

**PROSPECTUS
FOR
NORDLYS AB (PUBL)
MAXIMUM SEK 750,000,000
SENIOR SECURED CALLABLE FLOATING RATE BONDS
12 SEPTEMBER 2014**

**Issuing agent:
ABG Sundal Collier Norge ASA**

Important Information

This prospectus (the "**Prospectus**") has been prepared by Nordlys AB (publ), Reg. No. 556712-8938 (the "**Company**" or "**Nordlys**"), in relation to the application for listing of the up to SEK 750,000,000 senior secured floating rate bonds (the "**Bonds**") on the Corporate Bond List on NASDAQ OMX Stockholm AB ("**Nasdaq Stockholm**"). ABG Sundal Collier AB has acted as financial advisor to the Company in relation to the listing of the Notes on Nasdaq Stockholm.

This Prospectus has been prepared in accordance with the rules and regulations of the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Section 25 and 26 of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus shall be read together with all documents which have been incorporated by reference (see "*Documents incorporated by reference*") and any supplements to this Prospectus.

This Prospectus will be available at the Swedish Financial Supervisory Authority's website (www.fi.se) and the Company's website (www.nordlysab.se). Paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors. Certain financial and other information set forth in this Prospectus has been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may be subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

THIS PROSPECTUS HAS BEEN PRODUCED IN AN ENGLISH LANGUAGE VERSION ONLY.

Forward-looking statements

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Company or its subsidiaries (the "**Group**"). The words "consider", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialization of risks and other factors affecting the Company's operations. Such factors of a significant nature are mentioned in the section "*Risk Factors*".

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Definitions

Agent means CorpNordic Sweden AB, a limited liability company with Reg. No. 556625-5476.

Euroclear means Euroclear Sweden AB, a limited liability company with Reg. No. 556112-8074.

Group means Nordlys AB (publ) and its subsidiaries, from time to time.

Issuing Agent means ABG Sundal Collier Norge ASA.

Nasdaq Stockholm means the Corporate Bond List on NASDAQ OMX Stockholm AB.

Bondholders means a person who is registered on a securities account as a creditor or otherwise entitled to receive payment pursuant to the Bonds.

Bonds means the senior secured callable floating rate bonds with ISIN SE0006027843.

Prospectus means this prospectus, including any documents incorporated by reference.

SEK means the lawful currency in Sweden.

Nordlys or the Company means Nordlys AB (publ), a public limited liability company with Reg. No. 556712-8938.

Swedish Companies Act means the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

Terms and Conditions means the terms and conditions for the Bonds.

Risk Factors

All investments in notes involve a degree of risk. The financial performance of Nordlys AB (the "Issuer", "Nordlys" or the "Company" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "Group") and the risks associated with the Group's business are important when making a decision on whether to invest in the contemplated bond issue (the "Bonds"). A number of factors influence or have the potential to influence the Group's operations and financial performance. Also ultimately the Issuer's ability to make interest payments and payments of principal on maturity or when a holder of a Bond (a "Bondholder" and together with the other holders of the Bonds, the "Bondholders") requests early redemption in accordance with the terms and conditions of the Bonds (the "Conditions"). In this section, a number of risk factors are illustrated and discussed, both general risks pertaining to the Group's operations and material risks related to the Bonds as a financial instrument. The risks described below are not the only ones the Issuer and the Group are exposed to. Additional risks that are not currently known to the Issuer, or that the Issuer currently considers to be immaterial, could have a material adverse effect on the Issuer's and/or the Group's business and the Issuer's ability to fulfil its obligations under the Bonds. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.

RISKS RELATED TO THE ISSUER

Credit risk

The Bondholders have a credit risk towards the Issuer and the Group as they are dependent on the Issuer to be able to perform its obligations to, inter alia, repay the Bond. Consequently, the Bondholders are exposed to the Issuer's and the Group's own credit risks. The credit risk for the Group is mainly the risk for the Group Companies' counterparties being unable to fulfil their obligations to pay rent or sale proceeds, and that guarantees or other securities, if any, do not cover the Group Company's claim.

Financial risks

Financial risks are an inherent part of the Group's business. The financial risks consist inter alia of:

Corporate liquidity risks

The liquidity risk is defined as the risk, due to lack of spare cash, that the Issuer or a Group Company should not be able to fulfil its obligations towards, inter alia, the Bondholders or that they could only perform its obligations by lending funds to significantly increased costs. A situation where the Group is unable to meet its financial obligations towards its creditors due to lack of liquidity could adversely affect the Group's financial position. Further, it could result in a Group Company being under an obligation to prepay existing financing, which could in turn adversely affect the Group's operations, result and financial position.

Credit risks towards tenants

The value of a property is amongst other factors calculated through a present value computation of the estimated future income from rents and the cash flow generated thereby. In case tenants become unable to pay their rents as they fall due it would affect the Group's cash flow and liquidity and by extension the Bondholders.

Financing risks

A financing risk is defined as the risk of lack of funding or the ability to achieve funding only under disadvantageous conditions. Not having access to financing is a major financial risk for the Group. The Group Companies' properties will be financed through equity, shareholder loans and the Bond. There is always a possibility that the Group will become dependent of additional financing in the future. In such case, the Group's financial situation could be impaired, as the Group's indebtedness would increase. Furthermore, in case the Group is unable to refinance the Bond or obtain additional financing at market terms, as a result of a deficiency in the capital market or for any other reason, it could adversely affect the Group's operations, result and financial position. The Group is also dependent on its ability to finance short-term fluctuations in cash flow and unforeseen major payment obligations.

Realization risks

The Group's ordinary course of business includes the disposal of properties, directly or indirectly through the sales of subsidiaries, and it is not certain that each of the transactions will be profitable. Amongst other factors, the general attitudes amongst investors on the real estate market are decisive for the price that can be obtained for the properties.

Counterparty risks

The Group is dependent on tenants paying the agreed rent as it falls due. Some lease agreements include a guarantee issued by the tenant's parent company or a bank guarantee covering the tenant's obligations. There is, however, still a risk that the tenants cancel their payments or otherwise abstain from fulfilling their obligations. There is also a risk for the Group Companies' counterparties being unable to fulfil their obligations under facility agreements, derivatives agreements and in relation to issuances of promissory Bonds. Loss of rental income, sale proceeds or other income could adversely affect the Group's operations, result and financial position.

Commercial risks

The Group's result is affected by the long-term demand for premises, the properties' tenancy ratio and the level of rent. The level of rents and vacancies is driven by, among other things, the economic growth in Sweden, the rate of production of new premises, changes in infrastructure, employment and demographic factors. Economic growth is expected to result in an increased demand for premises, less vacancies, increased production of new premises and potentially increased market rents. Economic stagnation is expected to result in the opposite. If the Issuer makes different assessments of these factors than the rest of the market, there is a risk that properties are sold to prices lower than expected which would affect the Group's yield requirements. Furthermore, any vacancies may result in a loss of value of the property in which a vacancy occurs. Any bankruptcies and other insolvency proceedings (such as corporate reorganization proceedings) would have a direct effect on the rental income and could lead to termination of also fixed term lease agreements. Reduced rental income could adversely affect the Group's operations, result and financial position.

Competition risks

The Group operates in a competitive sector, and is exposed to competition mainly from other domestic and locally situated investors, such as large property companies as well as small local investors. The Group's future competitive potential is dependent on, amongst other things, its ability to predict future changes and its ability to quickly respond to present and future market needs. Consequently, it may become necessary for the Group to make costly investments, restructurings or price reductions in order to adapt to a new competitive situation. The Group is especially sensitive to competitors' behavior when it comes to property transactions and the rent rates used by competitors. Increased competition could adversely affect the Group's operations, result and financial position.

Operational risks

Operational risks mean the risks for losses as a consequence of a lack of proper or insufficient internal routines, human errors, inaccurate systems or external events. Operational risks are inherent in all parts of the Group's business and could consist of defects or other failings in properties or services, imperfect internal controls, unclear distribution of responsibilities, imperfect technical systems, different types of criminal attacks and a lack of readiness for disturbances. Operational risks like these could by extension result in claims for damages from inter alia tenants which have suffered from the realization of a risk. The Group's reputation and business could be affected in case of deficiencies in the way the Issuer and other Group Companies handle any operational risks. By extension, if the Issuer's economic situation is impaired due to its handling of operational risks, it might lead to a decreased value of the Bonds and that the Issuer's ability to fulfil its obligations towards the bondholders is hampered.

Vacancies

The Group's ordinary course of business includes property transactions, which could be linked to risks. A property transaction entails risks such as future vacancies and the proceeds are dependent on that the Group is

able to retain a low level of vacancy and the tenants' ability to pay. The quality on the properties as well as the property managers' services is of great importance to keep the vacancies at a low level. It is therefore vital that the organization has appropriate experience of property transactions and that external advisors are appointed when necessary. Property transactions in which large vacancies or unforeseen expenses occur as a result of, among other things, technical deficiencies could adversely affect the Group's operations, result and financial position.

Increased operational and maintenance costs

Operational costs are mainly costs for maintenance, cleaning, water, heating, cooling, waste management, snow removal, management and maintenance. The costs for electricity and heating have the largest effect on the result. The price of electricity is driven by supply and demand in the open electricity market. Further, the costs for electricity, heating and snow removal are driven by weather conditions. The property tax, which is based on the assessed value of the property, is entirely driven by political decisions. This applies both to the basis of the calculation, the assessed value and the tax level. The property tax is usually on-charged the tenants for leased areas, whereas the tax for vacant areas is carried by the Group. To the extent the Group is not compensated for the above costs or losses in income, the Group's operations, result and financial position could be adversely affected. Unforeseen events such as damages to properties or extreme weather conditions could also adversely affect the Group's operations, result and financial position. Further, there can be no assurance that the Group will always be able to enter into lease agreements which partially or fully compensates for inflation, which could adversely affect the Group's operations, result and financial position.

Technical risks

Real estate investments involve technical risks. A technical risk can be defined as the risk related to the technical operation of the property, such as the risk of defects relating to the construction of the property, other latent shortcomings or deficiencies, damages (for instance due to fire or other forces of nature) and environmental hazards. If any technical problems should occur, such occurrence may result in significantly increased costs for the property, which in turn may adversely affect the Group's financial position and result.

