



## **Terms and Conditions**

**Slättö Fastpartner Spånga AB (publ)**

**SEK 400,000,000**

**Senior Secured Floating Rate Bonds**

**ISIN: SE0012011872**

**27 March 2019**

**Other than the registration of the Bonds under Swedish law, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.**

**ROSCHIER**

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## 1. Definitions and Construction

### 1.1 Definitions

In these terms and conditions (the "**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 Bondholder has opened a Securities Account in respect of its Bonds.

"**Accounting Principles**" means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Additional Consideration**" means the additional consideration for the Properties in the amount of approximately SEK 800,000,000 (including the Vendor Loan(s)) to be paid by the Issuer to the Vendor when the Zoning Plan has gained legal force.

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Bonds.

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services in the normal course of business with credit periods which are no longer than 90 days after the supply of assets or services or (b) any other trade credit incurred in the ordinary course of business.

"**Affiliate**" means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

"**Agency Agreement**" means the agency agreement entered into on or prior to the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

"**Agent**" means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Allocated Loan Amount**" means:

- (a) with respect to the property Stockholm Gustav 1, SEK 296,475,000; and
- (b) with respect to the property Stockholm Gunhild 5, SEK 103,520,000.

"**Bond**" means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions.

"**Bondholder**" means the Person who is registered on a Securities Account as direct registered owner (Sw. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

"**Bond Issue**" means the issuance of the Bonds.

"**Building Rights Percentage**" means the ratio (express as a percentage) of the building rights (Sw. *byggrätter*) existing on the part of the Property being disposed to the total building rights on such Property.

"**Business Day**" means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *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.

"**Call Option Amount**" mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

"**Change of Control Event**" means the occurrence of an event or series of events whereby (i) Fastpartner, directly or indirectly, ceases to own at least 40 per cent. of the votes and shares of the Issuer, or (ii) Slättö, directly or indirectly, ceases to own at least 40 per cent. of the votes and shares of the Issuer.

"**Compactor**" means Compactor Fastigheter AB, reg. no. 556323-4284.

"**Completion Date**" means the date of disbursements of the proceeds from the Proceeds Account.

"**Compliance Certificate**" means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); and

- (c) if the Compliance Certificate is provided in connection with that a Financial Report is made available, that the Maintenance Covenants are met (including figures in respect of the relevant financial tests and the basis on which they have been calculated).

"**Construction Facility**" means any construction facilities (*Sw. byggkreditiv*) incurred by a Group Company to finance the development and construction of the Properties.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"**Debt Instruments**" 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 an MTF.

"**Deposit Account**" means the bank account held by the Issuer with Danske Bank A/S, Denmark, Filial Sverige on which the Issuer will deposit disposal proceeds.

"**Disposal Proceeds**" means proceeds received in connection with a disposal and which has been deposited on the Deposit Account pursuant to Clauses 13.7(b)(ii)(D) and 13.7(b)(iii)(D).

"**Equity**" means, in accordance with the Accounting Principles, the consolidated sum of (i) restricted equity, (ii) non-restricted equity and (iii) any Subordinated Debt.

"**Event of Default**" means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.9 (*Continuation of the Business*).

"**Fastpartner**" means Fastpartner AB (publ), reg. no. 556230-7867.

"**Final Maturity Date**" means 1 April 2023.

"**Finance Documents**" means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement;
- (d) the Security Documents;
- (e) the Guarantee Agreement;
- (f) the Operational Cost Guarantee Agreement;
- (g) the Subordination Agreement; and
- (h) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

**"Finance Leases"** means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the accounting principles applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the accounting principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the accounting principles, be considered as a finance lease.

**"Financial Indebtedness"** means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

**"Financial Report"** means the Group's annual audited consolidated financial statements, or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 11.1(a)(i) and 11.1(a)(ii).

**"Floating Rate Margin"** means 5.25 per cent. *per annum*.

**"Force Majeure Event"** has the meaning set forth in Clause 25(a).

**"Group"** means the Issuer and each of its Subsidiaries from time to time and **"Group Company"** means any of them.

**"Guarantee Agreement"** means the guarantee agreement pursuant to which the Guarantors shall, amongst other, (i) guarantee all interest payments under the Bonds on a *pro rata* basis so that each Guarantor guarantees their *pro rata* share of their

respective direct or indirect holding of shares in the Issuer at the Issue Date and (ii) agree to subordinate all subrogation claims.

