

Förvaltaren – Green Bonds Framework

August 2014

EARMARKED ACCOUNT

An amount equal to the net proceeds of the issue of the Notes will be credited to a special account that will support Förvaltaren's lending for Eligible Projects. So long as the Notes are outstanding and the special account has a positive balance, at the end of every fiscal quarter, funds will be deducted from the special account and added to Förvaltaren's lending pool in an amount equal to all disbursements from that pool made during such quarter in respect of Eligible Projects. Until disbursement to Eligible Projects, the special account balance will be held in bank accounts and/or municipality and government assets.

ELIGIBLE PROJECTS

"Eligible Projects" means a selected pool of projects funded, in whole or in part, by Förvaltaren that promote the transition to low carbon and climate resilient growth and as determined by Förvaltaren.

Eligible Projects include projects that target mitigation of climate change, including investments in low-carbon and clean technologies, such as energy efficiency and renewable energy programs.

Eligible Projects include

- Certified new and refurbishment projects of residential and commercial properties with certification from:
 - Miljöbyggnad (minimum certification "silver"), or
 - LEED (minimum certification "gold"), or
 - BREEAM SE (minimum certification "very good")
- and
- 25% less energy usage than required by applicable codes and regulations

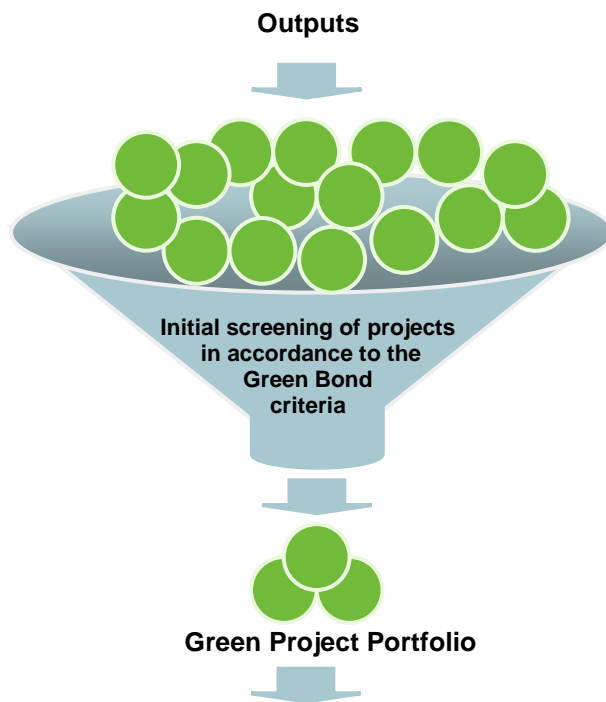
SELECTION OF ELIGIBLE PROJECTS

Eligible Projects are selected by the Treasury department together with the Project department. Förvaltaren aims to achieve Miljöbyggnad "silver" or higher in all major refurbishment projects and new construction. In addition, other environmental certifications may apply for instance if the Municipality of Sundbyberg or another party requires other or higher environmental standards. Decisions on which projects are to be certified are taken together by the Treasury, the Project department and the CEO. Proceeds from the Green bond will be used exclusively to projects that meet the certification criteria under "Eligible Projects".

TRANSPARENCY

To enable investors to follow the development and provide insight to prioritised areas, Förvaltaren will provide an annual investor letter to investors including 1) a list of projects financed 2) a selection of project examples and 3) a summary of Förvaltaren's Green Bond development. The investor letter will be made publically available on Förvaltaren's web page.

Green Bond Project Selection Process Flowchart



Guidelines:

1. EU Law
2. Miljöbalken Sweden
3. Förvaltaren's Environmental Policy
4. Förvaltaren's Business plan
5. Miljöbyggnad
6. LEED
7. BREEAM SE
8. ISO 14001

Selection according to the criteria by:

1. Green Bond framework defined projects
2. Project Department
3. Treasury Department