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## **TERMS AND CONDITIONS**

for

**SHH BOSTAD AB (PUBL)**

**MAXIMUM SEK 500,000,000**

**SENIOR SECURED FLOATING RATE NOTES 2017/2021**

**ISIN: SE0009984172**

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# 1 DEFINITIONS AND CONSTRUCTION

## 1.1 Definitions

In these terms and conditions (these “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time) as applied by the Issuer in preparing its financial statements.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company, irrespective of whether such person is directly registered as owner of such Notes.

“**Advance Purchase Agreements**” means (i) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of contracts or (ii) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agency Agreement**” means the agency agreement entered into on or before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it as Agent in accordance with these Terms and Conditions.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Cash and Cash Equivalent**” means the cash and cash equivalents in accordance with the most recent Financial Report.

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more persons, acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**“Completion Date”** means the date of the Agent's approval of the release of the Security over the Escrow Account and disbursements of proceeds from the Escrow Account.

**“Compliance Certificate”** means a certificate, in form and substance satisfactory to the Agent (acting reasonably), signed by the Issuer certifying compliance with the Incurrence Test or Maintenance Test (as applicable) (including figures in respect of the relevant financial tests and the basis on which they have been calculated).

**“CSD”** means the Issuer's central securities depository and registrar in respect of the Notes, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

**“CSD Regulations”** means the CSD's rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

**“Debt Register”** means the debt register (*skuldbok*) kept by the CSD in respect of the Notes.

**“De-Listing Event”** means the de-listing of the ordinary shares in the Issuer from a Regulated Market.

**“Equity”** means the aggregate of the consolidated non-distributable equity (*bundet eget kapital*) and distributable equity (*fritt eget kapital*) of the Group as per the latest Financial Report.

**“Equity Listing Event”** means an offering of ordinary shares in the Issuer whether initial or subsequent to a public offering, resulting in shares allotted becoming quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

**“Equity Ratio”** means the ratio of Equity to Total Assets.

**“Escrow Account”** means the interest bearing bank account held by the Issuer with the Escrow Bank for the purpose of the arrangement specified in Clause 4.2 (*Escrow Account and Net Proceeds*).

**“Escrow Account Pledge Agreement”** means the pledge agreement entered into between the Issuer and the Agent in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Noteholders.

**“Escrow Bank”** means Swedbank AB (publ).

**“Event of Default”** means an event or circumstance specified in Clause 14.1.

**“Final Maturity Date”** means the date falling four years after the First Issue Date.

**“Finance Documents”** means these Terms and Conditions, the Security Documents and any other document designated by the Issuer and the Agent (on behalf of itself and the Noteholders) as a Finance Document.

**“Financial Indebtedness”** means:

- a) moneys borrowed (including Market Loans);
- b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability), provided that any leases which at the First Issue Date are treated as being operating leases, shall not be considered as being finance leases due to any subsequent change in the Accounting Principles;

- c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- d) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- e) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- f) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- g) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs a) to f) above.

**“Financial Instruments Accounts Act”** means the Swedish Financial Instruments Accounts Act (*lagen (1998:1479) om kontoföring av finansiella instrument*).

**“Financial Report”** means the Group's annual audited consolidated financial statements or quarterly unaudited reports of the Group, which shall be prepared and made available in accordance with Clause 11.1.1.

**“First Call Date”** means the date falling 24 months after the First Issue Date.

**“First Issue Date”** means 7 June 2017.

**“Force Majeure Event”** has the meaning set out in Clause 26.1.

**“Group”** means the Issuer and its Subsidiaries from time to time (each a **“Group Company”**).

**“Incurrence Test”** means the incurrence test set out in Clause 12.2 (*Incurrence Test*)

**“Initial Nominal Amount”** has the meaning set out in Clause 2.3.

**“Initial Notes”** means the Notes issued on the First Issue Date.

**“Insolvent”** means, in respect of a relevant person, that it is unable or admits inability to pay its debts as they fall due, suspends or declares that it will suspend making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with all or substantially all of its known creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness or is subject to involuntary winding-up, dissolution or liquidation.

**“Interest”** means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

**“Interest Payment Date”** means 15 January, 15 April, 15 July and 15 October in each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 15 October 2017 and the last Interest Payment Date being the Final Maturity Date (or any Redemption Date prior thereto).

**“Interest Period”** means the period from, but excluding, one Interest Payment Date (or, as the case may be, the First Issue Date) to (and including) the next succeeding Interest Payment Date (or shorter period if relevant).

**“Interest Rate”** means STIBOR plus the Margin *per annum*.

**“Intra-Group Loan Pledge Agreement”** means a Swedish law governed pledge over all intra-group loans made by the Issuer to SHH Markförädling AB granted by the Issuer.