**"Guarantees"** means the guarantees provided by the Guarantors under the Guarantee Agreement.

**"Guarantors"** means Slättö and Compactor.

**"Initial Nominal Amount"** has the meaning set forth in Clause 2(c).

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**"Interest"** means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

**"Interest Account"** means the bank account held by the Issuer with Danske Bank A/S, Danmark, Filial Sverige, in which the Issuer will on the Completion Date deposit an aggregate amount equivalent to the Interest payable under the Bonds on two Interest Payment Dates.

**"Interest Payment Date"** means 1 April, 1 July, 1 October, and 1 January each year. The first Interest Payment Date shall be 1 July 2019. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

**"Interest Period"** means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**"Interest Rate"** means STIBOR plus the Floating Rate Margin.

**"Issue Date"** means 1 April 2019.

**"Issuer"** means Slättö Fastpartner Spånga AB (publ), a limited liability company incorporated in Sweden with reg. no. 559077-0896.

**"Issuing Agent"** means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"JV Partner"** means Slättö and Fastpartner.

**"Maintenance Covenants"** means the maintenance covenants set out in Clause 12.1 (*Maintenance Covenants*).

**"Market Loan"** means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Stockholm or any other regulated or unregulated recognised market place.

**"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 the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

**"Material Intercompany Loan"** means any intercompany loans provided by the Issuer to any of its Subsidiaries where:

- (a) the term is at least 12 months; and
- (b) the principal amount exceeds SEK 1,000,000.

**"MTF"** means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Net Proceeds"** means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner and its legal advisors and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

**"Nominal Amount"** means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clauses 9.4 (*Voluntary partial redemption (Disposals Proceeds)*) and/or 9.5 (*Mandatory partial redemption (Redemption Insurance Proceeds)*).

**"Operational Costs"** means all the operational costs of the Group, including, but not limited to, project management, administrative costs for development plans and pre-studies, but, for the avoidance of doubt, excluding any costs for construction of properties and/or buildings, and interest payments under a Construction Facility.

**"Operational Cost Guarantee Agreement"** means the guarantee agreement to between the Issuer and the JV Partners pursuant to which the JV Partners guarantee, as long as any Bonds remain outstanding, the payments of any Operational Costs on a *pro rata* basis so that each JV Partner guarantees their *pro rata* share of their respective direct or indirect holding of shares in the Issuer at the Issue Date.

**"Partial Release Price"** means an amount equal to the Release Price for a part of a Property being disposed multiplied with the Building Rights Percentage.



**"Permitted Debt"** means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) incurred under any Construction Facility in the maximum aggregate amount equivalent to the Total Nominal Amount of the Bonds;
- (c) under any guarantee issued by a Group Company or pursuant to a counter-indemnity provided to a bank, a contractor, Stockholm Municipality or other third party provider of a guarantee, in each case incurred in the ordinary course of business;
- (d) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (e) arising under any interest rate hedging transactions in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (f) incurred under Advance Purchase Agreements;
- (g) incurred under any Subordinated Debt;
- (h) taken up from a Group Company;
- (i) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds;
- (j) of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business; and
- (k) any other Financial Indebtedness incurred by Group Companies not in aggregate exceeding SEK 4,000,000.

**"Permitted Security"** means any Security:

- (a) provided under the Finance Documents
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (c) provided in relation to any lease agreement entered into by a Group Company;

- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) provided pursuant to items (b), (d), (e), (i) and (j) of the definition of Permitted Debt; and
- (a) not covered under paragraphs (a)-(e) above, securing an aggregate maximum amount of SEK 4,000,000.

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

**"Proceeds Account"** means a bank account of the Issuer, into which the Net Proceeds from the Bond Issue will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

**"Proceeds Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Security Agent on or prior to the Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Security Agent and the Bondholders (represented by the Agent).

