

CITY OF VÄSTERÅS

(Established under the laws of the Kingdom of Sweden)

U.S.\$600,000,000

Euro-Commercial Paper Programme

(Rated A-1+ by Standard & Poor's Credit Market Services France SAS)

Arranger

Skandinaviska Enskilda Banken AB (publ)

SEB

Dealers

Swedbank

UBS Investment Bank

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the "**Information Memorandum**") contains summary information supplied by the City of Västerås (the "**Issuer**") in connection with the programme described herein (the "**Programme**") under which the Issuer may issue and have outstanding at any time short-term promissory notes (the "**Notes**") up to a maximum aggregate of U.S.\$600,000,000 or its equivalent in alternative currencies (subject to a right to increase that amount by notice to the Dealers (as defined below) and satisfaction of certain conditions precedent) or its equivalent in alternative currencies. The Issuer has approved this Information Memorandum and requested and authorised the delivery of this Information Memorandum on its behalf. The information contained herein should be read in conjunction with the most recently published annual report of the Issuer which is incorporated herein by reference.

The information contained herein has not been independently verified by the Dealers specified on page 6 (each a "**Dealer**" and together the "**Dealers**", which expression shall include any additional Dealer appointed under the Programme, as defined above, from time to time). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the authenticity, origin, validity, accuracy or completeness, or any errors in or omissions from, any information or statement contained in this Information Memorandum or any further information supplied in connection with the Programme or in or from any accompanying or subsequent material or presentation.

The information contained in this Information Memorandum is not, and should not be considered as, a recommendation by the Issuer or the Dealers that any recipient of this Information Memorandum should purchase any of the Notes to be issued under the Programme. Each such recipient or investor contemplating purchasing Notes to be issued under the Programme shall make, and shall be deemed to have made, its own independent assessment and investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on this Information Memorandum. This Information Memorandum is not intended to form the basis of any credit or other evaluation and no Dealer undertakes to review the financial or other condition of the Issuer or to make available any information coming to its attention regarding the Issuer or the Programme. This Information Memorandum does not constitute an offer or invitation by or on behalf of the Issuer or the Dealers to any person to purchase any Notes.

The Issuer has confirmed to the Dealers that: (i) the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading; (ii) this Information Memorandum does not contain any untrue statement of material fact or omit to state a material fact that is necessary in order to make the statements made in this Information Memorandum, in the light of the circumstances under which they were made, not misleading and there is no other material fact or matter omitted from this Information Memorandum which was or is necessary to enable investors and their professional advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes; (iii) the statements of intention, opinion, belief or expectation contained in this Information Memorandum are honestly and reasonably made or held; and (iv) all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements.

The Dealers do not accept any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offer or sale of the Notes or any interest in such Notes, or any rights in respect of such Notes, in certain jurisdictions may be restricted by law. Persons obtaining this Information Memorandum or any Notes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Information Memorandum and the offer, sale or delivery of the Notes in the United States of America, the United Kingdom, Switzerland and Germany (see "**Selling Restrictions**" herein).

The Issuer may issue Notes outside the United States pursuant to Regulation S ("**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**").

Neither the Issuer nor the Dealers accept any responsibility, express or implied, for updating this Information Memorandum and neither the delivery of this Information Memorandum nor any offers or sales made on the basis hereof shall under any circumstances create any implication that this Information

Memorandum is accurate at any time subsequent to the date hereof with respect to the Issuer or that there has been no change in the financial condition or affairs of the Issuer since the date hereof. No person is authorised by the Issuer to give any information or to make any representation not contained in this Information Memorandum or any supplement hereto and, if given or made, such information or representation must not be relied upon as having been so authorised. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme nor undertake to advise any recipient of this Information Memorandum or purchaser of Notes of any information coming to the Dealers' attention.

Neither the Issuer nor any Dealer makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Notes to or by a holder thereof and each investor contemplating acquiring Notes under the Programme is advised to consult a professional adviser in connection therewith. Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the directive, which may, if implemented, amend or broaden the scope of the requirements described above.

This Information Memorandum contains references to ratings. 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 relevant rating agency.

