was refinanced and its maturity extended by five years, with an option of an additional two year extension. The facility remains undrawn.

Ownership

Investor is a public company, listed on Nasdaq Stockholm. The Wallenberg foundations together own 50.1 per cent. of the voting rights and 23.4 per cent. of the share capital as at 31 December 2017. The Wallenbergs have been closely connected with Investor throughout its history and were instrumental in its establishment. Since Investor's origins in 1916, various members of the Wallenberg family have held senior management positions and been directors of the Company.

Other major shareholders include mutual funds managed by Swedish commercial banks and various Swedish pension funds and insurance companies. Overall, foreign ownership as at 31 December 2017 accounted for 32 per cent. of the capital. The following table shows the 15 largest shareholders of the Company as at 31 December 2017.

	% of capital	% of votes
Investor's fifteen largest shareholders as at 31 December 2017		
Knut and Alice Wallenberg Foundation	20,0	43,0
Alecta Pension Insurance	5,9	3,1
AMF Insurance & Funds	4,2	8,6
SEB Foundation	2,3	4,9
First Eagle Investment Management, LLC	2,2	3,0
Marianne and Marcus Wallenberg Foundation	1,9	4,1
SEB Funds	1,8	0,5
Norges Bank	1,7	0,4
BlackRock	1,5	0,3
Vanguard	1,4	0,3
Marcus and Amalia Wallenberg Memorial Funds	1,4	3,1
Swedbank Robur Funds	1,3	0,6
AFA Insurance	1,0	0,6
Life Insurance Skandia	0,9	1,2
Harbor Capital Advisors Inc	0,8	0,2
Total	48,4	73,9

Source: Modular Finance. Directly registered or registered in the name of nominees. The filing date for foreign owners may vary. Custodian banks are excluded.

Organisational Structure

Investor is headquartered in Stockholm, the Kingdom of Sweden, with two additional offices in Menlo Park, California and New York, United States of America. On 31 December 2017 the Company had 91 employees. The Stockholm office houses Investor's corporate headquarters.

The following table shows the investments of Investor as at 31 December 2017 and 31 December 2016.

			Reported values				Adjusted values[5]	
	Number of shares 12/31 2017	Ownership capital/votes[1] (%) 12/31 2017	Share of total assets (%) 12/31 2017	Contribution to net asset value, SEK m. 2017	Value, SEK m.[2] 12/31 2017	Value, SEK m.[2] 12/31 2016	Value, SEK m. 12/31 2017	Value, SEK m. 12/31 2016
Listed Core Investments[3]								
Atlas Copco	207 645 611	16.9/22.3	21	16 852	72 877	57 437	72 877	57 437
ABB	232 165 142	10.7/10.7	15	7 882	50 891	44 592	50 891	44 592
SEB	456 198 927	20.8/20.8	13	2 489	43 705	43 725	43 705	43 725
AstraZeneca	51 587 810	4.1/4.1	8	4 806	29 302	25 732	29 302	25 732
Wärtsilä	34 866 544	17.7/17.7	5	4 189	18 013	14 257	18 013	14 257
Saab	32 778 098	30.0/39.5	4	2 024	13 033	11 181	13 033	11 181
Electrolux	47 866 133	15.5/30.0	4	2 125	12 613	10 846	12 613	10 846
Nasdaq	19 394 142	11.7/11.7	4	643	12 268	11 842	12 268	11 842
Sobi	107 594 165	39.5/39.5	3	570	12 051	11 480	12 051	11 480
Ericsson	220 347 348	6.6/22.2	3	309	11 737	10 378	11 737	10 378
Husqvarna	97 052 157	16.8/33.0	2	847	7 542	6 883	7 542	6 883
Total Listed Core Investments			**82**	**42 636[4]**	**284 030**	**248 354**	**284 030**	**248 354**
Patricia Industries								
Subsidiaries								
Mölnlycke		99/99	6	2 880	19 681	21 067	58 637	54 298
Permobil		94/90	1	469	4 402	3 923	8 784	7 297
Laborie		97/97	1	-436	4 492	4 928	4 657[6]	4 657[6]
Aleris		100/100	1	-947	3 008	3 940	3 493	4 686
BraunAbility		95/95	1	-215	2 921	3 136	3 002	2 820[6]
Vectura		100/100	1	386	2 552	2 161	2 902	2 338
Grand Group		100/100	0	11	197	181	701	648
			11	**2 147**	**37 252**	**39 336**	**82 176**	**76 743**
3 Scandinavia		40/40	1	474	4 197	5 446	7 758	8 144
Financial Investments			2	-1 630	7 164	10 024	7 164	10 024
Total Patricia Industries excl. cash			**14**	**766[4]**	**48 614**	**54 806**	**97 099**	**94 911**
Total Patricia Industries incl. cash					*67 982*	*69 195*	*116 467*	*109 300*
EQT			**4**	**3 144[4]**	**16 165**	**13 996**	**16 165**	**13 996**
Other Assets and Liabilities			0	-10 362[4,7]	-323	-327	-323	-327
Total Assets excl. cash Patricia Industries			**100**		**348 486**	**316 829**	**396 971**	**356 934**
Gross debt*					-31 123	-33 461	-31 123	-33 461
Gross cash*					18 899	16 710	18 899	16 710
Of which Patricia Industries					*19 368*	*14 389*	*19 368*	*14 389*
Net debt					**-12 224**	**-16 752**	**-12 224**	**-16 752**
Net Asset Value				**36 185**	**336 262**	**300 077**	**384 747**	**340 183**
Net Asset Value per share					**440**	**393**	**503**	**445**