**"Properties"** means Stockholm Gustav 1 and Stockholm Gunhild 5 (each a **"Property"**).

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

**"Record Date"** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) 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 Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

**"Redemption Insurance Proceeds"** has the meaning set forth in Clause 13.10 (*Insurance*).

**"Reference Date"** means 31 March, 30 June, 31 October and 31 December.

**"Reference Period"** means each period of 12 consecutive calendar months.

**"Regulated Market"** means any regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Release Price"** means:

- (a) the Allocated Loan Amount for each Property plus an addition of 10 per cent.; or
- (b) in the event that the Group has disposed shares and or the Properties, in whole or in part, in an aggregate amount exceeding SEK 400,000,000 (other than disposals in connection with Clause 13.7(b)(i) and provided that the Group has acted in accordance with Clauses 13.7(b)(ii)(D) and/or 13.7(b)(iii)(D) in connection with such disposal), the Allocated Loan Amount.

**"Residential Development"** means any new construction of buildings where a majority of the sellable/leasable area shall be residential apartments.

**"Secured Obligations"** means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by the Issuer towards the Secured Parties outstanding from time to time under the Finance Documents.

**"Secured Parties"** means the Security Agent, the Bondholders 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 Agent"** means the security agent holding the Transaction Security on behalf of the Secured Parties, being the Agent on the Issue Date.

**"Security Documents"** means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

**"Slättö"** means Slättö VII AB, reg. no. 556994-4464.

**"Subordinated Debt"** means:

- (a) any Vendor loan; and
- (b) any loan made to the Issuer by a shareholder of the Issuer or a joint venture partner, if such loan:
  - (i) is subordinated to the obligations of the Issuer under the Terms and Conditions pursuant to a Subordination Agreement;
  - (ii) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and

- (iii) according to its terms yield only payment-in-kind interest.

**"Sole Bookrunner"** means Pareto Securities AB.

**"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 leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, 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.

**"Subordination Agreement"** means the subordination agreement entered into between, amongst others, the Issuer, the Agent and any creditor providing Subordinated Debt.

**"Subsidiary"** means, in respect of which such Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners; or
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

**"Swedish Kronor"** and **"SEK"** means the lawful currency of Sweden.

**"Total Assets"** means the consolidated book value of all assets of the Group calculated in accordance with the Accounting Principles.

**"Total Nominal Amount"** means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

**"Transaction Costs"** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Bond Issue and (ii) the listing of the Bonds.

**"Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (a) share pledge in respect of all the shares in the Issuer;
- (b) pledge over any current and future Material Intercompany Loan; and
- (c) a pledge over the Interest Account and the Deposit account.

**"Vendor"** means Fastpartner.

**"Vendor Loan"** means the vendor note(s) evidencing the vendor loan(s) in an aggregated amount of approximately SEK 300,000,000 issued by the Issuer to the Vendor for the purpose of financing the Additional Consideration of the Properties.

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

**"Zoning Plan"** means the zoning plan (*Sw. Detaljplan*) relating to the Properties.

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) 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 (*Sw. 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.

- (c) 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.
- (d) No delay or omission of the Agent, the Security Agent or of any Bondholder 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 Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Bond is SEK 100,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Bonds is SEK 400,000,000. All Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in the Bond Issue is SEK 1,100,000.
- (e) The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- (f) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

## 3. Use of Proceeds

The proceeds from the Bond Issue shall be used to (i) partially fund the Additional Consideration for the Properties, (ii) prefunding the Interest Account with an aggregate amount equivalent to the Interest payable under the Bonds on two Interest Payment Dates, (iii) investments in the Properties by way of Residential Development, (iv) finance general corporate purposes of the Group (including operating costs and interest on any Construction Facility), and (v) finance Transaction Costs

## 4. Conditions Precedent

### 4.1 Conditions Precedent Bond Issue

- (a) The payment of the Net Proceeds from the Bond Issue to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent);
  - (ii) copies of the Finance Documents, duly executed;
  - (iii) copies of the Security Documents, duly executed, and evidence that all documents, registrations and other evidences to be delivered pursuant to the Security Documents to perfect the security have been delivered and satisfied, provided that any documents and other evidences to be delivered pursuant to the Security Documents but not required for perfection of the security may be delivered as soon as practicably possible following the Completion Date;
  - (iv) an agreed form Compliance Certificate;
  - (v) evidence in the form of a funds flow statement or similar that an aggregate amount equivalent to the Interest payable under the Bonds on two Interest Payment Dates will be deposited on the Interest Account upon disbursement of the Net Proceeds;
  - (vi) evidence that the Zoning Plan has gained legal force; and
  - (vii) evidence in the funds flow statement or similar that the Additional Consideration, less any Vendor Loans, for the Properties will be paid in full to the Vendor immediately upon disbursement of the Net Proceeds.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) is accurate, legally valid, enforceable, correct, true and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) above from a legal or commercial perspective of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4.1(b) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose set out in Clause 3

(*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.