**“Issue Date”** means the First Issue Date and any subsequent issue date on which Subsequent Notes are issued.

**“Issuer”** means SHH Bostad AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559007-1824.

**“Issuing Agent”** means Arctic Securities AS, filial Sverige, Swedish Reg. No. 516408-5366, or another party replacing it as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

**“Legal Reservations”** means the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors.

**“Listing Failure”** means a failure to list the Initial Notes within two months after the First Issue Date on Nasdaq Stockholm or any other Regulated Market.

**“Maintenance Test”** means the maintenance test set out in Clause 12.1 (*Maintenance Test*)

**“Make Whole Amount”** means an amount equal to:

- a) the present value on the relevant record date of 103.25 per cent. of the Nominal Amount as if such payment originally should have taken place on the Final Maturity Date; and
- b) the present value on the relevant record date of the remaining coupon payments less any accrued but unpaid interest up to the relevant redemption date, to and including the Final Maturity Date (assuming that the Interest Rate for the period from the relevant record date to the Final Maturity Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the relevant record date until the First Call Date plus the Margin),

each calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Notes until the mentioned date falling on the Final Maturity Date) and where “relevant record date” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

**“Margin”** means 6.50 per cent. *per annum*.

**“Market Loans”** means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

**“Material Adverse Effect”** means a material adverse effect on:

- a) the business, financial condition or operations of the Group taken as a whole;
- b) the Group’s ability to perform and comply with its payment obligations under the Terms and Conditions; or
- c) (subject to the Legal Reservations) the validity or enforceability of the Finance Documents.

**“Material Company”** means each of SHH Bostadsproduktion, SHH Bostadsutveckling and SHH Markförädling.

**“Net Proceeds”** means the proceeds from a Note Issue after deduction has been made for the Transaction Costs.

**“Nominal Amount”** means in respect of each Note the Initial Nominal Amount, less the aggregate amount by which that Note has been redeemed in part pursuant to Clause 9.4.

**“Note”** means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set out in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which is governed by and issued under these Terms and Conditions, including any Initial Note and any Subsequent Note.

**“Noteholder”** means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

**“Noteholders’ Meeting”** means a meeting among the Noteholders held in accordance with Clause 17 (*Noteholders’ Meeting*).

**“Permitted Debt”** means any Financial Indebtedness:

- a) incurred under the Initial Notes;
- b) incurred by the Issuer as an overdraft facility in a maximum amount of SEK 30,000,000;
- c) incurred as financial lease debt in a maximum amount of SEK 5,000,000;
- d) incurred by the Issuer if such Financial Indebtedness when incurred meets the Incurrence Test tested *pro forma* and (i) is incurred as a result of a Subsequent Note Issue, or (ii) is incurred as a Market Loan that ranks *pari passu* or is subordinated to the obligations of the Issuer under the Notes, and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date;
- e) incurred by the Issuer under a Project Facility provided in each case that such Financial Indebtedness (i) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Notes and (ii) when incurred, meets the Incurrence Test tested *pro forma*;
- f) incurred by a Project Entity (other than the Issuer) under any Project Facility;
- g) arising as a result of a contemplated refinancing of the Notes in full provided that such debt is held in escrow until full repayment of the Notes;
- h) incurred by a Group Company from another Group Company (including any cash pool or group account arrangements);
- i) arising under a commodity derivative for spot or forward delivery entered into in connection with protection against fluctuation in or prices where the exposure arises in the ordinary course of business, but not any transaction for investment or speculative purposes;
- j) incurred under Advance Purchase Agreements;
- k) incurred in the ordinary course of business by any Group Company under any pension and tax liabilities;
- l) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holding indebtedness, provided that the Incurrence Test is met, tested *pro forma* including the acquired entity in question;
- m) incurred by a Group Company to finance or refinance the acquisition of assets (including a company or companies holding assets), within the general nature of the business of the Group provided that when such Financial Indebtedness is incurred the Incurrence Test is met, tested *pro forma*;
- n) incurred by a Group Company, whose acquisition (directly or indirectly) has been financed or refinanced by Financial Indebtedness permitted pursuant to paragraph l) or m) above, to refinance such Financial Indebtedness;

- o) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- p) any trade credit received (including for the avoidance of doubt but not limited to any liability under any advance or deferred purchase agreement) by any member of the Group from any of its trading partners in the ordinary course of its trading activities (on normal commercial terms); and
- q) if not permitted by any of paragraphs a) – p) above which does not in aggregate at any time exceed SEK 10,000,000.