Environmental risks

A property has environmental impact in relation to, among other aspects, its construction, management, maintenance and the operations carried out in the property. Pursuant to the Swedish Environmental Code (miljöbalken (1998:808)) and the Finnish Environmental Protection Act (ympäristönsuojelulaki (4.2.2000/86, as amended)), anyone whose operations have contributed to pollution is responsible for after-treatment. If an operator is unable to carry out or pay for the after-treatment of a polluted property, the person who acquired the property under certain circumstances can be held liable for after-treatment. This means that demands of decontamination in certain circumstances may be directed against the Group in order to ensure that the property is in such condition as is required by the Swedish Environmental Code or the Finnish Environmental Protection Act. The Group has performed an environmental report in relation to some of its properties, but no full investigation of potential pollution in the Group's property portfolio has been made. It cannot be excluded that the Group does not own a property causing pollution that could lead to costs for the Group, which could in turn adversely affect its operations, result and financial position.

Asset Management Agreement

The Group has an asset management agreement with Stagsted Properties ApS. The value of the Bonds is dependent on that the asset manager performs its obligations in accordance with the management agreement.

Organizational risks

The Group's future development is, to a large extent, dependent on the experience, knowledge and commitment of the management and other key personnel. The Group could be adversely affected should one or several of such key persons terminate their employment. Neither can there be any assurance that the Group over time would be able to recruit new competent staff to the extent necessary for or desired by the Group. An imbalance in the organization, for example due to employment terminations related to key personnel, could

lead to for example an increased credit risk and could thus adversely affect the Group's operations, result and financial position.

Investment risks

The Group's acquisitions of properties might be done through the acquisition of companies. Thereby the Group will take over the rights and obligations of such companies, which might lead to the Group taking over obligations in the acquired company, which were unknown to the Group at the time for the purchase. This could affect the Group's financial position negatively and thereby the Issuer's abilities to fulfil its obligations towards the Bondholders. Furthermore, there are risks related to fluctuations in the acquired properties' value. Decreases in the properties' value which result in a lower property value reported by the Group, could affect the Group's result and financial position. The value of the properties, assuming a fully functioning credit market and transaction market, is determined by supply and demand where the price is mainly dependent on the expected operational result of the properties and yield requirements of the buyer. An increased demand, lower yield requirements and positive development of the actual operational result of the property lead to an increased market value, whereas a reduced demand, higher yield requirements and negative actual growth result in a decreased market value. A property's actual market value can only be determined upon its sale. A negative development of the properties' value could adversely affect the Group's operations, result and financial position.

Legal risks

Changes in legislation, mainly related to corporate income tax, property tax and other taxes and fees, for example alterations of the possibility for depreciation for tax purposes, as well as other governmental or municipal fiscal charges, housing benefit and interest benefit could affect the conditions for the Group's operations and thus both favorably and adversely affect its result. If the result is affected negatively due to circumstance like these, the value of an investment in the Bond could be decreased and by extension hamper the Issuer's possibilities to fulfil its obligations towards the Bondholders. Further, a change in legislation or case law, for example within the lease, acquisition or environmental legislation, could adversely affect the Group's operations, result and financial position. As today, the Group is not part in any civil cases or subject to any other legal proceedings. However, it cannot be excluded that the Group will not become involved in future disputes. The Group can give no assurances as to the results of any pending or future investigation, proceeding, litigation or arbitration brought by private parties, regulatory authorities or governments. In addition, if an unfavorable decision were to be given against a Group Company, significant fines, damages and/or negative publicity could adversely affect the Group's operations, result and financial position.

Business environment risks

General changes on the rental market for commercial properties, due to inter alia changes in tenants' and competitors' behavior is a risk for an investment in the Bond. It cannot be excluded that increased competition will have a negative impact on the Group and its business. Furthermore, the fact that the Group's properties mainly are concentrated to the cities of Karlskrona in Sweden and Turku in Finland constitutes a risk due to limited diversification as the Group is strongly dependent on the business environment in these cities.

Another business environment risk is the interest rate risk. The Group's capital structure results in interest expenses being the main cost item. An interest rate risk is defined as the risk of an effect on the result and cash flow due to changes in the market interest rate. The interest expense is mainly affected by the from time to time applicable level of market interest rates but also by the strategy the Issuer elects as regards the time of binding the interest rates. Increased market interest rates over time will also increase interest expenses for the Group, which means that the Group's operations, result and financial position could be adversely affected unless such increased interest expenses are compensated by otherwise increased income or reduced costs.

Further, the Group is exposed to a currency risk, meaning the risk of recalculation in relation to foreign investments. The Issuer's report currency is in Swedish kronor but the Group have income, costs, assets and liabilities also in other currencies than Swedish kronor. Even if currency hedging would take place in relation

to the Group's entire currency exposure it cannot be excluded that future currency fluctuations could not adversely affect the Group's operations, result and financial position over time.

RISKS RELATED TO THE BONDS

Credit risks

An investment in the Bonds carries a credit risk relating to the Issuer and the Group. The investor's ability to receive payment under the Terms and Conditions is therefore dependent upon the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Issuer's and the Group's financial position is affected by several factors, a number of which have been discussed above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively.

Refinancing risk

The Group may be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Group's financial position at such time. Even if the markets and the Issuer's financial position improve, the Group's access to financing sources may not be available on acceptable terms, or at all. The Group's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Issuer's and the Group's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

Liquidity risks

The Issuer has undertaken to apply for listing of the Bonds on NASDAQ OMX Stockholm (or any other Regulated Market). However, it cannot be guaranteed that the Bonds will be admitted to trading. Further, even if securities are admitted to trading on a regulated market, there is not always active trading in the securities, so there are no guarantees that there will be a liquid market for trading in the Bonds or that this market will be maintained even if the Bonds are listed. This may result in the bondholders not being able to sell their Bonds when desired or at a price level, which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on NASDAQ OMX Stockholm (or any other Regulated Market).

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Material or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- thoroughly understand the Terms and Conditions; and

- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's and the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's and the Group's operating results, financial position or prospects.

Structural subordination and insolvency of subsidiaries

All assets are owned by and all revenues are generated in subsidiaries of the Issuer. The subsidiaries are legally separated from the Issuer and have no obligation to make payments to the Issuer of any surpluses generated from their business. The subsidiaries' ability to make payments is restricted by, among other things, the availability of funds, corporate restrictions and local law. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries. There can be no assurance that the Group and its assets would be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Issuer could result in the obligation of the Issuer to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Risks related to early redemptions and put options

Under the Terms and Conditions, and as described in the Term Sheet, the Issuer has reserved the possibility to redeem all outstanding Bonds before the Final Redemption Date and is also obliged to redeem the Bonds upon a Permitted Partial Divestment or an Excess Cash Event (each as defined in the Terms and Conditions). If the Bonds are redeemed before the Final Redemption Date, the bondholders have the right to receive an early redemption amount, which exceeds the nominal amount. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, and as described in the Term Sheet, the Bonds are subject to prepayment at the option of each bondholder (put options) upon a Change of Control Event (as defined in the Terms and Conditions). There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of Bonds.

No action against the Issuer and bondholders' representation

In accordance with the Terms and Conditions, the Bond Trustee will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer or any of its subsidiaries. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer or any of its subsidiaries and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, the possibility that a bondholder, in certain situations, could bring its own action against the Issuer or any of its subsidiaries (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against such party. To enable the Bond Trustee to represent bondholders in court, the bondholders may have to submit a written power of

attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the Bond Trustee will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Bond Trustee in such matters could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

Bondholders' meetings

The Terms and Conditions will include certain provisions regarding bondholders' meetings and written procedures. Such meetings and procedures may be held/executed in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions will allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting/procedure and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting or written procedure. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the Securities Act, or any U.S. state securities laws. Subject to certain exemptions, a bondholder may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. Each potential investor should read the information under the heading "Disclaimer" for further information about the transfer restrictions that apply to the Bonds. It is each bondholder's obligation to ensure that its offers and sales of Bonds comply with all applicable securities laws.

Risks relating to the clearing and settlement in Euroclear's book-entry system

The Bonds will be affiliated to Euroclear's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of Euroclear's account-based system.

Amended or new legislation

This management presentation is and the Terms and Conditions will be based on Swedish law in force at the date of issuance and the Issue Date respectively. No assurance can be given on the impact of any possible future legislative measures or changes or modifications to administrative practices. Amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

Security arrangements - general

As continuing security for the due and punctual fulfilment of the Issuer's obligations under the Finance Documents (as defined in the Terms and Conditions), the Issuer shall pledge: (i) all present and future money claims under the Intercompany Loans pursuant to the Intercompany Loans Pledge Agreements, (ii) the Deposit Account and all funds credited to the Deposit Account from time to time, granted by the Issuer as a first priority pledge pursuant to the Deposit Account Pledge Agreement, (iii) all shares in each of the Swedish Pledged Subsidiaries pursuant to the Swedish Share Pledge Agreements, (iv) all shares in each of the Finnish Pledged Subsidiaries pursuant to the Finnish Share Pledge Agreements, (v) all rights under the Swedish Mortgage Certificates and in and to the Tenant-owner Flat Unit pursuant to the Swedish Mortgage Certificates Pledge Agreement and (vi) all rights under the Finnish Mortgage Certificate pursuant to the Finnish Mortgage Certificate Pledge Agreement, (vii) the Escrow Account to which the Net Proceeds shall be transferred, granted by the Issuer as a first priority pledge pursuant to the Escrow Account Pledge Agreement (all terms in this paragraph as defined in the Terms and Conditions). The security provided by the Group's Finnish subsidiaries

is limited to the extent required by applicable mandatory Finnish laws regulating unlawful distribution of assets (including corporate benefit requirement) and other mandatory provisions under Finnish laws.

There can be no guarantee that the pledged assets will be sufficient for the bondholders should the pledges be realized. Save for the security created under the abovementioned pledges, the Bonds represent unsecured obligations of the Issuer. This means that in the event of bankruptcy, reorganization or winding-up of the Issuer, the holders of the Bonds normally receive payment after any priority creditors have been paid in full.