- (e) If the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within six (6) months from the Issue Date, the Issuer shall repurchase all Bonds at a price equal to 101 per cent. of the Initial Nominal Amount together with any accrued but unpaid Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4.1(e). Any shortfall shall be covered by the Issuer and the Guarantors (as applicable). The repurchase date shall fall no later than thirty (30) Business Days after the ending of the six (6) month period referred to above.

## 4.2 Conditions Subsequent

- (a) The Issuer shall use its best effort to procure that a building permit (*Sw. Bygglöv*) is granted for one Property (in whole or in part) and provide the Agent with evidence that such building permit has been granted.
- (b) If the condition subsequent in paragraph (a) above has not been fulfilled to the satisfaction of the Agent (acting reasonably) on the earlier of (i) 12 months from the Completion Date and (ii) the date it becomes clear that no building permit will be granted for the Properties (the "**CS Long-Stop Date**"), the Issuer shall redeem all Bonds at a price equal to 101 per cent. of the outstanding Nominal Amount together with any accrued but unpaid Interest. The repurchase date shall fall no later than thirty (30) Business Days after the CS Long-Stop Date.

## 5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.



- (e) 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 kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

## **6. Right to Act on Behalf of a Bondholder**

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) 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(b) 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.

## **7. Payments in Respect of the Bonds**

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest 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 Bondholder 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 Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) 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 without any default interest in accordance with Clause 8(d) during such postponement.

- (d) 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.
- (e) 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**

- (a) Each Bond carries Interest at the Interest Rate from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) 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).
- (d) If the Issuer fails to pay any amount payable by it 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 (2) per cent. higher than the Interest Rate. 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 Bonds**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

### **9.2 Issuer's purchase of Bonds**

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled.

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

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:

- (i) any time from and including the Issue Date to, but excluding, the date falling 24 months after the Issue Date at an amount per Bond equal to 102.625 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to and including the date falling 24 months after the Issue Date together with accrued but unpaid Interest;
  - (ii) any time from and including the date falling 24 months after the Issue Date to, but excluding, the first Business Day falling 30 months after the Issue Date at an amount per Bond equal to 102.625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first Business Day falling 30 months after the Issue Date to, but excluding, the first Business Day falling 36 months after the Issue Date at an amount per Bond equal to 101.313 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first Business Day falling 36 months after the Issue Date to, but excluding, the first Business Day falling 42 months after the Issue Date at an amount per Bond equal to 100.788 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (v) any time from and including the first Business Day falling 42 months after the Issue Date to, but excluding, the first Business Day falling 45 months after the Issue Date at an amount per Bond equal to 100.525 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (vi) any time from and including the first Business Day falling 45 months after the Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to the falling 24 months after the Issue Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

#### **9.4 Voluntary partial redemption (Disposals Proceeds)**

- (a) Subject to paragraph (c) below, the Issuer may redeem Bonds in part with Disposal Proceeds. The repayment must occur on an Interest Payment Date. The repayment per bond shall be equal to the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1.00) plus for the period up to, but excluding, the date falling 24 months after the Issue Date, a premium on the repaid amount equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the repayment occurs, a premium on the repaid amount equal the Call Option Amount for the relevant period.
- (b) Partial redemption in accordance with this Clause 9.4 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in SEK and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.
- (c) The Issuer may only redeem Bonds in part pursuant to this Clause 9.4 in a maximum aggregate amount not exceeding 50 per cent. of the total Initial Nominal Amount.