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received in connection with the issue or sale of any Notes will only be made in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

All references to "U.S. Dollars", "U.S.\$", "\$" and "U.S. cent." refer to the lawful currency of the United States of America, references to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended, references to "Sterling" and "£" refer to the lawful currency of the United Kingdom, references to "Swedish Kronor" and "SEK" refer to the lawful currency of the Kingdom of Sweden and references to "Swiss Francs" refer to the lawful currency of Switzerland.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this Information Memorandum:

- (a) the most recently published annual financial statements of the Issuer; and
- (b) all supplements or amendments to this Information Memorandum circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Except as provided above, no other information, including information on the website of the Issuer, is incorporated by reference into this Information Memorandum.

The Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the Issuer at its office set out at the end of this Information Memorandum.

SUMMARY OF THE TERMS OF THE NOTES

Issuer:	City of Västerås.
Amount:	The aggregate amount of Notes outstanding at any time will not exceed U.S.\$600,000,000 (or its equivalent in such other currency calculated at the date of issue of any Note). The amount of the Programme may be increased from time to time as may be agreed between the Issuer and the Dealers in accordance with the Dealer Agreement.
Form of the Notes:	<p>The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a "Global Note"). Global Notes will be exchangeable for definitive notes only in the circumstances specified in the Global Notes.</p> <p>The Global Notes will be issued with the benefit of a Deed of Covenant executed by the Issuer and will be deposited for their term with a depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg").</p>
Maturity:	The Notes will be of such tenor as may have been agreed between the Issuer and the relevant Dealer, subject to a minimum maturity of 7 days and a maximum maturity of 365 days (except in the case of Notes denominated in Sterling which have a maximum maturity of 364 days).
Currencies:	Notes may be issued in U.S. Dollars, euro, Sterling, Swedish Kronor and Swiss Francs and such other currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with any applicable legal or regulatory and/or central bank requirements.
Denominations:	The Notes shall have a minimum denomination of £100,000 or its equivalent in the relevant currency. Any denomination is subject to legal and regulatory requirements.
Yield basis:	The Notes may be issued on a discounted basis or may bear fixed or floating rate interest or a coupon calculated by reference to an index or formula.
Subscription price:	The Notes will be subscribed and issued at a price relating to the yield basis at which they are offered.
Redemption:	The Notes may be redeemed at par or at an amount calculated by reference to an index or formula, or other arrangement as is agreed between the Issuer and the relevant Dealer.
Status of the Notes:	The Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank (other than in the case of obligations preferred by mandatory provisions of law) at least <i>pari passu</i> with all other unsecured and unsubordinated indebtedness for borrowed moneys of, or guaranteed by, the Issuer.
Withholding Taxes:	Except as set out in the Notes, payments will be made free and clear of taxes imposed or withheld by or within the Kingdom of Sweden or any jurisdiction from or through which payment is made.
Arrangers:	Skandinaviska Enskilda Banken AB (publ).
Dealers:	Skandinaviska Enskilda Banken AB (publ), Swedbank AB (publ) and UBS Limited.
Issue Agent and Paying Agent:	The Bank of New York Mellon, London E14 5AL.
Clearing Systems:	Euroclear and Clearstream, Luxembourg or any other recognised clearing system from time to time agreed between the Issuer and the relevant Dealer.
Listing:	The Notes will not be listed on any stock exchange.
Rating:	A-1+ by Standard & Poor's Credit Market Services France SAS.

Selling Restrictions: The Notes are subject to certain restrictions (see page 8), including (but not limited to) in the U.S., the U.K., Switzerland and Germany.

Governing Law: This Information Memorandum and the Notes and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with the laws of England.

SELLING RESTRICTIONS

1. General

Each Dealer has represented, warranted and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute this Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2. The United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, each Dealer has represented and agreed that it has offered and sold, and will offer and sell, the Notes outside the United States to non-U.S. persons only in accordance with Rule 903 of Regulation S under the Securities Act and that neither it, nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in the United States with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act. Each Dealer also agrees that, at or prior to confirmation of a sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S."

Terms used in this paragraph have the same meanings given to them by Regulation S.

3. The United Kingdom

Each Dealer has represented and agreed that:

- (i) (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 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 Financial Services and Markets Act 2000 (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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied 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.