**“Permitted Security”** means:

- a) any Transaction Security or Security created under the Escrow Account Pledge Agreement;
- b) any lien arising by operation of law and in the ordinary course of trading;
- c) any payment or close out netting or set-off arrangement pursuant to transactions in the ordinary course of business;
- d) any Security created for the benefit of the financing providers under a Project Facility;
- e) any Security over or affecting any asset of any company which becomes a member of the Group after the First Issue Date, where the Security is created prior to the date on which that company becomes a member of the Group, if the Security was not created in contemplation of the acquisition of that company and the Security is removed or discharged within six months of the completion of such acquisition;
- f) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a refinancing of the Notes in full (a “Refinancing”) are intended to be received;
- g) any Security created for the benefit of the financing providers in relation to a refinancing of the Notes in full, provided that any perfection requirements in relation thereto are satisfied after repayment of the Notes in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt); and
- h) any Security securing Permitted Debt referred to under paragraphs c), i), k) and l) of the definition of Permitted Debt.

**“Preference Shares”** means outstanding preference shares issued by the Issuer from time to time, provided such preference shares are issued on an arm’s length basis and on market terms (or better).

**“Project”** means:

- a) the acquisition of a real property, site-leasehold, other lease hold right or building, or a company holding such assets, for the purpose of a subsequent development of residential buildings and/or other real estate;
- b) the construction and development of residential buildings and/or other buildings or constructions on a real property; and
- c) other activities relating to paragraphs a) and b) in the ordinary course of business.



**“Project Entity”** means any Group Company, joint-venture company, associated company (*intressebolag*), housing co-operative (*bostadsrättsförening*), partnership company (*kommanditbolag*), partnership (*handelsbolag*), limited partnership (*kommanditbolag*) economic association (*ekonomisk förening*) or any other legal entity where the Group holds or have held ownership interest and which manages a Project.

**“Project Facility”** means any Financial Indebtedness incurred by a Project Entity solely to finance (directly or indirectly through intra-group lending) a Project or part of a Project.

**“Quotation Day”** means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period.

**“Record Date”** means the fifth Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**“Redemption Date”** means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

**“Reference Banks”** means Svenska Handelsbanken AB (publ), Skandinaviska Enskilda Banken AB (publ), Nordea Bank AB (publ) and Swedbank AB (publ) (or such other bank(s) as may be appointed by the Issuing Agent in consultation with the Issuer).

**“Reference Date”** means 31 March, 30 June, 30 September and 31 December each year so long as any Note is outstanding.

**“Regulated Market”** means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

**“Restricted Payment”** has the meaning set out in Clause 13.1 (*Distributions*).

**“Restricted Preference Share Distribution”** means any repurchase or redemption related to Preference Shares.

**“Secured Obligations”** means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents and the Agency Agreement.

**“Secured Parties”** means the Noteholders and the Agent (including in its capacity as Agent under the Agency Agreement).

**“Securities Account”** means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

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

**“Security Documents”** means the Share Pledge Agreement and the Intra-Group Loan Pledge Agreement

**“Share Pledge Agreement”** means a Swedish law governed pledge over all of the shares in each of SHH Bostadsutveckling AB and SHH Markförädling AB granted by the Issuer.

**“SHH Bostadsproduktion”** means SHH Bostadsproduktion AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 556844-6271.

“**SHH Bostadsutveckling**” means SHH Bostadsutveckling AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 556850-8559.

“**SHH Markförädling**” means SHH Markförädling AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 556987-5981.

“**STIBOR**” means:

- a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- c) if no quotation is available pursuant to paragraph b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

if any such rate is below zero, STIBOR will be deemed to be zero.

“**Subsequent Notes**” means any Notes issued after the First Issue Date on one or more occasions.

“**Subsidiary**” means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

“**Swedish Government Bond Rate**” means the interpolated SGB rate between the SGB 12 August 2017 (series 1051) and the SGB 12 March 2019 (series 1052) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption. If a quote for any aforementioned SGB rate is unavailable on the relevant date, the Issuing Agent may select a SGB rate it deems appropriate for the purpose of the calculation set out in this definition (acting reasonably). If the SGB rate is below zero, the SGB will be deemed to be zero.

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden at the date of these Terms and Conditions.

“**Total Assets**” means by reference to the consolidated balance sheet of the Group, the consolidated book-value of all assets of the Group as per the latest Financial Report.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with costs in relation to acquisitions or investments, costs in relation to capital markets transactions, a Note Issue, the Transaction Security and the admission to trading of the Notes (including but not limited to fees to the Sole Bookrunner and the Issuing Agent for the services provided in relation to the placement and issuance of the Notes).