#### **9.5 Mandatory partial redemption (Redemption Insurance Proceeds)**

- (a) The Issuer shall redeem Bonds in part with Redemption Insurance Proceeds. The repayment per Bond shall be equal to the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1,000) together with accrued but unpaid interest. The repayment must occur on an Interest Payment Date.
- (b) The Issuer shall give notice of a redemption in accordance with this Clause 9.5 no later than twenty (20) Business Days after any compensation received under an insurance policy have been classified as Redemption Insurance Proceeds in accordance with Clause 13.10 (*Insurance*). Any such notice is irrevocable and the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in SEK and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

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

- (a) The issuer may redeem all, but not only some, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid interest if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- (b) The Issuer shall give notice of any redemption pursuant to Clause 9.6(a) no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

- (c) A notice of redemption in accordance with Clause 9.6(a) is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Bonds in full at the applicable amounts.

### **9.7 Mandatory repurchase due to a Change of Control Event (put option)**

- (a) Upon the occurrence of a Change of Control Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(d) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 11.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(d). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.7(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.7, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.7 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.7 may at the Issuer's discretion be retained or sold, but not cancelled.

## **10. Transaction Security and Guarantees**

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and each Group Company party to any Security Document grants the Transaction Security to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents.
- (b) As continuing Security for the due and punctual fulfilment of all payment of Interest under these Terms and Conditions the Guarantors grants the Guarantee to the Secured Parties as represented by the Security Agent on the terms set out in the Guarantee Agreement.
- (c) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents and the Guarantee Agreement. The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or

the Guarantee Agreement (as applicable) will, enter into the Security Documents and/or the Guarantee Agreement (as applicable) and perfect the Transaction Security in accordance with the Security Documents.

- (d) Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security 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 Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.

## **11. Information to Bondholders**

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

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Issuer:
- (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (*Sw. bokslutskommuniké*) (as applicable), including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors.
- (b) The first period for which a quarterly unaudited consolidated report shall be prepared pursuant to Clause 11.1(a)(ii) is 1 April – 30 June 2019.
- (c) Any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading or the MTF on which the Bonds are admitted to trading (as applicable).
- (d) When the Bonds have been listed on a Regulated Market:
- (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and

- (ii) the reports referred to in Clause 11.1(a)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS.
- (e) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (f) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (g) The Issuer shall promptly notify the Agent (with full particulars) 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 any 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.
- (h) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available; and
  - (iii) at the Agent's request, within 20 days from such request.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (h) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market or MTF. If such a conflict would exist pursuant to the listing contract with the Regulated Market, MTF or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or the MTF 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 Information from the Agent**

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## **11.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

## **12. Financial Undertakings**

### **12.1 Maintenance Covenants**

The Issuer shall ensure that:

- (a) the Equity to Total Assets exceeds 30 per cent.;
- (b) the Equity exceeds SEK 250,000,000; and
- (c) the freely available cash in the Group at all times is at least an amount equivalent to the upcoming six (6) months payments of Interest under the Bonds.

### **12.2 Testing of the Maintenance Covenants**

- (a) The Maintenance Covenants shall be calculated in accordance with the Accounting Principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be on the first Reference Date occurring after the Zoning Plan has gained legal force, but in any event no later than 30 September 2019.



### 12.3 Equity Cure

- (a) If there is a breach of any of the Maintenance Covenants, no Event of Default will occur if, within thirty (30) Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with the Terms and Conditions, the Issuer has received equity injection in cash in the form of a share issue or an unconditional shareholder contribution and has deposited such equity injection in an amount sufficient (however no less than SEK 5,000,000) to ensure compliance with the relevant Maintenance Covenant, as at the relevant Reference Date (the "**Cure Amount**").
- (b) The calculation of the Equity shall be adjusted so that Equity on the relevant Reference Date is increased with an amount equal to the Cure Amount.
- (c) Any Equity Cure must be made in cash and no more than two (2) Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

### 12.4 Incurrence Test

The Incurrence Test is met if:

- (a) The outstanding Financial Indebtedness under the Construction Facilities to the Total Nominal Amount is not greater than 1.00:1; and
- (b) no Event of Default is continuing or would occur upon the disposal.

### 12.5 Testing of the Incurrence Test

The testing and calculation of the Financial Indebtedness under the Construction Facilities and the Total Nominal Amount for the purpose of the Incurrence Test shall be made as per a testing date falling one day prior to the relevant disposal.

## 13. General Undertakings

### 13.1 General

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 Bonds remain outstanding.

