



Borregaard

Prospectus

Securities Note

for

FRN Borregaard ASA Open Bond Issue 2014/2019

Sarpsborg, 1 April 2014

Joint Lead Managers:



Important information*

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. The Norwegian FSA has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Securities Note. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Securities Note.

New information that is significant for the Borrower, the Guarantor or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the Loan. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower, the Guarantor or its subsidiaries may not have been changed.

Only the Borrower and the Joint Lead Managers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Approval of the Securities Note by the Norwegian FSA implies that the Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Joint Lead Managers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The Securities Note together with the Registration Document constitutes the Prospectus.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Borrower or the Joint Lead Managers to receive copies of the Securities Note.

Factors which are material for the purpose of assessing the market risks associated with Bond:

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds 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 Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document 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 Bonds and the impact the Bonds 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 Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and

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.

*The capitalised words in the section "Important Information" are defined in Chapter 3: "Detailed information about the securities".

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1 Risk Factors

Investing in bonds issued by Borregaard ASA involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those set out in the Registration Document, before making an investment decision. The risks and uncertainties described in the Prospectus, including those set out in the Registration Document, are risks of which Borregaard ASA is aware and that Borregaard ASA considers to be material to its business. If any of these risks were to occur, Borregaard ASA's business, financial position, operating results or cash flows could be materially adversely affected, and Borregaard ASA could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should also read the detailed information set out in the Registration Document dated 1 April 2014 and reach their own views prior to making any investment decision.

Risk related to the market in general

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are four main risk factors that sum up the investors' total risk exposure when investing in interest bearing securities: liquidity risk, interest rate risk, settlement risk and market risk (both in general and issuer specific).

Liquidity risk is the risk that a party interested in trading bonds cannot do it because nobody in the market wants to trade the bonds. Missing demand for the bonds may result in a loss for the bondholder.

Interest rate risk is the risk that results from the variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 5 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

Settlement risk is the risk that the settlement of bonds does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds.

Market risk is the risk that the value of the bonds will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuer's business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to bonds with a longer tenor and/or with a fixed coupon rate.

No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants' view of the credit quality of the Issuer as well as established and available credit lines.

Risk related to Bonds in general ***Modification and Waiver***

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

The conditions of the Bonds also provide that the Bond Trustee may:

Except as provided for in Bond Agreement clause 17.1.5, reach decisions binding for all Bondholders concerning the Bond Agreement, including amendments to the Bond Agreement and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not have a Material Adverse Effect on the rights or interests of the Bondholders pursuant to the Bond Agreement.

Except as provided for in the Bond Agreement clause 17.1.5, reach decisions binding for all Bondholders in circumstances other than those mentioned in the Bond Agreement clause 17.1.3 provided prior notification has been made to the Bondholders. The Bond Trustee may not reach a decision binding for all Bondholders

in the event that any Bondholder submits a written protest against the proposal within a deadline set forth in the Bondholder notification.

not reach decisions pursuant to the Bond Agreement clauses 17.1.3 or 17.1.4 for matters set forth in the Bond Agreement clause 16.3.5 except to rectify obvious incorrectness, vagueness or incompleteness.

not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.

2 Persons Responsible

2.1 Persons responsible for the information

Persons responsible for the information given in the Securities Note are:
Borregaard ASA, P.O. Box 162, N-1701 Sarpsborg, Norway

2.2 Declaration by persons responsible

Responsibility statement:

Borregaard ASA confirms, taken all reasonable care to ensure that such is the case, that the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Sarpsborg, 1 April 2014

Borregaard ASA

3 Detailed information about the securities

ISIN code:	NO 0010704117
The Loan/The Reference Name/The Bonds:	"FRN Borregaard ASA Open Bond Issue 2014/2019".
Borrower/Issuer:	Borregaard ASA, registered in the Norwegian Companies Registry with registration number 998 753 562.
Group:	Means the Issuer and its Subsidiaries, and a "Group Company" means the Issuer or any of its Subsidiaries.
Security Type:	Bond issue with floating rate.
Borrowing Limit – Tap Issue:	NOK 600,000,000
Borrowing Amount/First Tranche:	NOK 400,000,000
Denomination – Each Bond:	NOK 1,000,000 - each and ranking pari passu among themselves
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	26 February 2014.
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	26 February 2019.
Reference Rate:	NIBOR 3 months, rounded to the nearest hundredth of a percentage point.
Margin:	0.95 % p.a.
Coupon Rate:	Reference Rate + Margin, equal to 2.65 % p.a. for the interest period ending on 26 May 2014.
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	If the relevant Interest Payment Date falls on a day that is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (<i>Modified Following Business Day Convention</i>).
Interest Rate Determination Date:	24 February 2014, and thereafter two Business Days prior to each Interest Payment Day.
Interest Rate Adjustment Date:	With effect from Interest Payment Date.
Interest Payment Date:	Each 26 February, 26 May, 26 August and 26 November in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention. The first Interest Payment Date being 26 May 2014.
#Days first term:	89 days.
Issue Price:	100 % (par value).
Yield:	Dependent on the market price. On 28 March 2014 the yield is indicated to 2,67 % p.a.

Business Day:	Any day on which Norwegian banks are open for general business, and when Norwegian banks can settle foreign currency transactions and the Norwegian Central Bank's Settlement System is open.
Put/Call options:	<p><i>Change of control</i></p> <p>Upon the occurrence of a Change of Control Event and/ or a De-listing Event occurs, each Bondholder shall have the right to require that the Issuer redeems its Bonds (a "Put Option") at a price of 101% of par plus accrued interest.</p> <p>The Put Option must be exercised within two months after the Issuer has given notification to the Bond Trustee of a Change of Control Event. Such notification shall be given as soon as possible after a Change of Control Event has taken place.</p> <p>The Put Option may be exercised by each Bondholder by giving written notice of the request to its account manager. The account manager shall notify the Paying Agent of the redemption request. The settlement date of the Put Option shall be the third Business Day after the end of the two month exercise period of the Put Option.</p> <p>On the settlement date of the Put Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, the principal amount of each such Bond (including any premium pursuant to Bond Agreement clause 11.2.1) and any unpaid interest accrued up to (but not including) the settlement date.</p>
Change of Control Event:	Means if and when any person or a group of persons acting in concert, directly or indirectly, acquires Decisive Influence over the Issuer or the Issuer ceases to own one hundred per cent (100%) of the shares in the Guarantor.
Decisive Influence:	<p>Means a person having, as a result of an agreement (whether formal or informal) or through the ownership of shares or interests in another person:</p> <p>(a) a majority of the voting rights in that other person; or</p> <p>(b) a right to elect or remove a majority of the members of the board of directors of that other person.</p> <p>When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.</p>
De-listing Event:	Means if the Issuer ceases to be publicly listed company on Oslo Børs.
Amortisation:	The bonds will run without installments and be repaid in full at Maturity Date at par.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Status of the Loan:	<p>The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds, including accrued but unpaid interest, costs and</p>

	expenses, shall be secured by the Security Interest.
Security Interest:	The Guarantee.
Guarantee:	An unconditional on-demand guarantee from the Guarantor securing the Issuer's obligations under the Bond Agreement and any other Finance Document, including interest, costs and expenses. See Bond Agreement clause 9 for further information.
Guarantor:	Borregaard AS, a limited liability company existing under the laws of Norway, with company registration number 895 623 032.
Finance Document:	Means (i) the Bond Agreement, (ii) the agreement between the Bond Trustee and the Issuer referred to in clause 15.2, and (iii) any other document (whether creating a Security or not) which is executed at any time by the Issuer or any other person in relation to any amount payable under the Bond Agreement.
Undertakings:	<p>During the term of the Loan the Issuer shall comply with the covenants in accordance with the Bond agreement clause 14.2, 14.3 and 14.4, including but not limited to:</p> <p>1. General covenants</p> <p>(a) Pari passu ranking The Issuer shall ensure that its obligations under the Bond Agreement and any other Finance Document shall at all time rank at least <i>pari passu</i> as set out in the Bond Agreement clause 8.1.</p> <p>(b) Mergers The Obligor shall not, and shall ensure that no other Material Subsidiary shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Obligor or any other Material Subsidiary with any other companies or entities if such transaction would have a Material Adverse Effect.</p> <p>(c) De-mergers The Obligor shall not, and shall ensure that no other Material Subsidiary shall, carry out any de-merger or other corporate reorganization involving a split of the Obligor or any other Material Subsidiary into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.</p> <p>(d) Continuation of business The Obligor shall not cease to carry on its business, and shall procure that no Material Subsidiary shall cease to carry on its business if such transaction would have Material Adverse Effect. The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of the Bond Agreement, and/or as set out in the Bond Agreement.</p> <p>(e) Disposal of business The Obligor shall not, and the Issuer shall procure that no other Material Subsidiary shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless: (i) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and (ii) such transaction would not have a Material Adverse Effect.</p> <p>(f) Arm's length transactions The Issuer shall not, and the Issuer shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms and for fair market value.</p> <p>(g) Corporate status The Issuer shall not change its type of organization or jurisdiction</p>

of incorporation.

(h) Compliance with laws

The Issuer shall, and shall ensure that all other Group Companies shall, carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time.

2. Special covenants

(a) Negative pledge

No Obligor shall (and the Issuer shall ensure that no other member of the Group will) create or permit to subsist any Security or Quasi-Security over any of its assets, except for Permitted Security or Permitted Quasi-Security.

(b) Material Subsidiaries and Guarantor

1. The Issuer shall procure that:
 - (i) the aggregate gross assets of the Guarantor and all the Material Subsidiaries (in each case on an unconsolidated basis) represents not less than eighty per cent. (80.00%) of the Total Consolidated Assets; and
 - (ii) the aggregate earnings before interest, tax, depreciation and amortization (calculated on the same basis as Consolidated EBITDA) of the Guarantor and all the Material Subsidiaries (in each case on an unconsolidated basis) represents not less than eighty per cent. (80.00%) of the Consolidated EBITDA.
2. If the financial statements being delivered by the Issuer pursuant to the information requirement by the Trustee (Financial statements) demonstrate that the requirements in paragraph a) and b) above are not met, the Issuer must nominate one or more Subsidiaries as being Material Subsidiaries for the purposes of the Bond Agreement.

Definitions:

Obligor means the Issuer and any Guarantor.

Material Subsidiary means at any time, a Subsidiary of the Issuer (other than the Guarantor):

- (a) which has gross assets representing five per cent. (5.00%) or more of the Total Consolidated Assets; or
- (b) which has earnings before interest, tax, depreciation and amortization (calculated on the same basis as Consolidated EBITDA) representing five per cent. (5.00%) or more of the Consolidated EBITDA,

being at the date of the Bond Agreement each company listed in Schedule A to the Bond Agreement (*Material Subsidiaries*). The Material Subsidiaries from time to time shall be determined by reference to the most recent Compliance Certificate (as defined in the Bond Agreement clause 14.2.2) supplied by the Issuer to the Trustee pursuant to clause 13.2.2 in the Bond Agreement and/or the latest audited annual financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated annual financial statements of the Group. However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated annual financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary.

If there is a dispute as to whether or not a member of the Group is a Material Subsidiary according to the above definition, a certificate of the auditors of the Issuer will, in the absence of manifest error, be conclusive and binding on the Parties.

Subsidiary means a company over which another company has Decisive Influence.

Material Adverse Effect means a material adverse effect on: (a) the business, financial condition or operations of the Obligor or the Group (taken as a whole), (b) the Obligor's ability to perform and comply with its obligations under any of the Finance Documents; or (c) the validity or enforceability of any of the Finance Documents.

Security means any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Quasi-Security means an agreement or transaction:

- (i) to sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
- (ii) to sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (iii) under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (iv) with preferential rights having a similar effect as states in (i) to (iv) above,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

Permitted Security / Permitted Quasi-Security means:

- (i) any Security or Quasi-Security listed in a Schedule (Existing Security), except to the extent the principal amount secured by that Security or Quasi-Security exceeds the amount stated in that Schedule;
- (ii) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (iii) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:
 - (A) hedging any risk to which any member of the Group is exposed in its ordinary course of trading; or
 - (B) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,

excluding, in each case, any Security or Quasi-Security under a credit support arrangement in relation to a hedging transaction;

(iv) any lien arising by operation of law and in the ordinary course of trading;

(v) any Security or Quasi-Security over or affecting any asset acquired by a member of the Group after the date of this Agreement if:

- (A) the Security or Quasi-Security was not created

- in contemplation of the acquisition of that asset by a member of the Group;
- (B) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and
- (C) the Security or Quasi-Security is removed or discharged within six (6) months of the date of acquisition of such asset;

(vi) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Group, if:

- (A) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;
- (B) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
- (C) the Security or Quasi-Security is removed or discharged within six (6) months of that company becoming a member of the Group;

(vii) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;

(viii) any Security or Quasi-Security arising in relation to any Joint Venture or any other stand-alone financings (in each case with no recourse to any member of the Group); and

(ix) any Security or Quasi-Security securing indebtedness, the principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security or Quasi-Security given by any member of the Group other than as permitted under subparagraphs (i) to (viii) above) does not exceed, in the aggregate, NOK 200,000,000 (or its currency equivalent).

Total Consolidated Assets means the amount of the Group's total consolidated assets as shown in the Issuer's latest Financial Statements (as defined in the Bond Agreement clause 1).

Consolidated EBITDA means, in relation to any Relevant Period, the consolidated earnings of the Group before any of the following items (and without double counting):

- a) **before deducting** any corporation Tax or other Tax on income or gains;
- b) **before** any financial items;
- c) **excluding** any non-cash profit and loss effects of purchase price adjustments related to any future business combination;
- d) **before deducting** all amortization;
- e) **before deducting** all depreciation; and
- f) **before deducting** any impairment charges.

Listing:

At Oslo Børs.

Listing will take place as soon as possible after the prospectus has been approved by the Norwegian FSA. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Securities Note. Financial supervision and approval relates solely to the Company has included

descriptions according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Securities Note.

Purpose:	The net proceeds of the Bonds shall be applied towards the general corporate purposes of the Group.
NIBOR:	The rate for an interest period will be the rate for deposits in Norwegian Kroner for a period as defined under Reference Rate which appears on the Oslo Børs' webpage at approximately 12.15 Oslo time, on the day that is two Business Days preceding that Interest Payment Date. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the Reference Rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate as the initial Reference Rate shall be used. If this is not possible, the Bond Trustee shall calculate the Reference Rate based on comparable quotes from major banks in Oslo.
Approvals:	<p>The Bonds were issued in accordance with the approval of the Issuer's Board of Directors dated 4 February 2014.</p> <p>The prospectus will be sent to the Norwegian FSA and Oslo Børs ASA for control in relation to a listing application of the bonds.</p>
Bond Agreement:	<p>The Bond Agreement has been entered into by the Borrower and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement. When bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.</p> <p>The Bond Agreement is attached as Appendix 1 to this Securities Note. The Bond Agreement is also available through the Bond Trustee, the Joint Lead Managers or from the Borrower.</p>
Bondholders' meeting:	<p>At the Bondholders' meeting each Bondholder has one vote for each bond he owns.</p> <p>In order to form a quorum, at least half (1/2) of the aggregate principal amount of the Voting Bonds must be represented at the Bondholders' meeting. See also clause 17.4 in the Bond agreement.</p> <p>Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, except as set forth below.</p> <p>In the following matters, approval of at least 2/3 of the votes is required:</p> <ul style="list-style-type: none">a) amendment of the terms of the Bond Agreement regarding the interest rate, the tenor, redemption price and other terms and conditions directly affecting the cash flow of the bonds;b) transfer of rights and obligations of the Bond Agreement to another issuer, orc) change of Bond Trustee. <p>(For more details, see also Bond agreement clause 17)</p>
Availability of the Documentation:	https://www.dnb.no/bedrift/markets/dcm/emisjon/2014.html

Bond Trustee:	<p>Norsk Tillitsmann ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.</p> <p>The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond agreement and applicable laws and regulations which are relevant to the terms of the Bond agreement, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' meetings, and make the decisions and implement the measures resolved pursuant to the Bond agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Bond agreement.</p> <p>(For more details, see also Bond agreement clause 17)</p>
Joint Lead Managers:	<p>DNB Markets, Dronning Eufemias gt. 30, N-0191 Oslo, Norway; SEB Merchant Banking, P.O.Box 1843 Vika, N-0123 Oslo, Norway;</p>
Paying Agent:	<p>DNB Bank ASA, Verdipapirservice, Dronning Eufemias gt. 30, N-0191 Oslo, Norway.</p> <p>The Paying Agent is in charge of keeping the records in the Securities Depository.</p>
Calculation Agent:	<p>The Bond Trustee.</p>
Securities Depository:	<p>The Securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is the Norwegian Central Securities Depository ("VPS"), P.O. Box 4, 0051 OSLO.</p>
Restrictions on the free transferability:	<p>Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act in a transaction on the Oslo Børs, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available). The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.</p>
Market-Making:	<p>There is no market-making agreement entered into in connection with the Bond Issue.</p>
Reuters:	<p>Financial information electronically transmitted by the news agency Reuters Norge AS.</p>
Estimate of total expenses related to the admission to trading:	<p>Prospectus fee (NFSA) Registration Document NOK 50,000 Prospectus fee (NFSA) Securities Note NOK 13,000 Listing fee 2014 (Oslo Børs): NOK 22,600 Registration fee (Oslo Børs): NOK 5,000 Compulsory notification in a newspaper (estimated): NOK 7,000</p>
Legislation under which the Securities have been created:	<p>Norwegian law.</p>

Fees and Expenses:

The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.

Prospectus:

The Registration Document dated 1 April 2014 and this Securities Note dated 1 April 2014.

4 Additional Information

The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.

The Issuer has mandated DNB Bank ASA and Skandinaviska Enskilda Banken AB (publ.) as Joint Lead Managers for the issuance of the Loan. The Joint Lead Managers have acted as advisors to the Issuer in relation to the pricing of the Loan.

Statement from the Joint Lead Managers:

DNB Bank ASA and Skandinaviska Enskilda Banken AB (publ.) have assisted the Borrower in preparing the prospectus. DNB Bank ASA and Skandinaviska Enskilda Banken AB (publ.) have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Borrower or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo (Norway), 1 April 2014

DNB Bank ASA

Skandinaviska Enskilda Banken AB (publ.)

Listing of the Loan:

The Prospectus will be published in Norway. An application for listing at Oslo Børs will be sent as soon as possible after the Issue Date. Each bond is negotiable.

5 Appendix 1: Bond agreement