4. Switzerland

Each Dealer has agreed in respect of Notes denominated in Swiss Francs that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any made by the Swiss National Bank, in relation to the offer, sale, delivery or transfer of such Notes or the distribution of any offering material in respect of such Notes.

5. Germany

Each Dealer has represented and agreed that it will only offer Notes in the Federal Republic of Germany in compliance with the provisions of the German Securities Prospectus Act ("**Wertpapierverkaufsprospektgesetz**"), as amended, or any other laws applicable in the Federal Republic of Germany governing the offering and sale of the Notes in the Federal Republic of Germany.

FORM OF NOTES

PART I

FORM OF GLOBAL NOTE

The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (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. Terms used above have the meanings given to them by Regulation S under the Securities Act.

City of Västerås

(Established under the laws of the Kingdom of Sweden)

[[Interest Bearing/Index Linked/Discounted]]^(*) Global Note

No:..... Series No:

Issued in London on:..... Maturity Date:.....

Specified Currency:..... Denomination

Principal Amount:¹..... Nominal Amount:².....
(words and figures) *(words and figures)*

Calculation Agent:²..... Minimum Redemption Amount: [at least
(Principal) £100,000 *(One hundred thousand pounds)* (or its
equivalent in the Contractual Currency)]

Fixed Interest Rate:³ % per annum Margin:⁴.....%

Calculation Agent:⁴..... Reference Banks:⁴.....
(Interest)

Interest Payment Dates:⁵..... Reference Rate: LIBOR/EURIBOR:⁶

Interest Commencement Date:⁷.....

1. City of Västerås (the "**Issuer**") for value received promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date:

(a) the above-mentioned Principal Amount; or

* Delete as appropriate. In the case of Sterling Notes, the title must reflect the type of the Note to comply with paragraph 9(c) of the Bank of England Notice dated 18th March, 1997.

1 Complete for Notes other than index linked Notes.

2 Complete for index linked Notes only.

3 Complete for fixed rate interest bearing Notes only.

4 Complete for floating rate interest bearing or index linked Notes only.

5 Complete for interest bearing Notes if interest is payable before Maturity Date.

6 Delete as appropriate. The Reference Rate should always be LIBOR unless the Note is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

7 Complete for interest bearing Yen denominated Notes only.

- (b) if this Global Note is index linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this Global Note and/or is available for inspection at the offices of the Paying Agent referred to below,

together (in any case) with interest thereon at the rate and at the times (if any) specified herein. All such payments shall be made in accordance with an Agency Agreement dated 9 January 2012 between the Issuer and The Bank of New York Mellon as issue agent (the "**Issue Agent**") and as paying agent (the "**Paying Agent**"), a copy of which is available for inspection at the office of the Paying Agent at One Canada Square, London E14 5AL and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the office of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of the Specified Currency (or, in the case of a Global Note denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Union (the "**Payment Centre**"). The Issuer will ensure that they maintain a paying agent with a specified office in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside of the United States that the Issuer or Agent so chooses.

2. This Global Note is issued in representation of an issue of Notes in the aggregate Principal Amount or Nominal Amount specified above.
3. All payments by or on behalf of the Issuer in respect of this Global Note shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of any present or future taxes, levies, duties, assessment or charges of any nature now or hereafter of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction (as defined below) (the "**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction, except that no such additional amounts shall be payable:
 - (a) where the relevant Note is presented for payment in the Kingdom of Sweden; or
 - (b) where the relevant bearer is liable for Taxes by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or
 - (c) where the relevant bearer would be able to avoid such withholding or deduction by making a declaration or any other statement, including but not limited to a declaration of residence or non-residence, but fails to do so; or

- (d) where the relevant bearer is able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or
- (e) more than 15 days after the Relevant Date (as defined below) except to the extent that the relevant bearer would have been entitled to an additional amount on presenting the same for payment on such 30th day (or, if such 15th day is not a Payment Business Day (as defined below), the next succeeding Payment Business Day); or
- (f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

"Tax Jurisdiction" means the Kingdom of Sweden or any jurisdiction through, in or from which payments are made or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or political subdivision or authority thereof or therein to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

"Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of the Notes in accordance with the terms of the Notes.