### 13.2 Restricted Payments

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend in respect of its shares (other than to the Issuer or a wholly-owned Subsidiary of the Issuer and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis);

- (ii) repurchase or redeem any of its own shares;
- (iii) redeem its share capital or other restricted equity with repayment to its shareholders;
- (iv) repay any Subordinated Debt or capitalised or accrued interest thereunder (other than repayments of Vendor Loans provided that such Vendor Loan is repaid with cash received from new Subordinated Debt);  
or
- (v) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer.

### 13.3 Listing

The Issuer shall ensure that:

- (a) the Bonds are listed on First North Stockholm or the corporate bond list of Nasdaq Stockholm, if such admission to trading is not possible to obtain or maintain, admitted to trading on another MTF or Regulated Market within 60 days after the Issue Date and with an intention to complete such listing within 30 days after the Issue Date;
- (b) if the Bonds are listed on First North Stockholm (or other relevant MTF) pursuant to (a) above, no later than one year after the Issue Date, the Bonds cease to be listed on First North Stockholm (or other relevant MTF) and are instead listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or admitted to trading on another Regulated Market; and
- (c) except as set out in paragraph (b) above, the Bonds, once admitted to trading on the corporate bond list of the relevant Regulated Market or MTF (as applicable), continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market or MTF (as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

### 13.4 Nature of Business

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

### 13.5 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur, prolong or renew any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur, prolong or renew Financial Indebtedness that constitutes Permitted Debt.

### 13.6 Loans Out

The Issuer shall not, and shall procure that none of its Subsidiaries will, extend or grant any loans other than:

- (a) to the Issuer or to a wholly-owned Subsidiary of the Issuer; or
- (b) to a housing cooperative (*Sw. bostadsrättsförening*), provided that all participations or shares in such housing cooperative are held by the Issuer or a wholly-owned Subsidiary of the Issuer.

### 13.7 Disposal of Assets

- (a) Subject to paragraph (b) below, the Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of any shares in any Group Company or of any substantial assets or operations to any person not being the Issuer or any of its wholly-owned Group Companies.
- (b) Notwithstanding paragraph (a) above:
  - (i) the Issuer may dispose of a part of the Property Gunhild 5, amounting to approximately 40 per cent. of the total area of such Property, in accordance with the sales and purchase agreements signed with Goldcup 18134 AB (under name of change to EFC Bromstenstaden 1 AB) as buyer (the "**Buyer**") or with a company/-ies within the Buyer's group, provided that such disposal is completed in connection with the Completion Date;
  - (ii) the Issuer may dispose of shares or Properties provided that:
    - (A) the Incurrence Test is met;
    - (B) the Property/-ies are divested at a cash price equal to or greater than the Release Price for such Property;
    - (C) the transaction is carried out on market terms and on terms and conditions customary for such transaction and it does not have a Material Adverse Effect; and
    - (D) the Release Price for such Property is immediately deposited into the Deposit Account, for application against (A) investments in the Properties by way of Residential Development, or (B) a voluntary prepayment in accordance with Clause 9.4 (*Voluntary partial redemption (Disposals Proceeds)*). Any amounts not so applied shall remain on the Deposit Account and any net proceeds exceeding the Release Price may be applied by the Issuer in its sole discretion, and
  - (iii) the Issuer may dispose of a part of a Property provided that:
    - (A) the Incurrence Test is met;

- (B) such part of a Property are divested at a cash price equal to or greater than the Partial Release Price for such part;
- (C) the transaction is carried out on market terms and on terms and conditions customary for such transaction and it does not have a Material Adverse Effect; and
- (D) the Partial Release Price for such part of a Property is immediately deposited into the Deposit Account, for application against (A) investments in the Properties by way of Residential Development, or (B) a voluntary prepayment in accordance with Clause 9.4 (*Voluntary partial redemption (Disposals Proceeds)*). Any amounts not so applied shall remain on the Deposit Account and any net proceeds exceeding the Partial Release Price may be applied by the Issuer in its sole discretion.

### 13.8 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Issuer and the Group have a right to provide retain, prolong or renew, any Permitted Security.