“**Transaction Security**” means the Security provided for the Secured Obligations pursuant to the Security Documents.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 18 (*Written Procedure*).

## 1.2 Construction

- 1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:
- a) “**assets**” includes present and future properties, revenues and rights of every description;
  - b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, body, agency or department;
  - d) a provision of law is a reference to that provision as amended or re-enacted; and
  - e) a time of day is a reference to Stockholm time.
- 1.2.2 An Event of Default is continuing if it has not been remedied or waived.
- 1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2 STATUS OF THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The initial nominal amount of each Initial Note is SEK 1,000,000 (the “**Initial Nominal Amount**”). The Total Nominal Amount of the Initial Notes is SEK 230,000,000 (the “**Initial Note Issue**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- 2.4 The Issuer may, on one or several occasions, issue Subsequent Notes. The Issuer may, at one or several occasions after the First Issue Date, issue Subsequent Notes (each such issue, a “**Subsequent Note Issue**”), so long as the Total Nominal Amount under such Subsequent Note Issue(s) and the Initial Note Issue does not exceed SEK 500,000,000 and in each case provided that the Incurrence Test (tested *pro forma* including such Subsequent Note Issue) is met. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at a discount or at a premium compared to the Initial Nominal Amount. Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.

- 2.5 The Notes constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory law and without any preference among them.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3 USE OF PROCEEDS**

- 3.1 The Issuer shall use the Net Proceeds from the issue of the Initial Notes, for repayment of principal and payment of accrued but unpaid interest and other costs and fees under or in relation to existing financial indebtedness, general corporate purposes of the Group (including acquisitions).
- 3.2 The Issuer shall use the Net Proceeds from the issue of any Subsequent Notes, for general corporate purposes of the Group (including refinancing of financial indebtedness and acquisitions).

### **4 CONDITIONS PRECEDENT AND ESCROW ACCOUNT**

#### **4.1 Conditions precedent to the First Issue Date**

The Issuer shall provide the following documents and evidence to the Agent, prior to the First Issue Date:

- a) copy of the articles of association and a certificate of registration of the Issuer;
- b) copies of necessary corporate resolutions (including authorisations) from the Issuer;
- c) evidence that a general meeting of shareholders' of the Issuer has resolved to authorise the board of directors of the Issuer to make a new share issue in a total amount of not less than SEK 100,000,000 without preference for existing shareholders to subscribe for the shares (*riktad nyemission*);
- d) a duly executed copy of the Terms and Conditions;
- e) a duly executed copy of the Agency Agreement; and
- f) a duly executed Escrow Account Pledge Agreement together with all perfection requirements being fulfilled.

#### **4.2 Escrow Account and Net Proceeds from the Initial Note Issue**

- 4.2.1 When the Agent is satisfied that it has received the conditions precedent to the First Issue Date set out in Clause 4.1 (*Conditions precedent to the First Issue Date*), the Agent shall immediately instruct the Issuing Agent to promptly transfer the Net Proceeds from the Initial Note Issue to the Escrow Account.

4.2.2 Upon the Issuer providing the following to the Agent, or the Agent waiving any such requirement, the Agent shall instruct the Escrow Bank to promptly release to the Issuer the funds standing to the credit on the Escrow Account in accordance with the Issuer's instructions and release the Security over the Escrow Account:

- a) a duly executed copy of each Security Document and confirmation that the Transaction Security has been (or will be immediately on the Completion Date) duly perfected in accordance with the terms of each Security Document;
- b) evidence that a new directed share issue (*riktad nyemission*) in the Issuer has been subscribed for by investors in an amount of not less than SEK 100,000,000 and that the Issuer has received the subscription amount in full;
- c) an agreed form Compliance Certificate;
- d) a legal opinion issued by Advokatfirman Lindahl regarding the Security Documents; and
- e) such other documents and information as is agreed between the Agent and the Issuer.

4.2.3 If the conditions precedent for disbursement set out in Clause 4.2.2 have not been fulfilled on or before 60 calendar days following the First Issue Date, the Issuer shall redeem all Notes at a price equal to 100 per cent. of the Nominal Amount together with any accrued but unpaid interest. The Agent may partly fund the redemption with the amounts standing to the credit on the Escrow Account.

#### **4.3 Conditions precedent to a Subsequent Note Issue**

The Issuer shall provide to the Agent the following documents and evidence, prior to the Issue Date of a Subsequent Note Issue:

- a) a copy of the articles of association and a certificate of registration of the Issuer;
- b) a copy of necessary resolutions from the board of directors of the Issuer (including authorisations);
- c) a Compliance Certificate from the Issuer confirming that the Incurrence Test (tested pro forma including the relevant Subsequent Note Issue) is met.