4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

"Payment Business Day", as used herein, shall mean any day, other than a Saturday or a Sunday, on which (a) deposits in the Specified Currency may be dealt in on the London interbank market, (b) commercial banks are open for general business in London and in the place of payment for the Specified Currency, (c) on which both Euroclear Bank S.A./N.V., ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or any relevant clearing system are operating and (d) in relation to a payment to be made in euro, a day on which the TARGET2 system is operating credit or transfer instructions in respect of payments in euro (a "**euro Business Day**"). "**TARGET2**" or "**TARGET2 System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto. Provided that if the Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

5. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute an unsecured and unsubordinated obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than in the case of obligations preferred by mandatory provisions of law.

6. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
7. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form in the following circumstances, whether before, on or, subject as provided below, after the Maturity Date:
 - (a) if agreed between the Issuer and the relevant Dealer at the time of issue, upon request by the bearer;
 - (b) if Euroclear or Clearstream, Luxembourg is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or announces an intention to cease permanently to do business or does in fact do so and no alternative clearing system is available; and/or
 - (c) if default is made in the payment of any amount payable in respect of this Global Note.

If an event in paragraph (a), (b) or (c) above occurs, the Issuer hereby undertakes that, upon presentation and surrender of this Global Note during normal business hours at the above offices of the Issue Agent, the Issuer will procure the delivery to the bearer of duly executed and authenticated bearer definitive Notes in the Specified Currency in an aggregate principal amount or nominal amount (as applicable) equal to the Principal Amount or Nominal Amount (as applicable) of this Global Note, such delivery to take place in the case of paragraph (b) or (c) above on a date not later than 5.00 p.m. (London time) on the 30th day after surrender of this Global Note.

8. If, for whatever reason, definitive Notes are not issued pursuant to the terms of this Global Note in full exchange for this Global Note before 5.00 p.m. (London time) on the 30th day after surrender, this Global Note (including the obligation hereunder to issue definitive Notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 9 January 2012 entered into by the Issuer).
9. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the 15th day after falling so due, the amount referred to in paragraph 1 (a) or (b) (as the case may be) shall be payable on such 15th day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Schedule hereto shall be duly completed by or on behalf of the Paying Agent to reflect such payment.
10. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) as follows:
 - (a) interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis

of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Paying Agent), 365 days at the Fixed Interest Rate specified above with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and

- (b) the period beginning on (and including) the Issue 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 is an "**Interest Period**" for the purposes of this paragraph.

11. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) as follows:

- 11.1 (a) if this Global Note specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Paying Agent), 365 days at a rate (the "**Rate of Interest**") determined on the following basis:

- (i) on the first day of each Interest Period (for a Global Note denominated in Sterling) or, if this Global Note is denominated in euro, the second euro Business Day before the beginning of each Interest Period or, if this Global Note is denominated in any other currency the second London Business Day (as defined below) before the beginning of each Interest Period (each a "**LIBOR Interest Determination Date**") the Calculation Agent will determine the offered rate for deposits in the Contractual Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page 3750 or 3740 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Contractual Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;
- (ii) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the London interbank market for deposits in the Contractual Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if

only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and

- (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;
 - (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount or Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Paying Agent), by 365 and rounding the resulting figure to the nearest amount of the Contractual Currency which is available as legal tender in the country of the Contractual Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
 - (c) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
 - (d) the period beginning on (and including) the Issue 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 is called an "**Interest Period**" for the purposes of this paragraph;
 - (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and
 - (f) as used above, "**London Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.
- 11.2 (a) if this Global Note specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the "**Rate of Interest**") determined on the following basis:

- (i) on the second euro Business Day (as defined in paragraph 4 above) before the beginning of each Interest Period (each a "**EURIBOR Interest Determination Date**") the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page 248 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;
- (ii) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
- (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;

For the purposes of this Global Note, "**euro-zone**" means the region comprised of the countries whose lawful currency is the euro.

- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount or Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent. (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (c) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;

- (d) the period beginning on (and including) the Issue 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 is called an "**Interest Period**" for the purposes of this paragraph; and
 - (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.
- 12. The Principal Amount or Minimum Redemption Amount (as applicable) shall be not less than £100,000 or its equivalent in the Contractual Currency.
- 13. Instructions for payment must be received at the offices of the Paying Agent together with this Global Note as follows:
 - (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Payment Business Days prior to the relevant payment date;
 - (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; andin all other cases, at least one Payment Business Day prior to the relevant payment date.
- 14. No person shall have any right to enforce any term or condition of this Global Note by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 15. This Global Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon as Issue Agent.
- 16. Terms or expressions defined in the Agency Agreement have, unless the context otherwise requires or as otherwise defined herein, the same meaning in this Global Note.
- 17. This Global Note and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law. For the benefit of the bearer solely, the Issuer irrevocably agrees that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Note, and in relation to this Note irrevocably appoints the Swedish Trade Council at its office at 73 Welbeck Street, London W1M 8AN as its agent with full authority to receive, accept and acknowledge for it and on its behalf service of all process issued out of or relating to any proceedings in England and agrees that service on such agent shall be deemed due service for the purposes of proceedings in such courts without prejudice to any other mode of service. Nothing in this Clause limits the right of the bearer to bring proceedings against the Issuer in any other court of competent jurisdiction; nor shall the bringing or continuing of proceedings in one or more jurisdictions preclude the bringing or continuing of proceedings in any other jurisdiction, whether concurrently or otherwise. The Issuer hereby waives with respect to this Note any right to claim sovereign immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever

(irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

Signed in facsimile on behalf of
CITY OF VÄSTERÅS

By:
(Authorised Signatory)

AUTHENTICATED by
THE BANK OF NEW YORK MELLON
without recourse, warranty or liability
and for authentication purposes only

By:
(Authorised Signatory)

By:
(Authorised Signatory)

SCHEDULE 1

Payments of Interest

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent

**Pro forma Redemption Calculation
(Index linked Global Note)**

This is the Redemption Calculation relating to the attached index linked Global Note:

Calculation Date:

Calculation Agent:

Minimum Redemption Amount
(per Note):

[at least £100,000 (or its equivalent in the
Contractual Currency)]

Redemption Amount:

to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption calculation]

[Indicate whether the calculation refers to principal or
coupon]

Confirmed:

.....
For City of Västerås

Note: The Calculation Agent is required to notify the Paying Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

PART II

FORM OF DEFINITIVE NOTE

The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (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. Terms used above have the meanings given to them by Regulation S under the Securities Act.

City of Västerås

(Established under the laws of the Kingdom of Sweden)

[[Interest Bearing/Index Linked/Discounted]^(*) Note

No:..... Series No:.....

Issued in London on:..... Maturity Date:.....

Specified Currency:..... Principal Amount:¹.....
(*words and figures*)

Nominal Amount:² Calculation Agent:².....
(*words and figures*) (Principal)

Fixed Interest Rate:³ %.....per annum Minimum Redemption Amount: [at least £100,000
(*One hundred thousand pounds*) (or its equivalent in
the Contractual Currency)]

Calculation Agent:⁴ Margin:⁴
(Interest).....

Interest Payment Dates:⁵ Reference Banks:⁴.....

Interest Commencement Date:⁷ Reference Rate: LIBOR/EURIBOR⁶

* Delete as appropriate. In the case of Sterling Notes, the title must reflect the type of the Note to comply with paragraph 9(c) of the Bank of England Notice dated 18th March, 1997.

1 Complete for Notes other than index linked Notes.

2 Complete for index linked Notes only.

3 Complete for fixed rate interest bearing Notes only.

4 Complete for floating rate interest bearing and index linked Notes only.

5 Complete for interest bearing Notes if interest is payable before Maturity Date.

6 Delete as appropriate. The Reference Rate should always be LIBOR unless the Note is denominated in euro and the Issuer and relevant Dealer agree EURIBOR should be used instead.

7 Complete for interest bearing Yen denominated Notes only.

1. City of Västerås (the "**Issuer**") for value received promises to pay to the bearer of this Note on the above-mentioned Maturity Date:
 - (a) the above-mentioned Principal Amount; or
 - (b) if this Note is index linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this Note and/or is available for inspection at the office of the Paying Agent referred to below,

together (in any case) with interest thereon at the rate and at the times (if any) specified herein. All such payments shall be made in accordance with an Agency Agreement dated 9 January 2012 between the Issuer and The Bank of New York Mellon (the "**Paying Agent**"), a copy of which is available for inspection at the office of the Paying Agent at One Canada Square, London E14 5AL, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the office of the Paying Agent referred to above by transfer to an account denominated in the Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of the Specified Currency (or, in the case of a Note denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Union (the "**Payment Centre**"). The Issuer will ensure that they maintain a paying agent with a specified office in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC.