### 13.9 Dealings at arm's length terms

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any of its Subsidiaries) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

### 13.10 Insurance

- (a) The Issuer shall, and shall procure that all other Group Companies will, keep the Properties insured to an extent which is customary for similar properties on the relevant geographical market with one or more reputable insurers. The insurance cover shall *inter alia* include third party liability insurance and, provided that construction is ongoing and/or finalised on the Properties, full value insurance.
- (b) Should the Issuer or a Group Company receive compensation under an insurance policy, such proceeds shall be promptly applied for replacement and/or repair of assets, and if not so applied within 9 months such amount, if in excess of SEK 10,000,000, shall promptly be applied in full towards partial repayment in accordance with Clause 9.5 (*Mandatory partial redemption (Redemption Insurance Proceeds)*) (such proceeds being "**Redemption Insurance Proceeds**").

### 13.11 Project Undertaking

The Issuer shall ensure that for any Residential Development:

- (a) the construction is carried out by one or more reputable construction companies;
- (b) the construction is fully financed (through any combination of cash, a guarantee from the JV Partners, the Bonds, and/or a Construction Facility from a reputable bank); and
- (c) the market value of projects under construction shall be determined in accordance with international financial reporting standards (IFRS).

### **13.12 Operational Cost Guarantee**

The Issuer shall not make or accept any amendments or waivers in relation to the Operational Cost Guarantee Agreement.

### **13.13 Bank Accounts**

- (a) The Borrower shall establish and at all time maintain the Deposit Account and the Interest Account, which shall be pledged to the Secured Parties in accordance with the terms of the relevant Security Document.
- (b) Provided that no Event of Default has occurred and is continuing, the Issuer shall be allowed to request the Security Agent to apply the funds standing to the credit on the Interest Account to pay Interest on the first two Interest Payment Dates.
- (c) Provided that no Event of Default has occurred and is continuing, the Issuer shall be allowed to request the Security Agent to apply the funds standing to the credit on the Deposit Account in accordance with Clauses 13.7(b)(ii)(D) and 13.7(b)(iii)(D).

### **13.14 Additional Security over Material Intercompany Loans**

The Issuer shall and shall procure that each Group Company will, upon the incurrence of a Material Intercompany Loan, grant a pledge over that Material Intercompany Loan as Security (subject to customary financial assistance and corporate benefit limitations) for all amounts outstanding under the Finance Documents and simultaneously therewith deliver to the Agent (unless previously provided):

- (a) constitutional documents and corporate resolutions (approving the relevant Security Documents and authorising a signatory/-ies to execute the relevant Security Document) for the relevant security provider, and each other party to that Security Document (other than the Agent);
- (b) a legal opinion on the capacity and due execution, in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm; and
- (c) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the

Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

### **13.15 Environmental**

The Issuer shall, and shall procure that all other Group Companies will, comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits. The Issuer shall, promptly upon becoming aware of the same, inform the Agent of any claim, proceeding or investigation in respect of any such environmental law against any member of the Group which is current, pending or threatened where which, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

## **14. Events of Default and Acceleration of the Bonds**

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.10 (*Acceleration of the Bonds*)) is an Event of Default.

### **14.1 Non-Payment**

The Issuer or a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within five (5) Business Days of the due date.

### **14.2 Maintenance Covenants**

The Issuer has failed to comply with any of the Maintenance Covenants and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 12.3 (*Equity Cure*).

### **14.3 Other Obligations**

A party (other than the Agent) does not comply with its obligations under the Finance Documents, in any other way than as set out in Clauses 14.1 (*Non-Payment*) and 14.2 (*Maintenance Covenants*), provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within 15 Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds due and payable without such prior written request).

### **14.4 Cross payment default and Cross-acceleration**

Any Financial Indebtedness of a Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) declared to be 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 Clause 14.4 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

#### **14.5 Insolvency**

- (a) Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for Bondholders) with a view to rescheduling its Financial Indebtedness.
- (b) A moratorium is declared in respect of the Financial Indebtedness of any Group Company.

#### **14.6 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction in respect of a Group Company.

#### **14.7 Mergers and demergers**

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to existing security between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

#### **14.8 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not discharged within 60 days.

## 14.9 Continuation of the Business

The Issuer or any other Group Company ceases to carry on its business (other than (i) a solvent liquidation permitted pursuant to Clause 14.6 (*Insolvency Proceedings*) above or (ii) a disposal permitted under the Finance Documents) if such discontinuation is likely to have a Material Adverse Effect.

## 14.10 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.10(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds 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.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) 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 twenty (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 Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds 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 Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law 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.



