

Terms and Conditions, dated 19 August 2014



HMN Naturgas I/S

SEK 500,000,000
Floating Rate Notes due 22 August 2016
(the “Notes”)

Senior Notes

ISIN code: DK0030344619

Arranger: Nordea Bank Danmark A/S

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes;
- (b) 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;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (d) understand thoroughly the terms of the relevant Notes and the behaviour of any relevant indices and financial markets; and
- (e) 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.

Contents

Obligations and declarations	4
Description of the Notes	5
General terms and conditions	8
Additional information	11
Information about HMN Naturgas I/S	12

Obligations and declarations

These term and conditions comprise a detailed description for investors relating to the issue of the Notes described herein. As the Notes are covered by section 23 of the Danish Securities Trading Act, HMN Naturgas I/S is not obliged to publish a prospectus. These terms and conditions replace a prospectus. The Notes will be admitted for trading and listing on NASDAQ OMX Copenhagen A/S.

Issuer declaration We hereby declare that we have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in this information material is in accordance with the facts and contains no omissions likely to affect its import.

Søborg, 19 August 2014

HMN Naturgas I/S

Description of the Notes

Issuer	HMN Naturgas I/S CVR No 32 50 58 21 Gladsaxe Ringvej 11 2860 Søborg Denmark
Arranger	Nordea Bank Danmark A/S Christiansbro, Strandgade 3 DK-1401 Copenhagen K Denmark
Calculation Agent	Nordea Bank Danmark A/S.
Brief description of issue	<p>The Notes are issued on 22 August 2014 at an issue price of 100 per cent, and shall pay a floating interest rate of interest over the life of the Notes.</p> <p>The Notes shall be subject to quarterly Interest Periods and Interest Payment Dates.</p> <p>The Notes are denominated in Swedish kroner (“SEK”).</p> <p>The Interest Rate shall be determined on a quarterly basis as 3-month STIBOR (being the Reference Rate as defined below) plus a margin of 0.15 per cent.</p> <p>The Notes shall be redeemed at par on Maturity Date the 22 August 2016.</p> <p>Nordea Bank Danmark A/S, acting as arranger on behalf of the Issuer, has arranged for the Notes to be purchased by one or more qualified investors.</p>
Principal	The total aggregate principal amount of the Notes to be issued is SEK 500,000,000
Additional Issues	Additional Notes may be issued under the same ISIN code until 22 July 2016.
Issue Date	22 August 2014.
Maturity Date	The Notes mature for full redemption on the Interest Payment Date falling on, or nearest to, 22 August 2016.
Listing	The Notes have been accepted for trading and official listing on NASDAQ OMX Copenhagen A/S with effect from 22 August 2014.
Currency	The Notes are denominated in Swedish kroner (“SEK”).

Denomination and Registration	<p>The Notes are registered with the Danish CSD, VP SECURITIES A/S, Weidekampsgade 14, Postboks 4040, 2300 København S ("VP"), each in the denomination of SEK 1,000,000.</p> <p>The Notes are issued and registered in dematerialised, book-entry form with VP in accordance with VP's rules and regulations and relevant legislation in force from time to time.</p> <p>The Issuer and the Paying Agent shall, to the extent permitted under applicable regulations, including § 36.3 of the Danish Financial Supervisory Authority Executive Order no 819 of 26 June 2013 on Book-Entry etc. of Investment Securities with a Central Securities Depository as amended from time to time, have access on demand to static data and ownership of the Noteholders registered in the VP.</p>
Issue Price	The Notes are being offered at an issue price of 100 per cent.
Amortisation	Bullet loan.
Interest Rate	<p>Interest accrues on the Notes commencing from and including 22 August 2014 to, but excluding, 22 August 2016 with a floating interest rate.</p> <p>The interest rate shall be determined on the Interest Determination Dates as the Reference Rate plus a margin of 0.15 per cent ("Interest Rate").</p> <p>Interest ("Interest") shall be paid in arrears on each respective Interest Payment Date and shall be calculated on the basis of the number of actual calendar days in each Interest Period and a year of 360 days (Day Count Fraction being Actual/360, adjusted).</p>
Reference Rate	<p>The Reference Rate is 3-month STIBOR (Stockholm Interbank Offered Rate) being the rate of interest which, (i) at or about 11.00 a.m. CET on the relevant day is determined and published by NASDAQ OMX on its website (or through such other system or on such other website as replaces the aforementioned system or website) or, in the absence of such quotation, the rate of interest which (ii) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in SEK for the relevant period on the Stockholm interbank market as quoted by the Reference Banks (as defined below) or, where only one or no such quotation is given - (b) the Calculation Agents' determination of the rate of interest offered by Swedish commercial banks for loans in SEK for the relevant period on the Oslo interbank market.</p> <p>The Reference Banks shall be four major Swedish commercial banks, at the time in question reporting to STIBOR, selected by the Calculation Agent.</p>
Interest Payment Dates	The Interest shall be payable quarterly in arrears over the life of the note every 22 February, 22 May, 22 August and 22 November, the first scheduled Interest Payment Date being 22 November 2014 and the last scheduled