#### **4.4 The Agent**

4.4.1 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1, 4.2 or 4.3 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

4.4.2 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1, 4.2 or 4.3, as the case may be, have been satisfied.

### **5 NOTES IN BOOK-ENTRY FORM**

5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will, deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- 5.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 5.4 For the purpose of or in connection with any Noteholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the Debt Register. If the Agent does not otherwise obtain information from the Debt Register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the Debt Register and provide it to the Agent.
- 5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the Debt Register and provide it to the Agent.
- 5.7 The Issuer and the Agent may use the information referred to in Clause 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

## **6 RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

## **7 PAYMENTS IN RESPECT OF THE NOTES**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date immediately prior to the relevant payment date.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware that the payment was being made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8 INTEREST**

- 8.1 Each Initial Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two per cent. higher per annum than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **9 REDEMPTION AND REPURCHASE OF THE NOTES**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest.

### **9.2 Purchase of Notes by the Issuer and any other Group Company**

The Issuer and any other Group Company may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. Notes held by the Issuer or any other Group Company may at the Issuer's or such Group Company's discretion be retained, cancelled or sold by the Issuer or relevant Group Company.

### **9.3 Voluntary total redemption (call option)**

The Issuer may redeem all, but not some only, of the outstanding Notes in full:

- a) any time prior to the First Call Date, at an amount equal to the Make Whole Amount together with accrued but unpaid Interest;

- b) any time from and including the First Call Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Note equal to 103.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- c) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Note equal to 102.60 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- d) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the first Business Day falling 42 months after the First Issue Date at an amount per Note equal to 101.95 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- e) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the first Business Day falling 45 months after the First Issue Date at an amount per Note equal to 100.975 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- f) any time from and including the first Business Day falling 45 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

#### **9.4 Voluntary partial redemption upon an equity claw back (call option)**

- 9.4.1 The Issuer may, provided that the Notes have been and remain listed at the corporate bond list on Nasdaq Stockholm, on one or more occasion in connection with an Equity Listing Event, redeem in part up to 33 per cent. of the Total Nominal Amount at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the Call Option Amount for the relevant period), together with any accrued but unpaid interest on the redeemed amount.
- 9.4.2 Partial redemption pursuant to Clause 9.4.1 shall reduce the Nominal Amount of each Note *pro rata* (rounded down to the nearest Swedish Krona).
- 9.4.3 Partial redemption pursuant to Clause 9.4.1 shall occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering).

#### **9.5 Early redemption due to illegality (call option)**

The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

#### **9.6 Redemption notice**

Redemption in accordance with Clause 9.3, 9.4 or 9.5 shall be made by the Issuer giving not less than 20 Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date.



## **9.7 Mandatory repurchase due to a Change of Control Event, a Listing Failure or De-listing Event (put option)**

- 9.7.1 Upon the occurrence of a Change of Control Event, Listing Failure or De-listing Event, each Noteholder shall during a period of 20 Business Days from the effective date of a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1.2 (after which period such right shall lapse), have the right to request that some, or all of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- 9.7.2 The notice from the Issuer pursuant to Clause 11.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 11.1.2. The Redemption Date must fall no later than 40 Business Days after the end of the period referred to in Clause 9.7.1.

## **9.8 General**

- 9.8.1 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9, the Issuer may comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.
- 9.8.2 Any Notes repurchased by the Issuer pursuant to this Clause 9 may at the Issuer's discretion be retained, sold or cancelled.

## **10 TRANSACTION SECURITY**

- 10.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants, on or before the First Issue Date, the Transaction Security to the Secured Parties as represented by the Agent. The Transaction Security shall be provided and perfected pursuant to, and subject to the terms of, the Security Documents entered into or to be entered into between the Issuer and the Agent, acting on behalf of the Secured Parties. The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.
- 10.2 The Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.
- 10.3 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Noteholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.
- 10.4 For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD and from which payments under the Notes are made to another bank account. The Issuer shall immediately upon request by the Agent provide

it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 10.4.

- 10.5 The Agent shall be entitled to release all Transaction Security upon the full discharge of the Secured Obligations and in accordance with Clause 4.2.3.

## **11 INFORMATION TO NOTEHOLDERS**

### **11.1 Information from the Issuer**

11.1.1 The Issuer shall make the following information available to the Noteholders in Swedish or English language by way of publication on the website of the Issuer:

- a) as soon as the same become available, but in any event within four months after the end of each financial year, its audited consolidated financial statements for that financial year prepared in accordance with the Accounting Principles;
- b) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, its quarterly unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles; and
- c) any other information required by the Swedish Securities Markets Act (*Iagen (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

11.1.2 The Issuer shall in each quarterly report delivered, disclose the amount of Notes cancelled or issued by the Issuer during the financial quarter pertaining to such report, provided that no such information shall be necessary if no Notes have been cancelled or issued during the relevant financial quarter.