Each investor should be aware that there is a risk that an investor in the Bonds may lose all or part of their investment if the Issuer or the Group is declared bankrupt, carries out a reorganization or is wound-up.

Security arrangements – properties

The Bonds are secured by certain security relating to the Group's Swedish and Finnish properties. However, the security relating to the Group's Swedish properties will be limited if required by applicable rules regulating transfers of value and the security relating to the Group's Finnish properties will be limited if required by applicable rules regulating unlawful distribution of assets (including corporate benefit requirement) and other mandatory provisions under Finnish laws. The liability of each Swedish subsidiary in relation to the security relating to the mentioned properties will only apply to the extent permitted by the relevant rules regulating transfers of value. The liability of each Finnish subsidiary in relation to the security relating to the mentioned properties will only apply to the extent permitted by the relevant rules regulating unlawful distribution of assets (including corporate benefit requirement) and other mandatory provisions under Finnish laws. Moreover, there is a risk that the value of the security will decrease significantly (as a result of, e.g.: a decrease in the value of the Group's Swedish and/or Finnish properties, the relevant tenants enter into financial difficulties or the relevant lease agreement is terminated), in which case any proceeds from enforcement of the security may not cover the full amount outstanding under the Bonds

Subordinated Loans

The Issuer is a debtor under Existing Shareholder Loans (as such term is defined in the Terms and Conditions) amounting to approximately SEK 175 million. These Existing Shareholder Loans are subordinated in accordance with their terms and in some cases subordinated in accordance with a specific subordination agreement. If such subordination prove to be unenforceable or otherwise will not provide for the intended subordination this could potentially negatively impact the bondholders' recovery under the Bonds.

Conflicts of interest

The Lead Manager (as defined in the Terms and Conditions) may in the future have relations with the Group other than those arising from its role in the issue of the Bonds. The Lead Manager may, for example, provide services related to financing other than through the issue of the Bonds, such as investment banking services for, or other commercial dealings with, the Group. Consequently, it cannot be guaranteed that conflicts of interest will not arise in the future.

Currency risks

It cannot be guaranteed that Sweden might join the European Monetary Union (EMU) before repayment of the Bonds, which could have an adverse effect for the bondholders. If the legal currency in Sweden, as a consequence, should be changed to Euro, the amounts denominated in Swedish krona should be paid in the counter value in Euro and might lead to that the Bonds would need to be converted to Euro and to other necessary measures in relation to the Bonds.

Interest risks

The value of the Bonds is dependent on a number of factors. One factor of importance is the general market rate of interest. An increased market rate of interest could decrease the value of the Bonds. As the market rate of interest is largely dependent on the Swedish and international economic development, this is a risk factor which the Group cannot control.

Statement of Responsibility

The Company issued the Bonds on 12 September 2014. This Prospectus has been prepared in relation with the Company applying for admission of trading of the Bonds on Nasdaq Stockholm and in accordance with the Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act. The Company is responsible for the information set out in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import. The Board of Directors is responsible for the information set out in this Prospectus only under the conditions and to the extent set forth under Swedish law. The Board of Directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm, 1 September 2015

Nordlys AB (publ)

The Board of Directors

Indicative Terms in Brief

This section contains a general description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. The Terms and Conditions for the Bonds can be found in the section Terms and Conditions. Terms defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context.

Issuer:

Nordlys AB (publ), a public limited liability company with company registration number 556712-8938.

Instrument:

Senior secured bonds with ISIN: SE0006027843.

Security:

Pledge over mortgage certificates in the majority of the properties, pledge over all shares of the issuer's subsidiaries and pledge over all present and future money claims under the intercompany loans.

Denomination:

SEK.

Amount:

SEK 750,000,000.

Nominal value:

SEK 1,000,000. Minimum subscription lot of SEK 1,000,000 applies.

Interest rate:

3m Stibor + 5.75 %.

Tenor:

4 years.

Repayment and amortization:

1% of the initial nominal amount to be amortized on a yearly basis in arrear, either through amortizations of each bond's nominal amount or by cancellation of repurchased bonds. Repayment at maturity of 100% of nominal amount less amortizations, less mandatory prepayments and cure amounts.

Use of proceeds:

Refinancing of existing indebtedness (SEK 737m) and general corporate purposes (SEK 13m).

Settlement date:

On or about 12 September 2014.

Financial undertakings (maintenance):

Max LTV: LTV of less than 80%. Min ICR: ICR of at least 1.25x.

General undertakings and other key terms:

Dividend restrictions: No dividends or similar shareholders distributions, save for an amount not exceeding SEK 12m from available funds in the issuer on the issue date directed towards Finansiell Stabilitet Parties (to be used for eliminating Finansiell Stabilitet Parties as shareholders in the issuer).

Debt restrictions: No additional indebtedness save for subordinated PIK based shareholders loans, non-speculative hedging arrangements, advance purchase agreements and a general basket of SEK 10m.

Negative pledge: The issuer shall not, and shall procure that no subsidiary will, create or permit to subsist any security interest over any of its assets to secure any financial indebtedness save for permitted security.

Nature of business: No substantial changes to the nature of business.

Cross acceleration: In relation to other financial indebtedness in excess of SEK 5m in aggregate.

Financial reporting: Prepare and publish quarterly reports (in accordance with the Nasdaq OMX Stockholm's rulebook for issuers) and annual reports. The first annual report is to be prepared for the period 1 January to 31 December 2014 and the first quarterly report is to be prepared for the period 1 October to 31 December 2014. The issuer is to prepare a business report for the period 1 January – 30 September 2014.

Valuation of properties: Yearly valuation of properties to be conducted within two months after year-end.

Cash sweep: The Company shall repurchase bonds or amortize if an Excess Cash event occurs.

Change of control:

Bondholders have a put option at 101% should one or more person(s) not being a shareholder at the issue date (i) take control of more than 50% of the voting rights of the issuer or (ii) have the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the issuer.

CSD:

Euroclear Sweden AB.

Early redemption:

Make whole until 6 months before the final maturity date, thereafter the issuer may redeem all outstanding bonds, but not some only, at 101%. However should the issuer during the last 6 months of the bond's tenor refinance this bond with a new bond, the issuer may redeem all bonds, but not some only, at 100%.

Listing:

To be listed on NASDAQ OMX Stockholm within 12 months from the issue date.

Issuing agent:

ABG Sundal Collier Norge ASA.

Agent:

CorpNordic Sweden AB.

Applicable law:

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

Information about Nordlys

Company description

The Company, Nordlys AB (publ), with Reg. No. 556712-8938, is a privately owned real estate company with a portfolio of 13 properties, 12 located in Southern Sweden (Karlskrona, Blekinge) and one in Turku, Finland. The company was founded in 2006 with the acquisition of the current property portfolio in 2006 and 2007. The company was founded, and is owned, by a group of Danish individuals. Jones Lang LaSalle and DTZ value the property portfolio at circa SEK 1,025m as of March 2014. The Swedish properties are primarily concentrated to Karlskrona, Blekinge with a combined property value of SEK 647m, a majority of the properties are office properties with public sector tenants. The Finnish property is a SPA hotel located in Turku valued to SEK 378m; Sokos operate it since 2007 when they acquired a number of hotels from Holiday Club.

In September 2014 a board meeting decided to issue senior secured bonds of SEK 750m. The process was deployed to repay existing bank debt. Bond holders became the most senior form of financing in the structure. Security was provided in the form of share pledges in all subsidiaries, mortgage certificates in all properties owned by Galladen AB and Turku Ausade Hotelli OY and pledges over inter-company receivables. The Company is a Swedish public limited liability company and is regulated by the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)). The Company's registered office is in Karlskrona and the Company's registered address is Nordlys AB, C/o Jotac Förvaltning AB, Chapmansplan 15, 371 36 Karlskrona, Sweden.

According to the Company's articles of association, the Company's business shall be to directly or indirectly through its subsidiaries, own, administrate and conduct trading with securities and real property, and conduct business pertaining thereto.

Operations

The Company is an owner, of real estate companies, with a primary focus on commercial properties in Karlskrona, Sweden and Turku, Finland. The business operations mainly consist of owning and managing office and hotel properties. The Company is one of the largest office landlords in Karlskrona, focus on critical mass in local markets enable cost-effective operations.

The Company focuses on properties with strong cash flows as well as properties with development potential, either through attractive vacancies or through potential for rent increases. The vacancy rate is low in most properties but there is potential for imminent improvements in properties with high vacancy rates (Wattrang and to some extent Tyska Bryggaregården). There is significant potential in the property portfolio; the Company has a strong record of accomplishment of increasing occupancy in vacated properties through active property management, with room for further improvements.

The Company conducts its operations through its subsidiaries. The Company has no employees; day-to-day property management functions are outsourced to, and carried out by, local administrators.

The Company has a well-diversified rental revenue base with a large share of public sector tenants, 46% of rental revenue 2013. In total 87 unique tenants (excluding tenants of parking lots). The average weighted lease duration is of 5.2 years incl. extensions (2.6 years excl. extensions). Several tenants have resided in the property for a long time with significant investments and few alternatives. The Company also actively engages in negotiations on prolongations and extensions of existing lease contracts.

Trends

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial statement.

Material changes

During the summer 2014, the Company and its subsidiaries entered into a new financing agreement through a bond issue (cf. Complete Terms and Conditions). The new loan matures in four years. Apart from the above, there have been no material changes in the Company's financial position or market position since the date of publication of its last audited financial statement.

Legal structure and ownership structure

The Company has 11 shareholders. The major shareholders consist of Nordlys Herning ApS that holds 41,392 per cent of the shares, Kongeegen A/S that holds 11,084 per cent of the shares, and AP Pension Livsforsikringsaktieselskab that holds 10 per cent of the shares.

As per the date of publication of its last audited financial statement, the Company holds two subsidiaries (Galliaden Holding AB with Reg. No. 556723-2722 and Ausade Holding Oy with Reg. No. 2071868-5) through which the Company's operations are conducted and through which the Company's properties are owned in subsidiaries. As a consequence of the operations being conducted through the Company's subsidiaries, the Company is dependent on its subsidiaries in order to generate profit and cash flow and, thus, to be able to meet its obligations under the Bonds.