Interest Payment Date being 22 August 2016.

If the Interest Payment Date is not a Business Day, payment shall be postponed to the following Business Day, unless the following Business Day falls within the following month. In the latter case, the Interest Payment Date shall be deemed to be the last Business Day preceding the Interest Payment Date.

Interest Period	The period from and including the 22 August 2014 to, but excluding, 24 November 2014, being the First Interest Period, and subsequently, each period of approximately three months from and including an Interest Payment Date to, but excluding the subsequent Interest Payment Date.
Interest Determination Date	The Interest Rate shall be determined by the Calculation Agent two (2) Business Days before the beginning of each Interest Period, the first Interest Determination Date being two (2) Business Days before 22 August 2014, and the last Interest Determination Date being two (2) Business Days before 23 May 2016.
Payments	Payments of principal and interest in respect of the Notes will be made to the holders of the Notes shown in the records of the VP and will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VP.
Accrued Interest	<p>The Notes shall be traded with accrued interest. Over the life of the note, accrued interest shall be at the Interest Rate applicable from time to time.</p> <p>When traded, accrued interest shall be calculated on the basis of actual number of days and a year of 360 days (Actual/360).</p>
Redemption	The Notes mature for full redemption on the Interest Payment Date falling on, or nearest to, 22 August 2016.
Business Day	A day in Denmark and Sweden other than a Saturday, Sunday or public holiday on which commercial banks and domestic capital markets are open for business in Copenhagen and Stockholm.

General terms and conditions

Ranking of the Notes

The Notes and interest in respect of the Notes constitute direct and unsubordinated obligations of the Issuer. The Issuer warrants that its obligations under the Notes at all times rank *pari passu* with other direct, unsecured, unsubordinated obligations of the Issuer.

The Notes rank *pari passu* among themselves. All holders of the Notes (“Noteholders”) will have the same protection vis-à-vis the Issuer.

Termination

The Notes shall be non-callable by the Issuer unless the Issuer is under an obligation to make additional payments to cover tax claims, e.g. imposition of withholding tax (coupon tax) where the Issuer is ordered to compensate the Noteholders for such claims in full or in part. In such cases, the Issuer may, subject to 30 calendar days’ notice, redeem all the Notes at par plus accrued, but not yet paid interest until the Maturity Date.

The Issuer shall have no obligations to repurchase the Notes from the Noteholders prior to Maturity Date, other than in situations where the Issuer fails to perform its obligations as specified under Events of Default below.

Events of Default

Any Noteholder shall be entitled to declare the Notes due for immediate repayment at par plus any interest accrued at the Maturity Date, but not yet paid:

- a) In the event that the Issuer fails to repay principal and/or pay interest on the Notes in time, and such failure continues for more than ten (10) Danish business days after the due date; or
- b) in the event that the Issuer in general fails to comply with other terms and conditions applicable to this note loan for a period of up to 30 days after written notification has been sent by registered mail by one or more Noteholders to the Issuer, containing a written demand for observance of such terms and conditions;
- c) in the event that the Issuer applies for suspension of payments or suspends payments, a petition in bankruptcy is presented by or against the Issuer (provided such petition against is not contested by the Issuer before the relevant court) or negotiations are commenced with the Issuer’s creditors with a view to reconstruction, composition or the like; or
- d) it is resolved that the Issuer shall go into liquidation or be dissolved.

Negotiability

The Notes are negotiable instruments in the name of the bearer and no restrictions shall apply to the negotiability of the Notes.