11.1.3 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, Listing Failure or De-Listing Event, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.

11.1.4 The Issuer shall immediately notify the Agent upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

11.1.5 The Issuer is only obliged to inform the Agent and the Noteholders according to this Clause 11.1 if informing the Agent or the Noteholders would not conflict with any applicable laws or, when the Notes are listed, the Issuer's registration contract with the Regulated Market. If such conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

### **11.2 Compliance Certificate**

The Issuer shall submit a Compliance Certificate to the Agent in connection with:

- a) a Restricted Payment that requires the Incurrence Test to be met;

- b) the incurrence of new Financial Indebtedness or distribution that requires the Incurrence Test to be met; and
- c) the financial statements and other information made available to the Noteholders pursuant to Clause 11.1.1.

### **11.3 Information from the Agent**

Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.1.5 and restrictions of any applicable law and regulation the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may, if it considers it to be beneficial to the interests of the Noteholders, delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

### **11.4 Publication of Finance Documents**

- 11.4.1 The latest version of the Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- 11.4.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours. The Agent may charge the requesting Noteholder a reasonable administrative fee for making Finance Documents available.

## **12 FINANCIAL UNDERTAKINGS**

### **12.1 Maintenance Test**

- 12.1.1 The Issuer shall at all times ensure that the Maintenance Test is met.
- 12.1.2 The Maintenance Test is met if:
  - a) the Equity Ratio is at least 25 per cent. on the relevant Reference Date; and
  - b) the Cash and Cash Equivalent available to the Group is not less than SEK 20,000,000 on the relevant Reference Date.
- 12.1.3 The Maintenance Test shall be tested quarterly on the basis of the Financial Report for the period ending on the relevant Reference Date and be included in the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 30 June 2017.

### **12.2 Incurrence Test**

- 12.2.1 The Incurrence Test is met if:
  - a) the Equity Ratio is at least 30 per cent; and
  - b) no Event of Default is continuing or would occur upon the incurrence or distribution (as applicable).
- 12.2.2 The calculation of the Incurrence Test shall be made as per a testing date determined by the Issuer, on the basis of the most recent Financial Report published prior to the incurrence of a Subsequent Note Issue, a Restricted Payment or the incurrence of any new Financial Indebtedness constituting Permitted Debt (that requires that the Incurrence Test is met), and adjusted so that any assets acquired and new Financial Indebtedness (as applicable) shall be included *pro forma*.

## 13 GENERAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 13 for as long as any Note remain outstanding.

### 13.1 Distributions

The Issuer shall not, and shall procure that no other Group Company will:

- a) make any dividend payment;
- b) repurchase any of its shares;
- c) redeem its share capital or other restricted equity (*bundet eget kapital*) with repayment to shareholders; or
- d) make other distributions or transfers of value (*värdeöverföringar*) within the meaning of the Swedish Companies Act (*aktiebolagslagen (2005:551)*) to its direct or indirect shareholders

(paragraphs a) - d) above are together and individually referred to as a “**Restricted Payment**”), provided however that the following Restricted Payments shall be permitted to be made:

- a) Restricted Payments may be made between the Group Companies;
- b) a Restricted Payment that is a dividend related to Preference Shares up to an aggregate amount of SEK 16,000,000 *per annum*;
- c) a bonus issue (*fondemission*) of Preference Shares by the Issuer to its existing owners of ordinary shares in a total amount not exceeding SEK 150,000 per annum;
- d) capital contributions to a Project Entity; and
- e) after the date occurring 18 months after the First Issue Date, a Restricted Payment or a Restricted Preference Share Distribution may be made by the Issuer, if at the time of the payment:
  - (i) the Incurrence Test is fulfilled (calculated on a *pro forma* basis including the relevant Restricted Payment); and
  - (ii) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraphs a) and b) above) in any fiscal year (including the relevant Restricted Payment in question) does not exceed 25 per cent. of the Group’s consolidated net profit for the previous fiscal year.

### 13.2 Change of business

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on as of the First Issue Date if such change would have a Material Adverse Effect.

### 13.3 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will incur or allow to remain outstanding any Financial Indebtedness other than Permitted Debt.

### 13.4 Loans Out and Permitted Guarantees

- 13.4.1 The Issuer shall not, and shall procure that no Group Company will, provide any loan or guarantee to any party other than to another Group Company or a Project Entity in the ordinary course of business.