Board of Directors

The Company's Board of Directors consists of three ordinary board members, including the chairman, appointed for the period until the end of the annual general meeting to be held in 2016. The members of the Board of Directors, their position and other relevant assignments are set forth below. All board members can be contacted through the Company's registered address, Nordlys AB, C/o Jotac Förvaltning AB, Chapmansplan 15, 371 36 Karlskrona, Sweden.

Jens Heimburger (born 1965) – Chairman of the Board of Directors

Selected experience: Founder and majority shareholder in Dansk Generationsskifte A/S, experience of acquiring and divesting more than 20 companies, Group Managing Director (2001-2005) and member of the board for Valtech S.A. (French IT company).

Michael Eide (born 1963) – Member of the Board of Directors

Selected experience: Chairman of the board for WorldManuals, CEO and chairman of the board for E-Capital A/S and former CEO of EUROCOM Tele Services A/S (1993-2001).

Ib Henrik Rønje (born 1954) – Member of the Board of Directors

Selected experience: Co-founded Sjælsø Gruppen in 1981, floated it in 1998 and in 2006 it had a market cap of DKK 7 bill. Currently co-owner and executive chairman of Kongeegen A/S a private property company/developer. Ib Henrik has been in the property business for more than 35 years.

Management

The members of the Company's management, their position and other relevant assignments outside the Company are set forth below.

Thue Stagsted (born 1974) – Chief Executive Officer

Selected experience: 13 years of experience from banks and property companies.

The Board of Directors and management

There are no conflicts of interest or potential conflicts of interests between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties. However, all members of the Board of Directors and company management have certain financial interests in the Company as a consequence of their holdings of shares in the Company.

Auditor

The Company's auditor is presently KPMG AB with authorised auditor Niclas Bremström as the auditor in charge. KPMG AB was elected as auditor of the Company at the annual general meeting held 29 Mars 2012 and was re-elected since then. KPMG AB was re-elected at the annual general meeting 2015 for the time until the end of the annual general meeting 2016. Niclas Bremström can be contacted at KPMG AB, Högabergsgatan 3, 371 34 Karlskrona, Sweden. KPMG AB has been the Company's auditor since 2012. Before that, Ernst & Young AB with authorised auditor Göran Neckmar as auditor in charge was the Company's auditor for the financial year 2011. Göran Neckmar can be contacted at Ernst & Young AB, Box 7850, SE-103 99 Stockholm, Sweden.

Financial reports

The Company's annual report for 2014 has been reviewed by the Company's current auditor KPMG AB. The Company's interim report for the first quarter of the financial year 2015 has not been reviewed by the Company's auditor. The Company's annual report for 2014 was published on 24 April 2015.

The consolidated annual accounts of the Group have been prepared in accordance with Swedish law by application of the Swedish Accounting Standards Board's, BFNAR 2012:1 Annual and consolidated report (K3). The Company applies the same accounting principles as the Group unless otherwise is stated in the Company's annual report. Accounting principles of the Company are consistent with the accounting policies stated in the consolidated annual accounts.

Further, due to the bond issue loan agreement (cf. Complete Terms and Conditions, Claus 1.1) the Company's consolidated annual and interim reports will be changed to being prepared in accordance with the accounting principles International Financial Reporting Standards (IFRS), starting with the interim report for the third quarter of the financial year 2015. The principles IFRS will be followed as issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

Material agreements

The Company is not a party to any material agreements outside of the ordinary course of business, which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Bonds to the Bondholders.

Disputes and litigation

During the past 12 months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Company and its consolidated subsidiaries as a whole.

Expected date for listing, market place and costs relating to the listing

The Bonds will be admitted to trading on Nasdaq Stockholm on or 12 September 2015, for which listing this Prospectus has been prepared. The accrued costs relating to the listing are approximately SEK 150,000.

Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's head office at Nordlys AB, C/o Jotac Förvaltning AB, Chapmansplan 15, 371 36 Karlskrona, Blekinge län, Sweden, during ordinary weekday office hours:

- the Company's articles of association as of the date of this Prospectus;
- the certificate of registration of the Company; and
- the documents listed below, which are incorporated by reference.

Documents incorporated by reference

This Prospectus, in addition to this document, comprises of the following documents, which are incorporated by reference and available in electronic format on the Company's website, www.nordlysab.se during the period of validity of this Prospectus:

- the interim report for the first quarter of the financial year 2015. The balance sheet can be found on page 3, the income statement can be found on page 2.
- the audited financial statements of the Company, including the auditor's report, for the financial year 2014. The balance sheet can be found on page 10, the income statement can be found on page 9 and the description of the accounting principles applied can be found on pages 13-15 of the financial statements; and
- the audited financial statements of the Company, including the auditor's report, for the financial year 2013. The balance sheet can be found on page 14, the income statement can be found on page 13 and the description of the accounting principles applied can be found on page 17-21 of the financial statements.

The sections of the above documents that have not been incorporated by reference are not relevant for investors in the Bonds.

Complete Terms and Conditions

TERMS AND CONDITIONS FOR
NORDLYS AB (PUBL)
MAXIMUM SEK 750,000,000
SENIOR SECURED CALLABLE FLOATING RATE
BONDS 2014/2018

ISIN: SE0006027843

Issue Date: 12 September 2014

The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

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**TERMS AND CONDITIONS FOR
NORDLYS AB (PUBL)
MAXIMUM SEK 750,000,000
SENIOR SECURED CALLABLE FLOATING RATE BONDS
2014/2018
ISIN: SE0006027843**

1. DEFINITIONS AND CONSTRUCTION

1.1. Definitions

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

“**Aareal Loan Agreement**” means the loan agreement between Aareal Bank AG as original lender, agent and arranger and Ausade as borrower originally entered into on 12 December 2006 (as amended from time to time) whereby the original lender granted a loan to Ausade.

“**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 Holder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means (i) until the Bonds are listed on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable), the generally accepted local accounting principles, standards and practices in Sweden and (ii) once the Bonds are listed on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable), the IFRS.

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time 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 and payment is due not more than ninety (90) calendar days after the date of supply, or (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means any other 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.

“**Agent**” means the agent and security agent under these Terms and Conditions and the Security Documents, from time to time; initially CorpNordic Sweden AB, reg. no. 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden.

“**Agent Agreement**” means the fee agreement entered into on 24 June 2014 between the Issuer and the Agent, or any replacement agent agreement entered into after the Issue Date between the Issuer and an Agent.

“**Amortisation Date**” has the meaning set forth in Clause 11.13 (*Amortisations*).

“**Annual Valuation Report**” means a report regarding the market value of the Properties, which shall be prepared in connection with the expiry of each financial year by Jones Lang LaSalle, DTZ or any other reputable independent property advisor acceptable to the Agent.

“**Ausade**” means Turku Ausade Hotelli Oy, business identity code 2071867-7, Torpantie 2, 01650 Vantaa, Finland.

“**Ausade Holding**” means Ausade Holding Oy, business identity code 2071868-5, Torpantie 2, 01650 Vantaa, Finland.

“**Ausade Share Pledge Agreement**” means the pledge agreement regarding a first priority pledge over all of the shares in Ausade entered into between Ausade Holding and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

“**Ausade Holding Share Pledge Agreement**” means the pledge agreement regarding a first priority pledge over all of the shares in Ausade Holding entered into between the Issuer and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

“**Bank**” means Swedbank AB (publ), reg. no. 502017-7753, SE-105 34 Stockholm, Sweden.

“**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.

“**Bond Issue**” means the issuance of the Bonds.

“**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 purposes 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**” means:

- (a) 101.00 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the Final Redemption Date; or
- (b) the Nominal Amount provided that a Market Loan Refinancing is offered.

“**Cash and Cash Equivalents**” means cash and cash equivalents in accordance with the Accounting Principles.

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more Persons, not being a shareholder of the Issuer as at the Issue Date (or an Affiliate of such

shareholder), acting together, acquire control over the Issuer and where “**control**” means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer (i) certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it and (ii) if provided in connection with a Financial Report being made available, including calculations and figures in respect of the Maintenance Test (including calculations setting out an Equity Cure (if applicable)) and setting out a calculation of the Excess Cash.

“**Conditions Precedent for Disbursement**” means all actions and documents set forth in Clause 12.

“**Conditions Subsequent**” means all actions and documents set forth in Clause 13.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time, initially Euroclear Sweden AB (reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden).

“**Cure Amount**” has the meaning set forth in Clause 11.7.2.

“**Deposit Account**” means the bank account of the Issuer held with the Bank, into which any Prepayment Amount shall be transferred and which has been pledged in favour of the Agent/Security Agent and the Holders (represented by the Agent/Security Agent) under the Deposit Account Pledge Agreement.

“**Deposit Account Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) on or before the Issue Date in respect of a first priority pledge over the Deposit Account and all funds held on the Deposit Account from time to time, granted in favour of the Agent/Security Agent and the Holders (represented by the Agent/Security Agent).

“**Derivative Transaction**” has the meaning set forth in the definition of Permitted Debt.

“**Equity Cure**” has the meaning set forth in Clause 11.7.2.

“**Escrow Account**” means the bank account of the Issuer held with the Bank, into which the Net Proceeds will be transferred and which has been pledged in favour of the Agent/Security Agent and the Holders (represented by the Agent/Security Agent) under the Escrow Account Pledge Agreement.

“**Escrow Account Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) on 24 June 2014 in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Agent/Security Agent and the Holders (represented by the Agent/Security Agent).

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

“**Excess Cash**” means all Cash and Cash Equivalents held by the Group according to the relevant latest Financial Report less any (i) Prepaid Rent, (ii) accrued but unpaid Interest Expenses and (iii) SEK 30,000,000.

“**Excess Cash Event**” means an event where the Group’s Cash and Cash Equivalents

- (a) less any Prepaid Rent; and
- (b) less any accrued but unpaid Interest Expenses,

exceeds SEK 40,000,000 according to the relevant latest Financial Report.

“**Existing Debt**” means the debt incurred under the Promontoria Loan Agreement and the Aareal Loan Agreement.