Notes:

1) Calculated in accordance with the disclosure regulations of Sweden's Financial Instruments Trading Act (LHF). ABB, AstraZeneca, Nasdaq and Wärtsilä in accordance with Swiss, British, U.S. and Finnish regulations.

2) Includes market value of derivatives related to investments if applicable. The subsidiaries and the partner-owned investments within Patricia Industries are reported according to the acquisition method and equity method respectively.

3) Valued according to the class of share held by Investor, with the exception of Saab and Electrolux, for which the most actively traded class of share is used.

4) Including management costs, of which Listed Core Investments SEK 100 million., Patricia Industries SEK 225 million., EQT SEK 9 million. and Groupwide SEK 121 million.

5) As supplementary information, major wholly-owned subsidiaries and partner-owned investments within Patricia Industries are presented at estimated market values.

6) Presented at invested amount as the portfolio company was acquired less than eighteen months ago.

7) Including paid dividend of SEK 8,411 million.

Listed Core Investments

Atlas Copco

Atlas Copco is a world-leading provider of sustainable productivity solutions. The group serves customers with innovative compressors, vacuum solutions and air treatment systems, construction and mining equipment, power tools and assembly systems. Atlas Copco develops products and services focused on productivity, energy efficiency, safety and ergonomics. The company has proposed a split of the group into one company focused on industrial customers, Atlas Copco, and one focused on mining and infrastructure customers, Epiroc. Provided that shareholders approve at the Annual General Meeting on 24 April 2018, the new group will be listed on the stock market as a stand-alone company during the second quarter of 2018. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 180 countries.

Investor's holding in Atlas Copco as at 31 December 2017 constituted 16.9 per cent. of the share capital carrying 22.3 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 72,877 million.

SEB

SEB is a leading Nordic financial services group. In Sweden and the Baltic countries, SEB offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. At 31 December 2017, the group's total assets amounted to SEK 2,560 billion while its assets under management totalled SEK 1,830 billion. The group has around 15,000 employees.

Investor's holding in SEB as at 31 December 2017 consisted of 20.8 per cent. of the share capital carrying 20.8 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 43,705 million.

ABB

ABB is a technology leader in electrification products, robotics and motion, industrial automation and power grids, serving customers in utilities, industry and transport & infrastructure globally. ABB operates in more than 100 countries with about 136,000 employees.

Investor's holding in ABB as at 31 December 2017 constituted 10.7 per cent. of the share capital carrying 10.7 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 50,891 million.

AstraZeneca

AstraZeneca is a global, science-led biopharmaceutical company that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of diseases in three main therapy areas - Oncology, Cardiovascular & Metabolic Diseases and Respiratory. The company also is selectively active in the areas of Autoimmunity, Neuroscience and Infection. AstraZeneca operates in over 100 countries and its medicines are used by millions of patients worldwide.

Investor's holding in AstraZeneca as at 31 December 2017 constituted 4.1 per cent. of the share capital carrying 4.1 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 29,302 million.