13.4.2 In addition to Clause 13.4.1, the Issuer and the other Group Companies shall be permitted to provide loans and guarantees to an external party if such loan or guarantee is provided:

- a) in relation to a Project or a Project Facility; or
- b) in the ordinary course of business.

### **13.5 Dealings at arm's length terms**

The Issuer shall, and shall procure that each other Group Company, conduct all dealings with persons, other than Group Companies, at arm's length terms.

### **13.6 Disposal of certain assets**

13.6.1 The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of shares in any Material Company or of all or substantially all of its or a Material Company's assets, or operations to any person not being the Issuer or any of its wholly-owned Group Companies, unless the transaction is carried out at fair market value and provided that it does not have a Material Adverse Effect.

13.6.2 No asset that is subject to Transaction Security may be disposed of other than in accordance with the terms of the Security Documents.

### **13.7 Negative pledge**

The Issuer shall not create or allow to subsist any Security over any of its assets, other than any Permitted Security.

### **13.8 Listing**

The Issuer shall use its best efforts to ensure that:

- a) the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than two months after the First Issue Date;
- b) any Subsequent Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than two months after the relevant Issue Date; and
- c) the Notes, once admitted to trading on the relevant Regulated Market, continue being listed thereon for as long as any Note is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

### **13.9 *Pari Passu* ranking**

The Issuer shall ensure that its payment obligations under the Notes at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.

### **13.10 Mergers and demergers**

13.10.1 The Issuer shall not and shall procure that no Material Company demerge or merge with an entity not being a Group Company if such merger or demerger is likely to have a Material Adverse Effect. A merger involving the Issuer, where the Issuer is not the surviving entity, is not permitted.

13.10.2 No merger or demerger is permitted of entities whose shares are subject to Transaction Security other than in accordance with the terms of the Security Documents.

### 13.11 Compliance with laws

The Issuer shall, and shall make sure that the Material Companies:

- a) comply in all material respects with all laws and regulations applicable from time to time; and
- b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Material Company.

### 13.12 Maintenance of environmental permits

The Issuer shall ensure that each Group Company in all material respects obtains, maintains and ensures compliance with all environmental permits or authorisations applicable from time to time and required for the Group's business where failure to do so would have a Material Adverse Effect.

## 14 ACCELERATION OF THE NOTES

14.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 14.5, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- a) **Non payment.** The Issuer fails to pay an amount on the date it is due in accordance with the Notes unless the non-payment (i) is caused by technical or administrative error and (ii) is remedied within five Business Days from the due date;
- b) **Other obligations.** The Issuer, fails to comply with or in any other way acts in violation of the Finance Documents to which such non-compliant entity is a party, in any other way than as set out in paragraph a) (*Non-payment*) above, unless the non-compliance (i) is capable of remedy, and (ii) is remedied within 15 Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- c) **Cross acceleration.** Any Financial Indebtedness of a Group Company is not paid within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness is less than SEK 5,000,000;
- d) **Insolvency.** Any Material Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- e) **Insolvency proceedings.** Any corporate actions, legal proceedings or other procedures are taken (other than (i) proceedings which are vexatious or frivolous or are being disputed in good faith and are discharged within 90 calendar days, and (ii), in relation to Subsidiaries of the Issuer (other than Subsidiaries that are subject to Transaction Security), solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, reorganisation (företagsrekonstruktion) or similar (by way of voluntary arrangement or otherwise) of any Material Company; and
  - (ii) the appointment of a liquidator, administrator, or other similar officer in respect of any Material Company or any of its assets or any analogous procedure;
- f) **Creditors' process.** Any attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Company having an aggregate value equal to or exceeding SEK 5,000,000 and is not discharged within 90 calendar days;
- g) **Continuation of the business.** The Issuer or any Material Company ceases to carry on its business or in the case of a merger or demerger as stipulated in Clause 13.10 (*Mergers and demergers*), if such discontinuation is likely to have a Material Adverse Effect; and
- h) **Invalidity etc.** It becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or the Transaction Security created or expressed to be created thereby is varied or ceases to be effective (subject to the Legal Reservations) and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders.
- 14.2 Upon the occurrence of an Event of Default which is continuing the Agent is entitled to, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 14.3 The Agent may not accelerate the Notes in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 14.4 The Agent shall notify the Noteholders of an Event of Default within five Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within 20 Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.5 If the Noteholders representing more than 50 per cent of the Adjusted Nominal Amount instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.6 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

14.7 In the event of an acceleration of the Notes in accordance with this Clause 14, the Issuer shall redeem all Notes at an amount per Note equal to the redemption amount due under Clause 9.3 (*Voluntary total redemption (call option)*), together with accrued but unpaid Interest.