“**Existing Security and Guarantees**” means all security and any guarantees provided in relation to the Existing Debt.

“**Existing Shareholder Loans**” means all loans provided by the current or previous direct and indirect shareholders of the Issuer as of the Issue Date and which according to their terms are subordinated to all unsubordinated indebtedness of the Issuer and where no payment of principal or interest can be demanded by the creditors during the lifetime of the Bonds.

“**Final Redemption Date**” means 12 September 2018.

“**Finance Documents**” means these Terms and Conditions, the Security Documents, the Subordination Agreement, the Intercompany Loans, the Agent Agreement and any other document designated by the Issuer and the Agent/Security Agent as a Finance Document.

“**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, to the extent the arrangement is or would have been treated as a finance 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 applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases (the “**Operational Lease Freeze**”);
- (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);

- (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 items (a)–(f).

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

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer and the quarterly interim unaudited consolidated reports of the Group, which shall be prepared and made available according to Clauses 11.15.1(a) and 11.15.1 (b).

“**Finansiel Stabilitet Distribution**” means a Restricted Payment in an amount not exceeding SEK 12,000,000 from available funds in the Issuer on the Issue Date directed towards the Finansiel Stabilitet Parties.

“**Finansiel Stabilitet Parties**” means Finansiel Stabilitet A/S, (reg. no. 30515145), SA Invest A/S (reg. no. 21391638), ONV 33 PG Invest ApS (reg. no. 30363582), or any of their related parties.

“**Finnish Mortgage Certificates**” means the mortgage certificates (Fi. *panttikirja*) issued as joint mortgages in the Finnish Properties in the aggregate amount of EUR 41,080,000.

“**Finnish Mortgage Certificates Pledge Agreement**” means the pledge agreement regarding a pledge over the Finnish Mortgage Certificates entered into between Ausade and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

“**Finnish Pledged Subsidiaries**” means each of Ausade and Ausade Holding.

“**Finnish Properties**” means each of (a) the real estate site (Fi: *kiinteistö*) with property registration number (Fi: *kiinteistötunnus*) 853-11-108-4, (b) the parcel (Fi: *määräala*) with property registration number (Fi: *kiinteistötunnus*) 853-11-9901-0-M505, and (c) the parcel (Fi: *määräala*) with property registration number (Fi: *kiinteistötunnus*) 853-11-9906-0-M501, in each case including all existing buildings and constructions as well as furnishings, fixtures, fittings and appurtenances (Fi: *ainesosa ja tarpeisto*) situated thereon.

“**Finnish Share Pledge Agreements**” means each of the Ausade Share Pledge Agreement and Ausade Holding Share Pledge Agreement.

“**First Amortisation Date**” has the meaning set forth in Clause 11.13 (*Amortisations*).

“**First Call Date**” means the date falling 6 months prior to the Final Redemption Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

“**Funds Flow Statement**” means the description of flow of funds disbursed from the Escrow Account for repayment of the Existing Debt.

“**Galliaden**” means Galliaden AB reg. no. 556721-0942, Chapmansplan 15, SE-371 35 Karlskrona, Sweden.

“**Galliaden Holding**” means Galliaden Holding AB reg. no. 556723-2722, Chapmansplan 15, SE-371 35 Karlskrona, Sweden.

“**Galliaden Share Pledge Agreement**” means the pledge agreement regarding a first priority pledge over all of the shares in Galliaden entered into between Galliaden Holding and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

“**Galliaden Holding Share Pledge Agreement**” means the pledge agreement regarding a first priority pledge over all of the shares in Galliaden Holding entered into between the Issuer and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

“**Group**” means the Issuer and all of its Subsidiaries from time to time.

“**Group Company**” means the Issuer or any of its Subsidiaries.

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

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

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

“**Initial Nominal Amount**” has the meaning set forth in Clause 2.1.

“**Intercompany Loans**” means the intercompany loans which shall be entered into on or about the Issue Date between the Issuer and any Subsidiary and between a Subsidiary and another Subsidiary, pursuant to which part of the proceeds from the Bond Issue will be on lent. Such Intercompany Loans shall be pledged pursuant to the Intercompany Loans Pledge Agreements.

“**Intercompany Loans Pledge Agreements**” means each of the pledge agreements entered into between the Issuer or a Subsidiary and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) regarding a first priority pledge of all the Issuer’s or the Subsidiary’s (as applicable) present and future money claims under the Intercompany Loans.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 9.1 to 9.2.

“**Interest Coverage Ratio**” means the ratio of Net Operating Income to Net Interest Expense.

“**Interest Expense**” means, for the Relevant Period, the aggregate amount of the accrued interest in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis).

“**Interest Payment Date**” means 30 March, 30 June, 30 September and 30 December each year or, to the extent such day is not a Business Day, the Business Day following from an application

of the Business Day Convention (with the first Interest Payment Date on 30 December 2014 and the last Interest Payment Date being the Final Redemption Date).

“**Interest Period**” means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means a floating rate of STIBOR (3 months) + 5.75 per cent. per annum.

“**Interim Valuation Report**” means a report to be prepared in accordance with the principles applied in the preparation of the Annual Valuation Reports if the Issuer suspects that the market value of the Property has deteriorated within the period from the provision of the most recent Valuation Report up to the expiry of a quarterly interim period.

“**Issue Date**” means 12 September 2014.

“**Issuer**” means Nordlys AB (publ), a public limited liability company incorporated under the laws of Sweden (reg. no. 556712-8938, c/o Jotac, Chapmansplan 15, SE-371 35 Karlskrona, Sweden).

“**Issuing Agent**” ABG Sundal Collier Norge ASA, reg. no. 883 603 362, Munkedamsveien 45, 0205 Oslo, Norway, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Lead Manager**” means ABG Sundal Collier AB, reg. no. 556538-8674, P.O. Box 7269, SE-103 89 Stockholm, Sweden.

“**Lease Agreements**” means any agreement entered into by a Group Company as lessor regarding the letting of premises on the Properties.

“**Maintenance Test**” means the test set forth in Clause 11.7.

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

(a) the present value on the relevant Record Date of 101.00 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and

(b) the present value on the relevant Record Date of the remaining Interest payments (excluding accrued but unpaid Interest up to the relevant Redemption Date) up to and including the First Call Date (assuming that the Interest Rate for the period from the relevant Redemption Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Holders);

both calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (*i.e.*, comparable to the remaining duration of the Bonds until the First Call Date).

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, 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 OMX Stockholm or any other Regulated Market or unregulated recognised market place.

“**Market Loan Refinancing**” means a Market Loan on substantially the same terms, or for the benefit of the Holders more favourable terms, than the Bonds which is offered by the Issuer to the Holders whereby the Bonds will be exchanged for an equivalent (or better) investment under the new Market Loan.

“**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 Issuer’s ability or willingness to perform and comply with its payment and other undertakings under the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

“**NASDAQ OMX Stockholm**” means NASDAQ OMX Stockholm AB (reg. no. 556420-8394, SE-105 78 Stockholm, Sweden).

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt (excluding any Shareholder Loans and interest bearing debt borrowed from any Group Company) less Cash and Cash Equivalents, including funds held on the Deposit Account and the Escrow Account, of the Group according to the relevant latest Financial Report, in accordance with the Accounting Principles but adjusted in accordance with the Operational Lease Freeze.

“**Net Interest Expense**” means, for the Relevant Period, the Interest Expense according to the latest Financial Report(s), after deducting any interest payable for that Relevant Period to any Group Company and any interest income relating to Cash and Cash Equivalents investments of the Group (and excluding any payment-in-kind interest capitalised on Shareholder Loans).

“**Net Operating Income**” means, for the Relevant Period, the Rental Income allocated to such Relevant Period less the Operating Costs allocated to such Relevant Period, as stated in the relevant latest Financial Report(s).

“**Net Proceeds**” means the proceeds from the Bond Issue which, after deduction has been made for the transaction costs payable by the Issuer to the Lead Manager and Issuing Agent for the services provided in relation to the placement and issuance of the Bonds, shall be transferred to the Escrow Account.

“**Nominal Amount**” means the Initial Nominal Amount, less the aggregate amount by which each Bond has been prepaid in part pursuant to Clause 10.5, Clause 11.7.3 and/or Clause 11.13.

“**Operating Costs**” means, for the Relevant Period, the following costs in relation to all Properties:

- (a) utilities charges relating to the Properties (such as electricity, water, heating, oil, gas, sewerage, cleaning, snow clearance, sanding and other similar costs);
- (b) costs for repair and maintenance (excluding, for the avoidance of doubt, all capital expenditures);
- (c) taxes attributable to the Properties (including non-refundable VAT and excluding, for the avoidance of doubt, any taxes on the net profit of the Issuer);
- (d) insurance premiums; and

- (e) any other operating costs relating to the day-to-day business of the Properties and incurred in accordance with prudent real property management.

“**Operational Lease Freeze**” has the meaning set forth in the definition of Financial Indebtedness.

“**Permitted Basket**” has the meaning set forth in the definition of Permitted Debt.

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

- (a) incurred under the Bonds;
- (b) taken up from a Group Company;
- (c) incurred under a Shareholder Loan;
- (d) arising under a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions or pursuant to cash management purposes (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes) (a “**Derivative Transaction**”);
- (e) incurred in the ordinary course of business under Advance Purchase Agreements; and
- (f) any Financial Indebtedness not permitted by paragraphs (a) to (e) above, provided that the aggregate amount of such indebtedness does not exceed SEK 10,000,000 (the “**Permitted Basket**”).

“**Permitted Partial Divestment**” means a disposal at arm’s length terms, such disposal to be by way of sale of a Property or part of a Property or by way of sale of all of the shares of a Subsidiary holding such Property or part of such Property (where an internal sale to a wholly-owned Subsidiary of a Property or part of a Property is made in connection to a Permitted Partial Divestment), where the disposal together with any other Permitted Partial Divestment, does not generate a gross income which exceeds in aggregate SEK 250,000,000 during the term of the Bonds.

“**Permitted Security**” means any guarantee or security:

- (a) provided in accordance with the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including set-off under standard terms for bank accounts or 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 or arising in relation to any Derivative Transaction in the form of guarantees from other Group Companies or Cash or Cash Equivalents; and
- (d) provided in relation to the Permitted Basket.