Notwithstanding the foregoing, presentation and surrender of this Definitive Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Definitive Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside of the United States that the Issuer or Agent so chooses.

2. All payments by or on behalf of the Issuer in respect of this Note shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of any present or future taxes, levies, duties, assessment or charges of any nature now or hereafter of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction (as defined below) (the "**Taxes**") unless such withholding or deduction is required by law. If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction, except that no such additional amounts shall be payable:
 - (i) where the relevant Note is presented for payment in the Kingdom of Sweden; or
 - (ii) where the relevant bearer is liable for Taxes by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or
 - (iii) where the relevant bearer would be able to avoid such withholding or deduction by making a declaration or any other statement, including but not limited to a declaration of residence or non-residence, but fails to do so; or

- (iv) where the relevant bearer is able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or
- (v) more than 15 days after the Relevant Date (as defined below) except to the extent that the relevant bearer would have been entitled to an additional amount on presenting the same for payment on such 30th day (or, if such 15th day is not a Payment Business Day (as defined below), the next succeeding Payment Business Day); or
- (vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

"Tax Jurisdiction" means the Kingdom of Sweden or any jurisdiction through, in or from which payments are made or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or political subdivision or authority thereof or therein to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

"Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of the Notes in accordance with the terms of the Notes.

3. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Note or the holder or beneficial owner of any interest herein or rights in respect hereof shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Definitive Note:

"Payment Business Day", as used herein, shall mean any day, other than a Saturday or a Sunday, on which (a) deposits in the Specified Currency may be dealt in on the London interbank market, (b) commercial banks are open for general business in London and in the place of payment for the Specified Currency, (c) on which both Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or any relevant clearing system are operating and (d) in relation to a payment to be made in euro, a day on which the TARGET2 system is operating credit or transfer instructions in respect of payments in euro (a "**euro Business Day**"). "**TARGET2**" or "**TARGET2 System**" means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor thereto. Provided that if the Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

4. The payment obligation of the Issuer represented by this Definitive Note constitutes and at all times shall constitute an unsecured and unsubordinated obligation of the Issuer ranking at least pari passu with all present and future unsecured and unsubordinated indebtedness of the Issuer other than in the case of obligations preferred by mandatory provisions of law.

5. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
6. If this is an interest bearing Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the 15th day after falling so due, the amount referred to in paragraph 1 (a) or (b) (as the case may be) above shall be payable on such 15th day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by or on behalf of the Paying Agent to reflect such payment.
7. If this Note is a Fixed Rate Note, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) as follows:
 - (a) interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling or if market practice so dictates (as determined by the Paying Agent), 365 days at the Fixed Interest Rate specified above with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue 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 is an "**Interest Period**" for the purposes of this paragraph.
8. If this Note is a Floating Rate Note and specifies LIBOR as the Reference Rate, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) as follows:
 - (a) interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling or if market practice so dictates (as determined by the Paying Agent), 365 days at a rate (the "**Rate of Interest**") determined on the following basis:
 - (i) if this Note is denominated in Sterling, on the first day of each Interest Period or if this Note is denominated in euro, the second euro Business Day before the beginning of each Interest Period or if this Note is denominated in any other currency the second London Business Day (as defined below) before the beginning of each Interest Period (each a "**LIBOR Interest Determination Date**") the relevant Calculation Agent will determine the offered rate for deposits in the Contractual Currency in the London interbank

market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page 3750 or 3740 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Contractual Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;

- (ii) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the London interbank market for deposits in the Contractual Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
 - (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;
- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount or Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling or market practice so dictates (as determined by the Paying Agent), by 365 and rounding the resulting figure to the nearest amount of the Contractual Currency which is available as legal tender in the country of the Contractual Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (c) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (d) the period beginning on (and including) the Issue 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 is called an "**Interest Period**" for the purposes of this paragraph;
- (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the

Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and

- (f) as used above, "**London Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.
9. If this Note is a Floating Rate Note and specifies EURIBOR as the Reference Rate, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) as follows:
- (a) Interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the "**Rate of Interest**") determined on the following basis:
 - (i) on the second euro Business Day (as defined in paragraph 3 above) before the beginning of each Interest Period (each a "**EURIBOR Interest Determination Date**") the relevant Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page 248 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;
 - (ii) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
 - (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;

For the purposes of this Note "**euro-zone**" means the region comprised of the countries whose lawful currency is the euro.

- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and

calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal or Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent. (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;

- (c) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
 - (d) the period beginning on (and including) the Issue 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 is called an "**Interest Period**" for the purposes of this paragraph; and
 - (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.
10. Instructions for payment must be received at the offices of the relevant paying agent together with this Note as follows:
- (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Payment Business Days prior to the relevant payment date;
 - (b) if this Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
- in all other cases, at least one Payment Business Day prior to the relevant payment date.
11. No person shall have any right to enforce any term or condition of this Note by virtue of the Contracts (Rights of Third Parties) Act 1999.
12. This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon as Issue Agent.
13. Terms or expressions defined in the Agency Agreement have, unless the context otherwise requires or as otherwise defined herein, the same meaning in this Global Note.
14. This Note and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law. For the benefit of the bearer solely, the Issuer irrevocably agrees that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Note, and in relation to this Note irrevocably appoints the Swedish Trade Council at its office at 73 Welbeck Street, London W1M 8AN as its agent with full authority to receive, accept and acknowledge for it and on its behalf service of all process issued out of or relating to any proceedings in England and agrees that service on such agent shall be deemed due service for the purposes

of proceedings in such courts without prejudice to any other mode of service. Nothing in this Clause limits the right of the bearer to bring proceedings against the Issuer in any other court of competent jurisdiction; nor shall the bringing or continuing of proceedings in one or more jurisdictions preclude the bringing or continuing of proceedings in any other jurisdiction, whether concurrently or otherwise. The Issuer hereby waives with respect to this Note any right to claim sovereign immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

Signed in facsimile on behalf of
CITY OF VÄSTERÅS

By:
(Authorised Signatory)

AUTHENTICATED by
THE BANK OF NEW YORK MELLON
Without recourse, warranty or liability
and for authentication purposes only

By:
(Authorised Signatory)

By:
(Authorised Signatory)

SCHEDULE 1

Payments of Interest

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent

**Pro-forma Redemption Calculation
(Index Linked Note)**

This is the Redemption Calculation relating to the attached index linked Note:

Calculation Date:

Calculation Agent:

Minimum Redemption Amount
(per Note):

[at least £100,000 (or its equivalent in the Contractual Currency)]

Redemption Amount

to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption calculation]

[Indicate whether the calculation refers to principal or coupon]

Confirmed:

.....
For City of Västerås

Note: The Calculation Agent is required to notify the Paying Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

DESCRIPTION OF THE CITY OF VÄSTERÅS

Introduction

The City of Västerås ("Västerås"), which has approximately 140,000 inhabitants, is one of Sweden's oldest cities and also the sixth largest. Västerås is centrally situated, approximately 100 km west of Stockholm. Several major providers of industrial and engineering materials are located in the city. ABB Ltd remains Västerås' main private-sector employer. Important employers in the city, such as Westinghouse Sweden, Bombardier Inc. and ALSTOM S.A., have solid operations and their local presence means that there is constant demand for well-educated workers in the city.

Administrative Organisation and Political Structure

The Swedish Parliament has exclusive power to enact legislation, including constitutional measures, pertaining to local government. Sweden is divided into 20 counties and 290 municipalities (of which Västerås is one). These local authorities occupy a highly-independent position in the community, and local government is a right under the constitution.

Västerås' council consists of 61 members, each elected for a period of four years under a system of proportional representation, which are elected at general elections held at the same time as the Swedish parliamentary elections.

Under the Swedish Local Government Act of 1991 (the "Act") Västerås, as a primary authority, is a legally independent local entity. The Act assigns specific administrative responsibilities and specific fiscal power to each type of authority independently, including the right to levy income taxes. The state provides grants to ensure equivalent standards throughout the nation. The responsibilities for providing local services are currently divided between Västerås, the County and the State as follows:

Västerås: Social services; public transport; public utilities – energy production and distribution, water supplies, sewage collection and purification, refuse collection and disposal; education (up to university level); port activities and services; street construction and maintenance; housing and real estate development; fire protection; environment and culture; parks and sport; and town planning.

The County: Hospitals, health and medical care.

The State: Defence, courts of justice; police; university level education and research; airports; health insurance and basic pensions.

Financial Structure of Västerås

Due to the decentralised system of government in Sweden, municipalities such as Västerås have the power to raise finance by direct taxation and to make charges for services and benefits provided. Rates of tax are set at the discretion of the municipality.

Västerås' activities are divided into:

Those financed out of taxation: such as social services, education, street construction and maintenance, real estate construction and development, fire protection, environment and culture, parks and sports and town planning, which are conducted through divisions of the Västerås administration.

Those covered by charges: such as the supply of electricity, water, heating, housing, refuse collection and disposal, which are generally conducted through wholly- or partly-owned limited liability companies which are independent legal and economic units.

Revenue and Expenditure

The main source of Västerås' revenue derives from income tax levied on its citizens' earnings and pensions. Västerås also receives central government grants. Such grants are comprised of two elements. First, grants which are directly related to Västerås' available tax resources or "tax base". This amount is adjusted according to Västerås' demographic structure, its special social features, its climate and population density. Such amount may be used at Västerås' discretion. The rate of income tax is set by Västerås Council when adopting the annual budget and is not subject to amendment by central government. Central government does, however, collect local taxation and then distributes it to the relevant local authorities. The rate of tax for the year 2013 was 20,36 per cent., slightly lower than the national average. For detailed figures, we refer to our most recent annual report.

City-owned Companies

A large proportion of Västerås' activities are conducted through wholly- or partly-owned limited liability companies which are independent legal and economic units. The exercise of authority or other statutory administration of local government matters may as a rule not be delegated to a city-owned company. Moreover, the object of the companies, as stated in the respective articles of association, must remain within the limits of local government competence. In the case of companies which also engage in commercial operations, activities must not be speculative or favour any individual citizens or specific group of citizens. The principal companies are the housing company and the energy company.

Recent Developments

Västerås' economy is healthy and predominantly based on the service and trade sectors. Västerås' goal is to keep a balanced budget. Västerås' growth prospects are sound. Growth has averaged about 1 per cent. annually over the past three years and is set to remain at about 1 per cent. over the next few years. This stable growth rate means an expansion of the tax base, but will also require investments in public services for an increasing population.

Rating

The Programme has been rated A-1+ by Standard & Poor's Credit Market Services France SAS.

KEY FINANCIAL INFORMATION

GROUP INCOME STATEMENT

SEK million	2012	2011
Income	5,182	5,212
Expenses	(10,261)	(9,934)
Depreciation	(731)	(743)
Net operating expenses	(5,807)	(5,465)
Tax revenue	5,359	5,170
General government subsidies and equalisation	949	906
Financial income	95	92
Financial expenses	(190)	(243)
Result before extraordinary items	406	460
Extraordinary income	-	-
Extraordinary expenses	-	-
Company tax	58	(76)
Minority interests in net income	(21)	(11)
This year's result	443	373

BALANCE SHEET

SEK million	2012	2011
Intangible assets	18	22
Land, buildings and plants	8,255	8,159
Machinery and equipment	3,380	3,343
Other tangible fixed assets	1,601	882
Financial fixed assets	279	1,182
Total fixed assets	13,533	13,588
Stocks and inventories	462	631
Receivables	1,458	1,233
Short-term investments	600	523
Cash at bank	560	152
Total current assets	3,080	2,539
Total assets	16,613	16,127
Total equity	7,725	7,283
Allocations to pensions	320	304
Other allocations	761	859
Total allocations	1,081	1,163
Long-term liabilities	4,148	4,456
Short-term liabilities	3,438	3,023
Total liabilities	7,586	7,479
Total equity, allocations and liabilities	16,613	16,127

ENFORCEMENT OF GLOBAL NOTES

In the case of Global Notes issued after the date hereof, the rights of individual investors will be determined in accordance with a Deed of Covenant dated 9 January 2012, the terms of which are set out below, and by their arrangements with Euroclear Bank S.A./N.V. and/or Clearstream Banking, société anonyme.

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