Sobi

Sobi is an international specialty healthcare company dedicated to rare diseases. The product portfolio is primarily focused on Haemophilia, Inflammation and Genetic diseases. Sobi also markets a portfolio of specialty and rare disease products across Europe, the Middle East, North Africa and Russia for partner companies. In 2017 Sobi had total revenues of SEK 6.5 billion and about 850 employees.

Investor's holding in Sobi as at 31 December 2017 consisted of 39.5 per cent. of the share capital carrying 39.5 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017 was SEK 12,051 million.

Ericsson

Ericsson is a leader in communications technology and services with headquarters in Stockholm, Sweden. Its organization consists of more than 100,000 employees who serve customers in 180 countries. Net sales in 2017 were SEK 201.3 billion.

Investor's holding in Ericsson as at 31 December 2017 constituted 6.6 per cent. of the share capital carrying 22.2 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 11,737 million.

Wärtsilä

Wärtsilä is a leader in advanced technologies and complete lifecycle solutions for the marine and energy markets. In 2017, Wärtsilä's net sales totalled EUR 4.9 billion with approximately 18,000 employees. The company has operations in over 200 locations in more than 70 countries around the world.

Investor's holding in Wärtsilä as at 31 December 2017 constituted 17.7 per cent. of the share capital carrying 17.7 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 18,013 million.

Electrolux

Electrolux is a global leader in home appliances and appliances for professional use. The products include refrigerators, ovens, cookers, hobs, dishwashers, washing machines, vacuum cleaners, air conditioners and small domestic appliances. In 2017 Electrolux had sales of SEK 122 billion and around 55,000 employees.

Investor's holding in Electrolux as at 31 December 2017, constituted 15.5 per cent. of the share capital carrying 30.0 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 12,613 million.

Nasdaq

Nasdaq is a leading provider of trading, clearing, exchange technology, listing, information and public company services across six continents. As the creator of the world's first electronic stock market, Nasdaq's technology powers more than 85 marketplaces in 50 countries, and 1 in 10 of the world's securities transactions. Nasdaq is home to approximately 3,900 listed companies with a market value of $13 trillion and approximately 18,000 corporate clients.

Investor's holding in Nasdaq as at 31 December 2017 constituted 11.7 per cent. of the share capital carrying 11.7 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 12,268 million.

Saab AB

Saab serves the global market with products, services and solutions within military defence and civil security. Saab has operations and employees on all continents around the world.

Investor's holding in Saab as at 31 December 2017 constituted 30.0 per cent. of the share capital carrying 39.5 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 13,033 million.

Husqvarna

Husqvarna Group is a leading producer of outdoor power products for garden, park and forest care. Products include chainsaws, trimmers, robotic lawn mowers and ride-on lawn mowers. The group also offers garden watering products as well as cutting equipment and diamond tools for the construction and stone industries. The group's products and solutions are sold under brands including Husqvarna, Gardena, McCulloch, Poulan Pro, Weed Eater, Flymo, Zenoah, Diamant Boart, Jonsered and Klippo via dealers and retailers to consumers and professionals in more than 100 countries. Net sales in 2017 amounted to SEK 39 billion and the group has approximately 13,000 employees in 40 countries.

Investor's holding in Husqvarna as at 31 December 2017 constituted 16.8 per cent. of the share capital carrying 33.0 per cent. of the voting rights. The reported value of Investor's holding as at 31 December 2017 was SEK 7,542 million.

Patricia Industries

Patricia Industries consists of Investor's operating subsidiaries and Financial Investments. Mölnlycke, Laborie, Aleris, Permobil, BraunAbility, The Grand Group and Vectura are Investor's subsidiaries, in which Investor has a major strategic influence. Patricia Industries' Financial Investments consists of investments in which the investment horizon has not yet been defined. Such holdings include NS Focus, Madrague, Mindjet and Newron. The objective for Financial Investments is to maximize the value and use realized proceeds for investments in existing and new subsidiaries. Investor is also evaluating if some holdings could become long-term investments.

The combined reported value of Patricia Industries amounted to approximately SEK 48,614 million, excluding gross cash of SEK 19,368 million, as at 31 December 2017.

Mölnlycke

Mölnlycke is a medical products and solutions company that equips professionals in the healthcare industry. It designs and supplies products and solutions for use in wound treatment, pressure ulcer and infection prevention and surgery. Its products and solutions provide value for money supported by clinical and health economic evidence. Mölnlycke employs around 7,500 people. The company headquarters are in Gothenburg, Sweden and it operates in 100 countries worldwide.