“**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.

“**Prepaid Rent**” means any rent received from tenants which in accordance with the terms of the respective tenancy agreements have been paid in advance and where the periods for which the payments relate have not yet occurred.

“**Prepayment Amount**” has the meaning set forth in Clause 10.5.1.

“**Promontoria Loan Agreement**” means the SEK 585,112,500 term loan facilities agreement originally entered into between Bank of Scotland plc as lender and Galliaden as borrower on 13 July 2012 (as amended from time to time) whereby the lender granted credit facilities to the borrower. The lender’s rights and obligations have subsequently been transferred to Promontoria Hamption (1) Limited pursuant to a transfer certificate dated 16 May 2014 where prior to such transfer Galliaden and the new lender amended the term loan facilities agreement through entering into a settlement and consent agreement dated 13 May 2014 (as amended by an addendum agreement dated 23 July 2014).

“**Property**” means any of the Swedish Properties and the Finnish Properties, and “**Properties**” means all of them collectively.

“**Property Company**” means each of Ausade and Galliaden.

“**Property Value**” means the value of the Properties as set out in the most recent Valuation Report.

“**Purpose of the Bond Issue**” has the meaning set forth in Clause 4.1.

“**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 (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 15 (*Distribution of proceeds*), (iv) the date of a Holders’ 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 10 (*Redemption and repurchase of the Bonds*).

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

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Rental Income**” means the aggregate of all amounts paid or payable to or for the account of a Group Company in connection with the letting of any of the Properties.

“**Restricted Payment**” has the meaning set forth in Clause 11.1 (*Distributions*).

“**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 Agent**” means the Agent when acting in its capacity as security agent on behalf of the Holders in relation to the Security Documents, or another party replacing it as Security Agent in accordance with the Finance Documents.

“**Security Documents**” means the Intercompany Loans Pledge Agreements, the Deposit Account Pledge Agreement, the Escrow Account Pledge Agreement, the Swedish Share Pledge Agreements, the Finnish Share Pledge Agreements, the Swedish Mortgage Certificates Pledge Agreement and the Finnish Mortgage Certificate Pledge Agreement together with any other documents requested by the Agent in relation to the perfection of the security.

“**SEK**” means the lawful currency of Sweden.

“**Shareholder Loans**” means the Existing Shareholder Loans and any loan raised by the Issuer or any of the Subsidiaries from current or previous direct or indirect shareholders (excluding other Group Companies), if such shareholder loan (a) according to its terms and pursuant to a Subordination Agreement or similar agreement satisfactory to the Agent (acting reasonably) between the relevant creditor and the Agent, is subordinated to the obligations of the Issuer under the Finance Documents, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date and (c) according to its terms yield only payment-in-kind interest.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ OMX 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 (a), 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 an agreement entered into between the Agent, the Issuer and any shareholders of the Issuer whereby the shareholders agree, *inter alia*, to subordinate their claims under any Shareholder Loans to the obligations of the Issuer under the Finance Documents.

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (d) exercises control as determined in accordance with the Accounting Principles.

“**Swedish Government Bond Rate**” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however, that if the period from the relevant Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used.

“**Swedish Mortgage Certificates**” means each of the mortgage certificates (Sw. *pantbrev*) issued in the properties Karlskrona Stumholmen 2:1, Karlskrona Stumholmen 2:21, Karlskrona Wattring 21, Karlskrona Adlersten 59, Karlskrona Sparre 3, Karlskrona Rügen 50, Karlskrona Humble 2, Karlskrona Tyska Bryggaregården 6, Karlskrona Möllebacken 15, Karlskrona Frimuraren 8, Karlshamn Plommonet 3 and Ronneby Johannishus 1:19.

“**Swedish Mortgage Certificates Pledge Agreement**” means the pledge agreement regarding a first priority pledge over the Swedish Mortgage Certificates and the Tenant-owner Flat Unit entered into between Galliaden and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

“**Swedish Pledged Subsidiaries**” means each of Galliaden Holding and Galliaden.

“**Swedish Properties**” means the real estate Karlskrona Stumholmen 2:1, Karlskrona Stumholmen 2:21, Karlskrona Wattring 21, Karlskrona Adlersten 59, Karlskrona Sparre 3, Karlskrona Rügen 50, Karlskrona Humble 2, Karlskrona Tyska Bryggaregården 6, Karlskrona Möllebacken 15, Karlskrona Frimuraren 8, Karlshamn Plommonet 3, Ronneby Johannishus 1:19, Karlskrona Dahlberg 31, Karlskrona Dahlberg 32, Karlskrona Dahlberg 33, Karlskrona Dahlberg 52, Karlskrona Dahlberg 60, Karlskrona Dahlberg 61 and the Tenant-owner Flat Unit.

“**Swedish Share Pledge Agreements**” means each of the Galliaden Holding Share Pledge Agreement and the Galliaden Share Pledge Agreement.

“**Tenant-owner Flat Unit**” means the tenant-owner flat unit (Sw. *bostadsrätt*) with number 7002 held by Galliaden in the property Karlskrona Adlersten 58 owned by HSB Bostadsrättsförening Adlersten i Karlskrona, reg. no. 735000-1777.

“**Terms and Conditions**” means these Terms and Conditions, as amended from time to time.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with (a) the Bond Issue, (b) the repayment of the Existing Debt and/or the release of the Existing Security and Guarantees and (c) the listing of Bonds.

“**Valuation Report**” means an Annual Valuation Report or an Interim Valuation Report.

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

1.2. Construction

1.2.1. Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) an Event of Default is continuing if it has not been remedied or waived;
- (e) a provision of law is a reference to that provision as amended or re-enacted; and
- (f) a time of day is a reference to Stockholm time.

1.2.2. When ascertaining whether a limit or threshold specified in SEK 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 SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

1.2.3. A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.4. No delay or omission of the Agent, the Security Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

2.1. The aggregate amount of the bond loan will be an amount of up to SEK 750,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Initial Nominal Amount**”). All Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Initial Nominal Amount. The ISIN for the Bonds is SE0006027843.

2.2. The minimum permissible investment in connection with the Bond Issue is SEK 1,000,000.

- 2.3. The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.4. The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.5. By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Holder confirms such agreements.

3. STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* and without any preference among them. The Bonds are secured by the security set forth in Clause 5.

4. USE OF PROCEEDS

- 4.1. The Net Proceeds shall be transferred by the Issuing Agent to the Escrow Account. For the purpose of securing that the Conditions Precedent for Disbursement have been fulfilled before the disbursement of the Net Proceeds and for the purpose of securing that the Net Proceeds will be used by the Issuer in accordance with the Purpose of the Bond Issue, the Escrow Account has been pledged in favour of the Holders and the Agent under the Escrow Account Pledge Agreement until the Conditions Precedent for Disbursement have been fulfilled.
- 4.2. Upon fulfilment of the Conditions Precedent for Disbursement, the Net Proceeds shall be used towards repayment of Existing Debt. Any remaining amount of the Net Proceeds shall be applied towards payment of Transaction Costs and for general corporate purposes (the “**Purpose of the Bond Issue**”).

5. SECURITY

- 5.1. As continuing security for the due and punctual fulfilment of the Issuer’s and the Subsidiaries’ present and future obligations under the Finance Documents (except for the Intercompany Loans), the Issuer has entered into and shall enter into the Security Documents in favour of the Holders and the Agent/Security Agent.
- 5.2. The Intercompany Loans Pledge Agreements, the Deposit Account Pledge Agreement, the Galliaden Holding Share Pledge Agreement and the Ausade Holding Share Pledge Agreement shall be entered into prior to the release of funds from the Escrow Account and constitute first priority security for all amounts outstanding under the Finance Documents (except for the Intercompany Loans), subject to corporate law limitations. The Galliaden Share Pledge Agreement, the Ausade Share Pledge Agreement, the Swedish Mortgage Certificates Pledge Agreement and the Finnish Mortgage Certificates Pledge Agreement shall be entered into immediately after the release of funds from the Escrow Account and constitute first priority

security for all amounts outstanding under the Finance Documents (except for the Intercompany Loans), subject to corporate law limitations.

- 5.3.** The Issuer shall ensure that the Security Documents and all documents relating thereto are duly executed by the respective Group Company in favour of the Holders (as represented by the Security Agent) and the Agent/Security Agent and that all such documents are legally valid, perfected, enforceable and in full force and effect according to their terms. The Issuer shall execute and procure the execution of such further documentation as the Security Agent may reasonably require in order for the Holders and the Agent/Security Agent to at all times maintain the security position envisaged hereunder.
- 5.4.** The Security Agent will hold the security created under the Security Documents on behalf of itself and the Holders in accordance with these Terms and Conditions and the Security Documents.
- 5.5.** Except if otherwise decided by the Holders according to the procedures set out in Clause 16 (*Decisions by Holders*) to Clause 18 (*Written Procedure*), the Agent/Security Agent is, without first having to obtain the Holders' consent, entitled to enter into binding agreements with the Issuer, its Subsidiaries or third parties if it is, in the Security Agent's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the security created (or to be created) under the Security Documents or for the purpose of settling the various Holders' relative rights to the security created under the Security Documents, respectively. The Agent/Security Agent is entitled to take all measures available to it according to the Security Documents.
- 5.6.** If the Bonds are declared due and payable according to Clause 14 (*Termination of the Bonds*), or following the Final Redemption Date, the Agent/Security Agent is, without first having to obtain the Holders' consent, entitled to enforce the security created under the Security Documents, in such manner and under such conditions that the Agent/Security Agent finds acceptable (if in accordance with the Security Documents, respectively).
- 5.7.** If a Holders' Meeting has been convened to decide on the termination of the Bonds and/or the enforcement of all or any of the security created under all or any of the Security Documents, the Security Agent is obligated to take actions in accordance with the Holders' decision regarding the security created under the Security Documents. However, if the Bonds are not terminated due to cause for termination having ceased or due to any other circumstance mentioned in these Terms and Conditions, the Security Agent shall not enforce any of the security created under the Security Documents. If the Holders, without any prior initiative from the Agent/Security Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the security created under the Security Documents in accordance with the procedures set out in Clause 16 (*Decisions by Holders*) to Clause 18 (*Written Procedure*), the Agent/Security Agent shall promptly declare the Bonds terminated and enforce the security created under the Security Documents. The Agent/Security Agent is however not liable to take action if the Agent/Security Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing

Holders in writing commit to holding the Agent/Security Agent indemnified and, at the Agent's/Security Agent's own discretion, grant sufficient security for the obligation.