- (f) In the event of an acceleration of the Bonds in accordance with this Clause 14.10, the Issuer shall up to, but excluding, the date falling 24 months after the Issue Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

## 15. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees shall and can be applied towards satisfaction of the below) shall be distributed in the following order of priority:
- (i) *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 Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the Guarantees or the protection of the Bondholders' 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(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(m);
  - (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) above shall be paid to the Issuer (or the Guarantors, as applicable).

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15(a)(i).

- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders 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.
- (d) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (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(a) shall apply and for any partial redemption in accordance with 9.4 (*Voluntary partial redemption (Disposals Proceeds)*) and/or 9.5 (*Mandatory partial redemption (Redemption Insurance Proceeds)*) due but not made, the Record Date specified in Clause 9.4(b) and/or 9.5(b) (as applicable) shall apply.

## 16. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of 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 Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders 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.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or

- (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
  - (i) the issue of any Bonds after the Issue Date, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 400,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Bonds are issued);
  - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(e) to 2(g);
  - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iv) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause 9.4 (*Voluntary partial redemption (Disposals Proceeds)*) and/or 9.5 (*Mandatory partial redemption (Redemption Insurance Proceeds)*)).
  - (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
  - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
  - (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (ix) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee Agreement (as applicable);
  - (x) a mandatory exchange of the Bonds for other securities; and
  - (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the*

*Bonds*) or as otherwise permitted or required by these Terms and Conditions.

- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). 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(a)(i) to 19(a)(iii)), an acceleration of the Bonds, or the enforcement of any Transaction Security or Guarantees.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
  - (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) 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 Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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 appropriate.
- (j) A Bondholder holding more than one Bond 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.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' 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.

- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders 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 Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) 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 Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders'

Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **18. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (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 Bondholder 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 Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. Amendments and Waivers**

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (i) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Bondholders,
  - (ii) the Agent is satisfied that such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
  - (iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iv) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders 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 or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), 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 11.3 (*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, to the extent such registration is possible with the rules of the relevant CSD.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. Appointment and Replacement of the Agent and the Security Agent**

### **20.1 Appointment of Agent and the Security Agent**

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security 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 Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 20.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as

applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.

- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security 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 and the Security Agent**

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is 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 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, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.

- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security 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 which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security 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*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is 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.
- (i) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) 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.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security 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.

- (k) Each of the Agent and the Security Agent shall give a notice to the Bondholders (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 or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 20.2(i).

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

- (a) Neither the Agent nor the Security Agent will be liable to the Bondholders 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. Neither the Agent nor the Security Agent shall be responsible for indirect loss.
- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall 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 it to the Bondholders, provided that it 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 it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security 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 Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

### **20.4 Replacement of the Agent and the Security Agent**

- (a) Subject to Clause 20.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as

Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- (c) A Bondholder (or Bondholders) representing at least ten (10) 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 Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent (as applicable) under the Finance Documents.
- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent (as applicable) and acceptance by such successor Agent and/or the successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security 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 and/or the Security Agent (as applicable). Its successor, the Issuer and each of the Bondholders 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 and/or the Security Agent.

- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents. Unless the Issuer and the new Agent and/or the new Security Agent agrees otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

## **21. Appointment and Replacement of the Issuing Agent**

- (a) 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 Bonds.
- (b) 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. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Guarantees 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 (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. 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.
- (b) Clause 22(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2(k) before a Bondholder may take any action referred to in Clause 22(a).
- (c) The provisions of Clause 22(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under

Clause 9.7 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 23. Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) 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.

## 24. Notices and Press Releases

### 24.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) 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 the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (b) 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:

- (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(a);
  - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1(a); or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
  - (d) Any notice given and documents provided under or in connection with any Finance Document must be in English.

## 24.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 4.2(b), 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Voluntary partial redemption (Disposals Proceeds)*), 9.5 (*Mandatory partial redemption (Redemption Insurance Proceeds)*), 9.6 (*Early redemption due to illegality (call option)*), 9.7 (*Mandatory repurchase due to a Change of Control Event (put option)*), 11.1(f), 14.10(c), 16(o), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 24.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## 25. Force Majeure and Limitation of Liability

- (a) None of the Agent, the Security Agent or 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 or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security 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.
- (d) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **26. Governing Law and Jurisdiction**

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