Investor's holding in Mölnlycke as at 31 December 2017 consisted of 99.0 per cent. of the share capital carrying 99.0 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 19,681 million.

Laborie

Laborie is a manufacturer and supplier of pelvic health and gastrointestinal equipment and consumables to patients worldwide.

Investor's holding in Laborie as at 31 December 2017 consisted of 97.0 per cent. of the share capital carrying 97.0 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 4,492 million.

Aleris

Aleris is a provider of healthcare and care in the Nordic region. Aleris provides services on behalf of municipalities, county councils and insurance companies within four different areas; healthcare, diagnostics, senior care and mental health.

Investor's holding in Aleris as at 31 December 2017 consisted of 100 per cent. of the share capital carrying 100 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 3,008 million.

Permobil

Permobil is a manufacturer of advanced powered wheelchairs. For over 50 years, Permobil has been a leader in the complex rehabilitation power wheelchairs industry.

Investor's holding in Permobil as at 31 December 2017 consisted of 94.0 per cent. of the share capital carrying 90.0 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 4,402 million.

BraunAbility

BraunAbility is a leading manufacturer of wheelchair accessible vehicles and wheelchair lifts for both personal use and commercial applications.

Investor's holding in BraunAbility as at 31 December 2017 consisted of 95 per cent. of the share capital carrying 95 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 2,921 million.

Vectura

Vectura develops and manages real estate, including the Grand Hôtel and Aleris-related properties. The company enables its customers to focus on its core business in well-adapted facilities, within care, hotels and offices.

Investor's holding in Vectura as at 31 December 2017 consisted of 100 per cent. of the share capital carrying 100 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 2,552 million.

The Grand Group

The Grand Group consists of Grand Hôtel, Scandinavia's leading five-star hotel and Lydmar Hotel.

Investor's holding in The Grand Group as at 31 December 2017 consisted of 100 per cent. of the share capital carrying 100 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 197 million.

3 Scandinavia

An operator providing mobile voice and broadband services in Sweden and Denmark. The company has approximately 3.3 million subscribers.

Investor's holding in 3 Scandinavia as at 31 December 2017 consisted of 40 per cent. of the share capital carrying 40 per cent. of the voting rights. The reported value of Investor's holding, as at 31 December 2017, was SEK 4,197 million.

EQT

EQT is a leading alternative investments firm with approximately EUR 49 billion in raised capital across 26 funds. EQT funds have portfolio companies in Europe, Asia and the US with total sales of more than EUR 19 billion and approximately 110,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.

The combined reported value of Investor's investments in EQT amounted to SEK 16,165 million as at 31 December 2017.

Financial information as at 31 December 2017

Net asset value amounted to SEK 336,262 million (SEK 440 per share) on 31 December, 2017. The change in net asset value, with dividend added back, was 15 per cent. during 2017. Over the past 20 years, annual average net asset value growth, with dividend added back, has been 9.4 per cent. The corresponding total return of the Stockholm Stock Exchange (SIXRX) was 9.4 per cent.

The consolidated net profit for 2017, which includes unrealized change in value, was SEK 44,298 million (SEK 57,96 basic earnings per share), compared to SEK 33,665 million (SEK 44,09 basic earnings per share) for 2016.

Listed Core Investments contributed SEK 42,636 million to net asset value (30,936), Patricia Industries contributed SEK 766 million to net asset value (4,438) and EQT contributed SEK 3,144 million to net asset value (1,986) on 31 December, 2017.

Investor's net debt position was SEK 12,224 million as of 31 December 2017.

Leverage (net debt/total assets) was 3.5 per cent. as of 31 December, 2017 (5.3) and the consolidated net sales for the year was SEK 34,381 million (31,742).

The total shareholder return on Investor shares amounted to 13 per cent. during 2017.

Recent Performance and Developments

On 8 January 2018, Investor announced changes in its Management Group. Stefan Stern will leave Investor to assume advisory assignments. His last day of employment is 30 June 2018.

On 23 January 2018, Investor's Board of Directors proposed that Investor's dividend should be paid out in two instalments to better reflect Investor's cash flow profile, as several of its portfolio companies pay dividends biannually.

On 12 March 2018, Investor announced Patricia Industries' acquisition of Sarnova Holdings, Inc., the leading U.S. specialty distributor of healthcare products in the emergency preparedness and acute care markets. The enterprise value amounts to USD 903 million For the 12-month period ending in December 2017, sales amounted to USD 555 million and the EBITDA margin was approximately 12 per cent. Since 2012, annual sales growth, most of which has been organic, has averaged 6 per cent. EBITDA growth and cash conversion have been strong over the same period. Patricia Industries will inject approximately USD 500 million in equity for majority ownership of the company. The remainder of the acquisition will be financed by external debt and equity participation by Water Street, Mr. Walter (founder and current part-owner of Sarnova), the board, management and other key individuals. The acquisition was closed on 4 April 2018.

Board of Directors of Investor

Jacob Wallenberg	Chairman since 2005, Vice Chairman since 1999, elected 1998, born 1956	Vice Chair of ABB, Ericsson, FAM, Patricia Industries, SAS AB. Director of The Knut and Alice Wallenberg Foundation, Tsinghua School of Economic Advisory board, Steering Committee of The European Round Table of Industrialists (ERT). Member of IBLAC (Mayor of Shanghai's International Business Leaders Advisory Council), The European Round Table of Industrialists (ERT), The Royal Swedish Academy of Engineering Sciences (IVA).
Josef Ackermann	Elected 2012, born 1948	Honorary Chair of St. Gallen Foundation for International Studies. Chair: Bank of Cyprus. Director: Renova Management. Director International Advisory Board: Akbank.
Gunnar Brock	Elected 2009, born 1950	Chair of Mölnlycke AB, Stena, Director of Patricia Industries, Stockholm School of Economics, Syngenta, Member of The Royal Swedish Academy of Engineering Sciences (IVA).
Johan Forssell	Elected 2015, born 1971	Director of Atlas Copco, Epiroc, Patricia Industries, EQT AB, Stockholm School of Economics, Wärtsilä. Member of the Royal Swedish Academy of Engineering Sciences (IVA).
Magdalena Gerger	Elected 2014, born 1964	President and Chief Executive Officer of Systembolaget. Director of Ahlsell, The Royal Swedish Academy of Engineering Science (IVA). Member of the Research Institute of Industrial Economics (IFN).
Tom Johnstone, CBE	Elected 2010, born 1955	Chair of Combient. Husqvarna. Vice chair of Wärtsilä. Director of Volvo Cars. Member of the Royal Swedish Academy of Engineering Sciences (IVA).
Grace Reksten Skaugen	Elected 2006, born 1953	Founder and Chair of Norwegian Institute of Directors. Deputy Chair of Orkla. Director of Lundin Petroleum, Euronav.
Hans Stråberg	Elected 2011, born 1957	Chair of Atlas Copco, CTEK, Nikkarit, Orchid, Roxtec. Vice Chair of Orchid Orthopedics, Stora Enso. Director of Hedson, Mellbygård, N Holding, The Royal Swedish Academy of Engineering Sciences (IVA).
Lena Treschow Torell	Elected 2007, born 1946	Chair of Chalmers University of Technology, The Swedish Postcode Foundation.

		International Advisory Board: Sustainable Development Solutions Network Member of the Royal Swedish Academy of Engineering Sciences (IVA).
Marcus Wallenberg	Vice Chairman since 2015 Elected 2012, born 1956	Chair of FAM, Saab, Patricia Industries, SEB. Vice Chair of the Knut and Alice Wallenberg Foundation, Director of AstraZeneca, Temasek Holding. Member of the Royal Swedish Academy of Engineering Sciences (IVA).
Sara Öhrvall	Elected 2015, born 1971	Co-Founder and Senior Advisor, MindMill Network. Director of Bonnier News, Bonnier Books, Bisnode, SEB. Member of the Nobel Museum, Umeå University, Vinnova.

The business address of all of the Directors is the registered office of the Issuer.

Management Group

Johan Forssell[(1)]	President and Chief Executive Officer. Employed at Investor since 1995, born 1971.
Helena Saxon[(1)]	Managing Director, Chief Financial Officer. Employed at Investor since 1997, born 1970.
Daniel Nodhäll[(1)]	Managing Director, Head of Listed Core Investments. Employed at Investor since 2002, born 1978.
Petra Hedengran [(1)]	General Counsel, Head of Corporate Governance and responsible for investments in EQT funds. Employed at Investor since 2007, born 1964.
Stefan Stern[(1)(2)]	Head of Corporate Relations, Sustainability and Communications. Employed at Investor since 2013, born 1970.

Extended Management Group

Investor's Extended Management Group consists of the Management Group and three additional members; Jessica Häggström, Head of Human Resources and the Co-Heads of Patricia Industries, Christian Cederholm and Noah Walley.

Jessica Häggström[(1)]	Head of Human Resources. Employed at Investor since 2017, born 1969.

Christian Cederholm[1]	Co-head Patricia Industries. Employed at Investor since 2001, born 1978.
Noah Walley[1]	Co-head Patricia Industries. Employed at Investor since 2003, born 1963.

Note:

(1) Business address:
Investor AB, Arsenalsgatan 8C, 103 32 Stockholm, the Kingdom of Sweden
Telephone +46 8 6142000
Telefax +46 8 6142150

(2) On 8 January 2018, Investor announced that Stefan Stern will leave Investor. His last day of employment is 30 June 2018.

None of the directors of Investor or the members of its Management Group or Extended Management Group have any conflict or potential conflict of interests between their duties to Investor and their private interests or other duties.

TAXATION

Swedish Taxation

The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. The summary does not address, inter alia, situations where Notes are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. Further, the summary does not address credit of foreign taxes. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of the Notes in their particular circumstances.

Holders not tax resident in the Kingdom of Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to the holder of any Notes should not be subject to Swedish income tax, *provided that* such a holder (i) is not resident in the Kingdom of Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in the Kingdom of Sweden to which the Notes are effectively connected.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other return on Notes) to a private individual (or an estate of a deceased individual) who is resident in the Kingdom of Sweden for Swedish tax purposes (see "Holders tax resident in the Kingdom of Sweden", below).

Holders tax resident in the Kingdom of Sweden

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in the Kingdom of Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example, life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on the Notes and to any currency exchange gains or losses.

If amounts that are deemed interest for Swedish tax purposes are paid by a legal entity domiciled in the Kingdom of Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in the Kingdom of Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other return on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

Luxembourg

The description which follows is of a general nature. It is based on the laws presently in force in Luxembourg, though it is not intended to, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Under Luxembourg general tax laws currently in force and subject to the exception below, there is no withholding tax on payments of principal, premium or interest, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated Programme Agreement dated 2 May 2018 (the "**Programme Agreement**"), between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to issue Notes directly on its own behalf to Dealers that are not Permanent Dealers and who agree to be bound by the restrictions below. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

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, US 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.

Notes in bearer form having a maturity of more than one year are subject to US 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 US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Dealer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each Dealer to which it sells 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, US persons. Unless otherwise defined herein, terms used in this paragraph have the meanings given to them in 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 that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to European Economic Area Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell

or otherwise make available any Notes which are the subject of the offering contemplated in this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is (one or more) of the following:
    i. a retail client as defined in point (11) of Article 4(1) of MiFID II; or
    ii. a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
    iii. not a qualified investor as defined in the Prospectus Directive; and
(b) the expression offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Kingdom of Sweden

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

United Kingdom

Each Dealer has represented, warranted and agreed that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for the re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with

the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms therefore in all cases at its own expense.

FORM OF FINAL TERMS

MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended, to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). No key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

Investor AB (publ)
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €5,000,000,000 Debt Issuance Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Prospectus dated [Date] [and the Prospectus supplement dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the Prospectus supplement] has been published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") contained in the Trust Deed dated [[3 November 2005/16 November 2006//20 November 2008/15 December 2009/15 December 2010/15 December 2011/3 June 2013]] and set forth in the Prospectus dated [[3 November 2005/16 November 2006/20 November 2008/15 December 2009/15 December 2010/15 December 2011/3 June 2013/16 May 2014]] and incorporated by

reference into the Prospectus dated [Date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus dated [Date] [and the Prospectus supplement dated [●]], which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Article 5.4 of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [Date] [and the Prospectuses supplement dated [●] and [●]]. The Prospectuses [and the supplements to the Prospectuses] have been published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).]