## 15 DISTRIBUTION OF PROCEEDS

15.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 14 (*Acceleration of the Notes*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- a) **first**, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2.7 or subparagraph (ii) above, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.13, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- b) **secondly**, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- c) **thirdly**, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- d) **fourthly**, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

Any excess funds after the application of proceeds in accordance with paragraphs a) to d) above shall be paid to the Issuer.

15.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1 such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.

15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.

15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.



## 16 DECISIONS BY NOTEHOLDERS

- 16.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 16.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 16.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- a) on the Business Day specified in the notice pursuant to Clause 17.3, in respect of a Noteholders' Meeting, or
  - b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 16.5 The following matters shall require the consent of Noteholders representing at least 66 2/3 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- a) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
  - b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
  - c) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - d) a release of the Transaction Security, except in accordance with the terms of the Security Documents;
  - e) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - f) amend any payment day for principal or interest amount or waive any breach of a payment undertaking; or
  - g) amend the provisions regarding the majority requirements under the Terms and Conditions.

- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1 a) or b)), an acceleration of the Notes, or the enforcement of any Transaction Security.
- 16.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least 50 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5, and otherwise 20 per cent. of the Adjusted Nominal Amount:
- a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.8, the date of request of the second Noteholders' Meeting pursuant to Clause 17.1 or second Written Procedure pursuant to Clause 19.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 16.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 16.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.

- 16.14 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company.
- 16.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **17 NOTEHOLDERS' MEETING**

- 17.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than five Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Noteholders' Meeting has been requested by the Noteholder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 20.4.3, the Issuer shall no later than five Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 17.4 The Noteholders' Meeting shall be held no earlier than 15 Business Days and no later than thirty 30 Business Days after the effective date of the notice.
- 17.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **18 WRITTEN PROCEDURE**

- 18.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than five Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on the Business Day prior to the date on which the communication is sent.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Noteholder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive

a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 15 Business Days from the date of the communication pursuant to Clause 18.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.

- 18.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19 AMENDMENTS AND WAIVERS**

- 19.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
- b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- c) such amendment or waiver is necessary for the purpose of listing the Notes on the corporate bond list of Nasdaq Stockholm, provided such amendment or waiver does not materially adversely affect the rights of the Noteholders; or
- d) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).

- 19.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

- 19.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority and that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.4 (*Publication of Finance Documents*).

- 19.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20 APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **20.1 Appointment of the Agent**

- 20.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 20.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 Duties of the Agent**

- 20.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Noteholders and, where relevant, enforcing the Transaction Security on behalf of the Noteholders. The Agent is not responsible for the content, valid execution, perfection, legal validity or enforceability of the Finance Documents.
- 20.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.3 The Agent's duties under the Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Noteholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person.
- 20.2.4 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- 20.2.5 The Agent is entitled to delegate its duties to other professional parties (without having to first obtain any consent from the Issuer or the Noteholders), but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 20.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 20.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the

Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).

- 20.2.8 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 20.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 20.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 20.2.11 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- 20.2.12 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2.10.

### **20.3 Limited liability for the Agent**

- 20.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given to the Agent in accordance with the Finance Documents.
- 20.3.5 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person
- 20.3.6 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

## **20.4 Replacement of the Agent**

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Noteholder (or Noteholders) representing at least ten per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Noteholders have not appointed a successor Agent within 90 days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **21 APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 21.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution

approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **22 APPOINTMENT AND REPLACEMENT OF THE CSD**

22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.

22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act and be authorised as a central securities depository in accordance with the Financial Instruments Account Act.

## **23 NO DIRECT ACTIONS BY NOTEHOLDERS**

A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

## **24 TIME-BAR**

24.1 The right to receive repayment of the principal of the Notes shall be time-barred and become void ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten years with respect to the right to receive repayment of the principal of the Notes, and of three years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **25 NOTICES**

### **25.1 Notices**

25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- a) if to the Agent, shall be given to the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;



- b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
- c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication, and by either courier delivery or letter for all Noteholders.

25.2 A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

25.2.1 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1, in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1, or, in case of email, when received in readable form by the email recipient.

## **26 FORCE MAJEURE AND LIMITATION OF LIABILITY**

26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

26.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

26.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27 GOVERNING LAW AND JURISDICTION**

27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

27.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

We hereby certify that the above terms and conditions are binding upon ourselves.

Place: Stockholm

Date: \_\_\_\_ May 2017

**SHH BOSTAD AB (PUBL)**

as Issuer

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Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place: Stockholm

Date: \_\_\_\_ May 2017

**INTERTRUST (SWEDEN) AB**  
as Agent

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name: