Appendix 11 – Compensation Agreement

The terms and conditions set out in this Appendix do not apply to the Clearing House. The Clearing House is not liable for any damage resulting from the application or interpretation of, or the non-enforceability of, the terms and conditions herein.

Upon the earlier of (i) a notification to an Affected Party by the Clearing House that the request for Registration has been subject to Rejection or (ii) the expiry of the Rejection Period during which the Registration has not occurred (for whatever reason), and in each case unless otherwise agreed between the parties to the relevant trade, the Rejected Transaction shall be automatically terminated (the “Termination”). Following Termination, either party shall pay an amount to the other party to compensate for the cost of termination of the Rejected Transaction (the “Termination Amount”) calculated at or as soon as reasonably possible after Termination becomes effective either on the basis of a) the actual loss/gain from entering a replacement transaction or the loss/gain from terminating an associated hedge, or b) quotations for a replacement transaction (considering all relevant risks resulting from such replacement transaction and/or pertaining to the relevant counterparty thereto, and taking account of relevant market data in the relevant market, including without limitation rates, prices, yields and/or correlations and similar). The Termination Amount will be determined by (i) the Affected Party (in which case evidence to support how the Termination Amount has been calculated must be made available on request by the other party); or, if more than one, (ii) jointly by both Affected Parties (in each case acting in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result).

The Termination Amount shall be payable in SEK (at the exchange rate determined by (i) the Affected Party, or if more than one (ii) jointly by both Affected Parties, if the Rejected Transaction is wholly or partly denominated in another currency than SEK) two (2) business days following the day on which (i) the Affected Party has notified the Termination Amount to the other party or (ii) the Affected Parties have agreed to the calculation of the Termination Amount. If the paying party fails to pay such Termination Amount when due, it will pay interest on the overdue amount to the other party on demand for the period from and including the original due date for payment to (but excluding) the date of actual payment at the relevant STIBOR (as determined by the member) plus 2 per cent. The payment obligation of either party resulting from the calculation of the Termination Amount shall be governed by Swedish law and any disputes arising in relation thereto shall be subject to the jurisdiction of Swedish courts with the municipal court of Stockholm as the court of first instance.

In case of any dispute regarding calculations or determinations (each a “Calculation”) relating to the Termination Amount and which pertains to a Rejected Transaction to which both parties are Affected Parties, the Affected Parties shall first seek to resolve the dispute in good faith and in a commercially reasonable manner, failing which the parties shall promptly appoint an odd number of independent dealer(s) (who may not be an affiliate of either Affected Party) to review the disputed Calculation (the costs of which shall be equally borne by both Affected Parties). Any agreement amongst a majority of such independent dealers (or if only one, by the sole independent dealer) relating to any such disputed Calculation shall be deemed as the final Calculation and be binding on both Affected Parties.