1	[(i)] Series Number:	[●]
	[(ii) Tranche Number:	[●]
	[(iii) Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert amount, interest rate, maturity date and issue date of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [*insert date*]]].]
2	Specified Currency or Currencies:	[●]
3	Aggregate Nominal Amount of Notes admitted to trading:	[●]
	[(i)] Series:	[●]
	[(ii) Tranche:	[●]]
4	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
5	(i) Specified Denominations:	[●]
	(ii) Calculation Amount:	[●]
6	[i] Issue Date:	[●]
	[ii] Interest Commencement Date:	[●]
7	Maturity Date:	[●] *Interest Payment Date falling in or nearest to* [●]
8	Interest Basis:	[[●]% Fixed Rate] [[*LIBOR/EURIBOR*] +/ [●]% Floating Rate] [Zero Coupon] (further particulars specified below)
9	Redemption/Payment Basis:	Subject to any purchase, cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their Nominal Amount
10	Change of Interest or Redemption/Payment Basis:	[For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph

		14/15 applies and for the period from (and including) date, up to (and including) the Maturity Date, paragraph 14/15 applies]/[Not applicable]
11	Put/Call Options:	[Investor Put] [Issuer Call] [Make-whole Redemption Option] [(further particulars specified below)]
12	[Date [Board] approval for issuance of Notes obtained	[●] [and [●], respectively]]
13	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Note Provisions**	[Applicable/Not Applicable]
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
	(ii) Interest Payment Date(s):	[●] in each year
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[[Actual/365] [Actual/Actual - ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [Actual/Actual - ICMA][360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]]
	(vi) Determination Dates:	[●] in each year
15	Floating Rate Note Provisions	[Applicable/Not Applicable]
	(i) Interest Period(s)	[●]
	(ii) Specified Interest Payment Dates:	[●]
	(iii) Interest Period Date:	[●] *(Not applicable unless different from Interest Payment Date)*
	(iv) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
	(v) Business Centre(s):	[●]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the calculation Agent):	[●]

(viii) Screen Rate Determination:

– Reference Rate:	[LIBOR/EURIBOR]
– Interest Determination Date(s):	[Second London business day prior to the start of each Interest Accrual Period] [First day of each Interest Accrual Period] [Second day on where the TARGET 2 system is open prior to the start of each Interest Accrual Period] [[●] business day[s] prior to the start of each Interest Accrual Period]
– Relevant Screen Page:	[●]

(ix) ISDA Determination:

– Floating Rate Option:	[●]
– Designated Maturity:	[●]
– Reset Date:	[●]

(x) Margin(s)	[+/-][●]% per annum
(xi) Minimum Rate of Interest:	[●]% per annum
(xii) Maximum Rate of Interest:	[●]% per annum
(xiii) Day Count Fraction:	[[Actual/365] [Actual/Actual - ISDA] [Actual 365 (Fixed)] [Actual/360] [30/360] [Actual/Actual - ICMA][360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]]
16 **Zero Coupon Note Provisions**	[Applicable/Not Applicable]
(i) Amortisation Yield:	[●] per cent. per annum

PROVISIONS RELATING TO REDEMPTION

17 **Call Option**	[Applicable/Not Applicable]
(i) Optional Redemption Date(s)	[●]
(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[●] per Calculation Amount
(b) Maximum Redemption Amount:	[●] per Calculation Amount
(iv) Notice period:	[●]
18 **Make-whole Redemption Option**	[Applicable/Not Applicable]
(i) Reference Bond:	[●]
(ii) Quotation Time:	[●]
(iii) Redemption Margin:	[[●] per cent./None]
(iv) Determination Date:	[●]
(v) If redeemable in part:	
(a) Minimum Redemption Amount:	[●] per Calculation Amount
(b) Maximum Redemption Amount:	[●] per Calculation Amount
(vi) Notice period:	[●]
19 **Put Option**	[Applicable/Not Applicable]

	(i)	Optional Redemption Date(s)	[●]
	(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii)	Notice period:	[●]
20	**Final Redemption Amount of each Note**		[●] per Calculation Amount
21	**Early Redemption Amount**		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on Event of Default or other early redemption :		[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22	Form of Notes	[Bearer Notes:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [In relation to any Notes issued with a denomination of EUR 100,000 (or equivalent) and integral multiples of EUR 1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. Furthermore, such Specified Denomination construction is not permitted in relation to any issue by a Temporary Global Note exchangeable for Definitive Notes] [Registered Notes]
23	New Global Note:	[Yes] [No]
24	Financial Centre(s):	[*Not Applicable/*[●]].
25	U.S. Selling Restrictions	[Reg S compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]

THIRD PARTY INFORMATION

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: …….
Duly authorised

PART B — OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

(i) Listing	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange with effect from [●]./ None]
(ii) Admission to trading	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [●].] [Not Applicable.]
(iii) Estimate of total expenses related to admission to trading:	[●]

2 RATINGS

Ratings: [The Notes to be issued [have been/are expected to be] rated:

[S&P: [•]]

[Moody's: [•]]

[[Other]: [•]]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Insert one (or more) of the following options, as applicable:

[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").