However, with respect to investors under other jurisdictions than Denmark, reservations are made for statutory restrictions pursuant to the legislation of such jurisdictions.

Limitation	All claims under the Notes and this Information Material for payment, including interest and principal, shall be subject to the time-bar provisions of the Danish Limitation Act (<i>danish: Lov om forældelse af fordringer</i>).
Tax definition of the Notes	On the Date of Issue, the Notes shall be treated for tax purposes as claims denominated in Swedish kroner (SEK). The tax treatment depends on the individual investor.
Liability to pay compensation of Issuer, Arranger and Calculation Agent	<p>The Issuer and/or the Arranger and/or the Calculation Agent (the relevant party hereinafter defined as the Party) shall be liable to pay compensation in the event that the Party due to error or omission fulfils its agreed obligations too late or insufficiently.</p> <p>Even in areas where a stricter liability applies, the Party shall not be liable for losses due to:</p> <ul style="list-style-type: none">• breakdown of/lack of access to IT systems or damage to data in these systems that can be attributed to the following events regardless of whether the Party itself or an external supplier is responsible for the operation of the systems:• failure in the Party's power supply or a breakdown of the Party's telecommunications, legislative or administrative intervention, acts of God, war, revolution, civil unrest, sabotage, terrorism or vandalism (including computer virus attacks or hacking)• strikes, lockouts, boycotts or picketing, regardless of whether the conflict is directed against or initiated by the Party itself or its organisation and regardless of its cause. This shall also apply where the conflict affects only parts of the Party• other circumstances beyond the control of the Party. <p>The Party's exemption from liability shall not apply in the event:</p> <ul style="list-style-type: none">• that the Party should have anticipated the circumstances causing the loss at the time of entering into the agreement or should have avoided or overcome the cause of the loss• that, under current legislation, the Party is in any case responsible for the circumstance causing the loss.
Notifications	All notifications relating to the Notes shall be published via NASDAQ OMX Copenhagen A/S and/or submitted through VP.
Governing law and venue	The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Danish law. Any legal proceedings in relation to the Notes shall be brought before a

Danish court of law. The City Court of Copenhagen shall be the court of first instance.

Additional information

Resolution	The Notes are issued in accordance with the Issuer's financing policy as approved by the Board of Directors and in accordance with Executive Management decision dated 8 August 2014.
Use of proceeds	The proceeds from the issuance of the Notes will be used for refinancing of maturing debt.
Date of payment and settlement	Settlement of sale and purchase transactions in respect of the Notes in VP will take place three Copenhagen business days after the relevant transaction. However, the initial issue of the Notes will settle with value on Issue Date, the 22 August 2014.
Paying Agent	Nordea Bank Danmark A/S Christiansbro, Strandgade 3 DK-1401 Copenhagen K Denmark
ISIN code	DK0030344619
Common code	110076487
Sales restrictions	The Notes are subject to the rules in force from time to time on offering, marketing and trading in securities contained in each country's national legislation. The Issuer and the Arranger assume no responsibility in this respect.

Information about HMN Naturgas I/S

Address	HMN Naturgas I/S Gladsaxe Ringvej 11 2860 Søborg Denmark
Financial reports and articles of association	Financial reports and articles of association may be obtained from the Issuer on request. These will also be available online at: www.naturgas.dk .
Rating	The Notes are not rated, but the Issuer holds an Aaa rating from Moody's Investors Service.
Registration	CVR No.: 32 50 58 21
Board of Directors and Executive Management	Board of Directors: Ole Bjørstorp (Chairman), Ishøj Kommune Jens Grønlund (Vice Chairman), Skanderborg Kommune Hans Toft (Vice Chairman), Gentofte Kommune Willy R. Eliassen, Egedal Kommune Elvin J. Hansen, Odder Kommune Karin Søjberg Holst, Gladsaxe Kommune Morten Høgh, Silkeborg Kommune Erik Lund, Allerød Kommune Jørgen Nørby, Lemvig Kommune Hans Jørgen Okholm, Silkeborg Kommune Tina Tving Stauning, Frederikssund Kommune Jørgen Hammer Sørensen, Mariagerfjord Kommune Ole Ørnboel, Hjørring Kommune Executive Management: Susanne Juhl, CEO