- 5.8.** Funds that the Security Agent receives on account of the Holders in connection with the enforcement of any or all of the security created under the Security Documents constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Security Agent shall as soon as reasonably practicable arrange for payments to be made to the Holders in such case in accordance with Clause 15 (*Distribution of Proceeds*). If the Security Agent deems it appropriate, it may, in accordance with Clause 5.8, instruct the CSD to arrange for payment to the Holders.
- 5.9.** For the purpose of exercising the rights of the Holders and the Agent/Security Agent under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of any security created under any Security Document, the Issuer irrevocably authorises and empowers the Agent/Security Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders in accordance with Clause 5.7. To the extent permissible by law, the powers set out in this Clause 5.8 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Agent/Security Agent provide the Agent/Security Agent with any such documents, including a written power of attorney (in form and substance to the Agent's/Security Agent's satisfaction), which the Agent/Security Agent deems necessary for the purpose of carrying out its duties under Clause 5.7. Especially, the Issuer shall, upon the Agent's/Security Agent's request, provide the Agent/Security Agent with a written power of attorney empowering the Agent/Security Agent to change the bank account registered with the CSD to a bank account in the name of the Agent/Security Agent and to instruct the CSD to pay out funds originating from an enforcement in accordance with Clause 5.7 to the Holders through the CSD.

6. THE BONDS AND TRANSFERABILITY

- 6.1.** Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 6.2.** The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 6.3.** Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 6.4.** 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 Holder must inform itself about, and observe, any applicable restrictions

to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

- 6.5.** For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

7. BONDS IN ELECTRONIC BOOK-ENTRY FORM

- 7.1.** The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds 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.
- 7.2.** 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.
- 7.3.** 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.
- 7.4.** For the purpose of or in connection with any Holders' 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. If the Agent does not otherwise obtain information from such debt register as contemplated under the Finance Documents, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 7.5.** The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register 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 Holders.
- 7.6.** At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

8. PAYMENTS IN RESPECT OF THE BONDS

- 8.1.** 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 Holder on the Record Date prior to the relevant payment 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.
- 8.2.** If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under the Finance Documents 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 Holder 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 Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3.** If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.2 during such postponement.
- 8.4.** If payment or repayment is made in accordance with this Clause 8, 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.
- 8.5.** The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law.
- 8.6.** The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.

9. INTEREST

- 9.1.** The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date.
- 9.2.** Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.3.** Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

- 9.4.** If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is 200 basis points 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.

10. REDEMPTION AND REPURCHASE OF THE BONDS

10.1. Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day, on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

10.2. The Group Companies' purchase of Bonds

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The Bonds held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

10.3. Early voluntary redemption by the Issuer

- 10.3.1. The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day prior to the First Call Date, at an amount equal to the Make Whole Amount together with accrued but unpaid Interest on the redeemed amount up to the relevant Redemption Date.
- 10.3.2. The Issuer may redeem all, but not only some, of the outstanding Bonds on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the Call Option Amount together with accrued but unpaid Interest.
- 10.3.3. Redemption in accordance with Clause 10.3.1 and 10.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

10.4. Mandatory prepayment due to a Change of Control Event (put option)

- 10.4.1. Upon a Change of Control Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds be repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest; during a period of thirty (30) calendar days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.15.2. The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.

- 10.4.2. The notice from the Issuer pursuant to Clause 11.15.2 shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder 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 11.15.2. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4.1.
- 10.4.3. 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 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.
- 10.4.4. Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 may at the Issuer's discretion be retained, sold or cancelled.

10.5. Mandatory repurchase due to a Permitted Partial Divestment or an Excess Cash Event

- 10.5.1. The Issuer shall ensure that upon a Permitted Partial Divestment and/or upon an Excess Cash Event, the net proceeds from such divestment or the Excess Cash, as applicable (the "**Prepayment Amount**") are transferred to the Deposit Account. When the Prepayment Amount has been transferred to the Deposit Account, the Agent shall, where applicable, release the security interest over the divested Property. The Prepayment Amount shall remain on the Deposit Account until the Agent instructs the Bank to transfer such amount for the purpose of partial prepayment of the Bonds in accordance with below.
- 10.5.2. The Agent and the Issuer shall ensure that the Prepayment Amount is used to partially prepay the Bonds by applying the Prepayment Amount towards reduction of the Nominal Amount of each Bond *pro rata* at a price equal to 101.00 per cent. of the Nominal Amount which, for the avoidance of doubt, shall mean that the prepayments shall be made at a premium.
- 10.5.3. The amount to be prepaid shall be rounded down to the nearest SEK 1,000 per Bond and the requirement for the Issuer to mandatorily prepay should not apply until the aggregate Prepayment Amount exceeds SEK 10,000,000.
- 10.5.4. The prepayment of the Bonds shall (i) be irrevocable, (ii) be executed on the first Interest Payment Date (taking into account the rules and regulations of the CSD) falling after the completion of the Permitted Partial Divestment or after the publication of the Financial Report evidencing the Excess Cash Event in question, as applicable, (iii) include accrued but unpaid interest and (iv) be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent, where such notice shall state the relevant Interest Payment Date on which the prepayment shall be made, the Prepayment Amount and the relevant Record Date.

11. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 11.

11.1. Distributions

The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans, (v) grant any loans except to Group Companies, or (vi) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, or the Subsidiaries', direct and indirect shareholders ((i)-(vi) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such Restricted Payment can be made if such Restricted Payment is permitted by law and, at the time of the payment, no Event of Default is continuing or would result from such Restricted Payment, (a) by any Group Company if such Restricted Payment is made to another Group Company and, if made by any of the Subsidiaries which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis, or (b) constitutes a Finansiell Stabilitet Distribution.

11.2. Listing of Bonds

The Issuer shall ensure that the Bonds are listed on the corporate bond list of NASDAQ OMX Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than 12 months after the Issue Date and shall take all measures required to ensure that the Bonds, once listed on NASDAQ OMX Stockholm (or any other Regulated Market, as applicable), continue being listed on NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) for as long as any Bond is outstanding (however, taking into account the rules and regulations of NASDAQ OMX Stockholm (or any other Regulated Market, 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).

11.3. Nature of business

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group as of the Issue Date.

11.4. Financial Indebtedness

The Issuer shall not, and shall procure that none of the Subsidiaries, incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur, maintain and/or prolong Financial Indebtedness which constitute Permitted Debt.

11.5. Disposals of assets

The Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of all or some of the shares in any Group Company or of all or substantially all of its or a Group Company's assets or operations, including, for the avoidance of doubt, any Property or any part of any Property, to any person not being the Issuer or any of its wholly-owned Subsidiaries unless

such disposal is made on customary arm's length terms at fair market value and constitutes a Permitted Partial Divestment which does not have a Material Adverse Effect. The shares in any of the Swedish Pledged Subsidiaries or the Finnish Pledged Subsidiaries may at no point be disposed of unless such disposal would take the form of a merger between any of the Issuer, the Swedish Pledged Subsidiaries or the Finnish Pledged Subsidiaries and such would not result in an Event of Default.

11.6. Negative pledge

The Issuer shall not, and shall procure that none of the Subsidiaries, create or allow to subsist, retain, provide, prolong or renew any guarantee or security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided however that the Group Companies have a right to retain, provide, prolong and renew any Permitted Security.

11.7. Maintenance Test

11.7.1. The Issuer undertakes to ensure that:

- (a) the ratio of Net Interest Bearing Debt to Property Value is not greater than 0.80, and
- (b) the Interest Coverage Ratio exceeds 1.25.

11.7.2. For the purpose of curing a deficiency in the ratio referred to under Clause 11.7.1(b) above, the Issuer shall after the expiry of each Relevant Period have the right to reduce the Interest Expense for the purpose of the calculation of the ratio of the Interest Coverage Ratio for such Relevant Period (an "**Equity Cure**"), provided that (i) prior to the Equity Cure, the Interest Coverage Ratio is not below 1.00 and (ii) the amount used to reduce the Interest Expense is at least 10,000,000 SEK (the "**Cure Amount**") and shall be obtained in cash by the Issuer:

- (a) before the delivery of the Compliance Certificate relating to the expired Relevant Period; and
- (b) as (i) new share capital, (ii) unconditional shareholders' contribution or (iii) Shareholder Loans.

11.7.3. When re-calculating the Interest Expense in relation to the Interest Coverage Ratio pursuant to an Equity Cure, the Interest Expense shall be reduced by an amount corresponding to the amount with which the Interest Expense would have been reduced if the Cure Amount was applied towards a SEK by SEK reduction of the Net Interest Bearing Debt for the entire Relevant Period calculated *pro forma* and, when making the SEK by SEK reduction, based on the weighted average (blended rate) Interest Expense for the Net Interest Bearing Debt for such period. For the avoidance of doubt, such *pro forma* calculation may be included when calculating the Interest Expense for subsequent Relevant Periods having overlapping interim periods with the Relevant Period which first included the *pro forma* calculation, however only taking into account such overlapping interim periods.

11.7.4. The Cure Amount shall be applied towards repayment of the Bonds. Such repayment shall be at the Nominal Amount *pro rata* to each Bond and shall be made at the nearest Interest Payment Date after which the Cure Amount has been obtained by the Issuer. The repayment of the Bonds

shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent, where such notice shall state the relevant Interest Payment Date on which the repayment shall be made, the prepayment amount and the relevant Record Date.

11.7.5. Only one (1) Equity Cure is allowed during a 12 month period and only two (2) Equity Cures may occur in aggregate prior to the Final Maturity Date.

11.8. Lease Agreements

The Issuer shall ensure that each Property Company: (a) complies with its material obligations under the Lease Agreement(s) to which it is a party and (b) takes all reasonable steps to preserve and enforce its material rights and pursue any material claims and remedies arising under the Lease Agreement(s) to which it is a party that are deemed commercially reasonable to pursue.