[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the "CRA Regulation"), although notification of the registration decision has not yet been provided.

[*Insert legal name of particular credit rating agency entity(ies) providing rating*] [is/are] not established in the EU and [is/are] not certified under Regulation (EC) No 1060/2009 (the "**CRA Regulation**") and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

["So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

4 Fixed Rate Notes only — YIELD

Indication of yield: [●]

5 **OPERATIONAL INFORMATION**

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

6 **DISTRIBUTION**

(i) If syndicated, names of Managers:	[Not Applicable/[●]]
(ii) Stabilising Manager(s) (if any):	[Not Applicable/[●]]
(iii) If non-syndicated, name of Dealer:	[Not Applicable/[●]]

GENERAL INFORMATION

1. Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and admitted to trading on the Market. The Market is a regulated market for the purposes of the directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. Each Tranche of Notes will be listed separately, subject only to the issue of a Temporary or Permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing, however, dealings will be permitted by the Luxembourg Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.

2. The Issuer has obtained all necessary consents, approvals and authorisations in the Kingdom of Sweden in connection with the issue and performance of the Notes. The issue of the Notes under the Programme was authorised by a resolution of the Board of Directors passed on 11 November 1997 and the update of the Programme and the issue of Notes was further authorised by additional resolutions of the Board of Directors passed on 8 November 2000 and 11 October 2006.

3. There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 March 2018 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2017.

4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Group or of the Issuer.

5. Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitation provided in Section 165(j) and 1287(a) of the Internal Revenue Code".

6. LEI number of Investor AB: 549300VEBQPHRZBKUX38

7. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

8. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

9. From the date of this Prospectus and for so long as any Notes are outstanding under the Programme, the following documents (together with English translations where applicable) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the offices of the Issuer and the Issuing and Paying Agent:

   (i) the Amended and Restated Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);

   (ii) the Amended and Restated Agency Agreement;

   (iii) the Certificate of Registration and Articles of Association of the Issuer;

(iv) the published annual report and audited consolidated accounts of the Issuer for the years ended 31 December 2017 and 31 December 2016 and the most recent published interim accounts;

(v) each Final Terms for Notes that are listed on the Official List and admitted to trading on the Market for listed securities or any other stock exchange; and

(vi) a copy of the Prospectus or any further Prospectus or supplement to the Prospectus.

This Prospectus and all documents incorporated by reference herein may be obtained from the website of the Luxembourg Stock Exchange at www.bourse.lu.

10. Copies of the latest annual report and consolidated accounts of the Issuer and the latest interim consolidated accounts of the Issuer may be obtained, and copies of the Trust Deed will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

11. Deloitte AB (authorised and regulated by the Supervisory Board of Public Accountants — *Revisorsnämnden*) has audited, and rendered unqualified audit reports on, the consolidated accounts of the Issuer for the years ended 31 December 2015, 31 December 2016 and 31 December 2017.

12. The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions.

13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

14. Where information has been sourced from a third party, that information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

REGISTERED OFFICE OF THE ISSUER

Investor AB (publ)
Arsenalsgatan 8C
S-103 32 Stockholm
Tel: +46 8 614 20 00

ARRANGER

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

DEALERS

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
106 40 Stockholm

LEGAL ADVISERS

To the Issuer
Advokatfirman Vinge KB
Smålandsgatan 20
S-111 87 Stockholm

To the Dealers and the Trustee
Linklaters LLP
One Silk Street
London EC2Y 8HQ

TRUSTEE

Citigroup Trustee Company Limited
Citigroup Centre
Canada Square
London E14 5LB

ISSUING AND PAYING AGENT, REGISTRAR, TRANSFER AGENT AND CALCULATION AGENT

Citibank, N.A. London Branch
Citigroup Centre
Canada Square
London E14 5LB

LUXEMBOURG LISTING AGENT

Banque Internationale à Luxembourg SA
69, route d'Esch
L-2953 Luxembourg

AUDITORS

Deloitte AB
Rehnsgatan 11
113 57 Stockholm