11.9. Inspections and general access

The Issuer shall, and shall ensure that the Property Companies will, grant the Agent and/or any person appointed by the Agent, after the occurrence of an Event of Default and at the reasonable expense of the Issuer (i) the possibility to inspect the Properties and (ii) reasonable access to staff, inventory and documentation relating to the Group's on-going operations, subject to reasonable prior notice and provided that such inspection can be conducted without breaching the quiet enjoyment rights of the relevant tenants in the Properties.

11.10. Maintenance, operations and management of the Properties

The Issuer shall procure, and shall ensure that the Property Companies procure, that the Properties and all inventory are kept in a state of good and safe condition and state of repair consistent with good industry standard, law and the relevant Lease Agreement.

11.11. Insurance of the Properties

The Issuer shall procure that (i) the Properties are insured by a full value insurance (Sw. *fullvärdesförsäkring*) in line with industry standard which covers such risks, and is for such amounts and on such terms as reasonably required in relation to losses payable thereunder and with well reputed insurers, and (ii) the Properties are in conformity with the terms of the instruments of insurance (including any expressed or implied warranties) and shall comply with such requirements as to extra premium or otherwise as the insurers may prescribe. If the Issuer fails to pay any premium for any insurance policy or to comply with any of its obligations in relation thereto, the Agent may, at the expense of the Issuer, effect any insurance and take such other action as the Agent may reasonably consider necessary to prevent or remedy any breach of the Issuer's obligation.

11.12. Dealings with related parties

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

11.13. Amortisations

Starting from the first Interest Payment Date falling 12 months after the Issue Date (the “**First Amortisation Date**”), the Issuer shall repay 1 per cent. of the Nominal Amount *pro rata* to each Bond on the First Amortisation Date and thereafter annually on the anniversary of the First Amortisation Date (an “**Amortisation Date**”) unless the Issuer has, during the 12 months preceding an Amortisation Date, repurchased and cancelled Bonds to a corresponding aggregate amount. The repayment of the Bonds shall be made by the Issuer giving not less than fifteen (15) Business Days’ notice to the Holders and the Agent, where such notice shall state the relevant First Amortisation Date or Amortisation Date (as applicable), on which the repayment shall be made, the prepayment amount and the relevant Record Date.

11.14. Compliance with laws etcetera

The Issuer shall, and shall procure that its Subsidiaries will, (i) comply in all material respects with all laws and regulations applicable from time to time and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by itself or any other Group Company.

11.15. Financial reporting and information

11.15.1. The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, 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, to the Agent and on its website not later than 4 months after the expiry of each financial year (for the first time in connection with the Financial Report relating to the financial period ending on 31 December 2014);
- (b) starting from 1 October 2014, prepare and make available the quarterly interim unaudited consolidated reports 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, on its website not later than 2 months after the expiry of each relevant interim period;
- (c) provide to the Agent (i) a Valuation Report not later than the earlier of (a) 2 months after the expiry of each financial year and (b) when an annual Financial Report is made available, and, in addition, within twenty (20) calendar days from the Agent’s request thereof, if the Property Value, in the reasonable opinion of the Agent, is likely to have essentially deteriorated and (ii) an Interim Valuation Report (if required) not later than 2 months after the expiry of a quarterly interim period;
- (d) issue a Compliance Certificate to the Agent in connection with a Financial Report being made available and at the Agent’s request, within twenty (20) calendar days from such request; and

- (e) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on its website.

11.15.2. The Issuer shall notify the Agent of any transaction referred to in Clause 11.5 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

11.15.3. The Issuer shall promptly notify the Agent (and, as regards a Change of Control Event, the Holders) upon becoming aware of (i) the occurrence of a Change of Control Event, (ii) the occurrence of a Permitted Partial Divestment, (iii) the occurrence of an Excess Cash Event (iv) that the Property Value is likely to have essentially deteriorated or (v) that an Event of Default has occurred, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.

11.15.4. The Issuer shall prepare the reports referred to in Clause 11.15.1(a) and 11.15.1(b) in accordance with the Accounting Principles and, once the Bonds are listed on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable), in addition make them available in accordance with the rules and regulations of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

11.16. Agent Agreement

11.16.1. The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

11.16.2. The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

12. CONDITIONS PRECEDENT FOR DISBURSEMENT OF THE NET PROCEEDS

12.1. The Agent's approval of the disbursement from the Escrow Account of the Net Proceeds is subject to the following documents being received by the Agent, in form and substance satisfactory to it (acting reasonably), and that the following actions have been taken or that the following events have occurred:

- (a) a by the Issuer duly executed Funds Flow Statement;
- (b) duly executed release letters from the lenders under the Existing Debt confirming that all Existing Security and Guarantees will be released upon repayment of the Existing Debt;
- (c) a copy of the duly executed Galliaden Holding Share Pledge Agreement over all of the shares in Galliaden Holding together with (i) a copy of a duly signed notice to Galliaden Holding, (ii) a copy of a duly signed acknowledgement of receipt of the notice set out in (i), (iii) a certified copy of the share register of Galliaden Holding setting out the pledge over the shares, (iv) a power of attorney from the Issuer to the Agent authorising the Agent to, *inter alia*, exercise the voting rights for the shares in Galliaden Holding upon an Event of Default, and (v) duly endorsed in blank original share certificate(s);
- (d) a copy of the duly executed Ausade Holding Share Pledge Agreement together with (i) a copy of a duly signed notice to Ausade Holding, (ii) a copy of a duly signed acknowledgement of receipt of the notice set out in (i), (iii) a power of attorney from the Issuer to the Agent authorising the Agent to, *inter alia*, exercise the voting rights for the shares in Ausade Holding upon an Event of Default, and (iv) a certified copy of the share register of Ausade Holding setting out the pledge over the shares;
- (e) a copy of the duly executed Intercompany Loans Pledge Agreements relating to any Intercompany Loans provided by the Issuer to any of the Subsidiaries or by any Subsidiary to another Subsidiary together with (i) a copy of a duly signed notice to be provided by the relevant pledgor to the relevant Subsidiary and (ii) a copy of a duly signed acknowledgement of receipt of the notice set out in (i);
- (f) a copy of the duly executed Deposit Account Pledge Agreement together with (i) a copy of a duly signed notice to be provided by the Issuer to the Bank and (ii) a copy of a duly signed acknowledgement of receipt of the notice set out in (i);
- (g) drafts of the Security Documents in agreed form, which shall be entered into pursuant to Clause 13 (*Conditions Subsequent*);
- (h) a copy of a duly executed Subordination Agreement relating to Existing Shareholder Loans entered into between the Issuer, the Agent (acting on its own behalf and in its capacity as agent representing the Holders) and all creditors under the Existing Shareholder Loans (except for the Finansielt Stabilitet Parties);
- (i) a legal opinion from the Issuer's Danish legal advisor Moalem Weitemeyer Bendtsen Advokatpartnerselskab in relation to the subordination of the Existing Shareholder Loans;

- (j) two legal opinions, one from the Issuer's Finnish legal advisor Avance Attorneys Ltd and one from the Issuer's Swedish legal advisor Wistrand Advokatbyrå Stockholm KB, in relation to capacity, authorisation, due execution, validity and enforceability of the Security Documents;
- (k) evidence showing that the Issuer has received SEK 9,100,000 from its existing shareholders in available funds as payment for issuance of new shares in the Issuer, a copy of a shareholders' resolution approving the issue of new shares in the Issuer and a copy of a registration form regarding the issue of new shares duly submitted to the Swedish Companies Registration Office (*Sw. Bolagsverket*); and
- (l) evidence showing that the Issuer has received SEK 5,900,000 from AP Pension Livsforsikringsaktieselskab in available funds as payment for issuance of new preference shares in the Issuer and a copy of a duly signed investment agreement between the existing shareholders of the Issuer (except for the Finansiell Stabilitet Parties) and AP Pension Livsforsikringsaktieselskab relating to, *inter alia*, an irrevocable undertaking for existing shareholders to procure the issuance of such new preference shares and an irrevocable undertaking for AP Pension Livsforsikringsaktieselskab to subscribe for such new preference shares.

12.2. When the Conditions Precedent for Disbursement set out above have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the Bank to transfer the funds held on the Escrow Account as agreed between the Agent and the Issuer in accordance with the Funds Flow Statement. The Agent shall instruct the Bank to transfer any residual funds from the Escrow Account to the bank account specified by the Issuer, to be used for payment of Transaction Costs and for general corporate purposes in accordance with Clause 4.1.

12.3. The Agent may assume that the documents presented under Clause 12.1 are correct and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such documents.

13. CONDITIONS SUBSEQUENT

The Issuer shall provide evidence to the Agent, in form and substance satisfactory to the Agent, showing that the events listed below have occurred, such evidence to be provided immediately after the Conditions Precedent for Disbursement have been fulfilled and the payments from the Escrow Account have been made:

- (a) all outstanding amounts under the Existing Debt have been fully repaid;
- (b) all Existing Security and Guarantees in relation to the Existing Debt have been released with no remaining obligations of any of the Group Companies;
- (c) a copy of the duly executed Galliaden Share Pledge Agreement over all of the shares in Galliaden together with (i) a copy of a duly signed notice to Galliaden, (ii) a copy of a duly signed acknowledgement of receipt of the notice set out in (i), (iii) a certified copy of the share register of Galliaden setting out the pledge over the shares, (iv) a power of attorney from Galliaden Holding to the Agent authorising the Agent to, *inter alia*, exercise the voting

rights for the shares in Galliaden upon an Event of Default and (v) duly endorsed in blank original share certificate(s);

- (d) a copy of the duly executed Ausade Share Pledge Agreement together with (i) a copy of a duly signed notice to Ausade, (ii) a copy of a duly signed acknowledgement of receipt of the notice set out in (i), (iii) a power of attorney from Ausade Holding to the Agent authorising the Agent to, *inter alia*, exercise the voting rights for the shares in Ausade upon an Event of Default and (iv) a certified copy of the share register of Ausade setting out the pledge over the shares;
- (e) a copy of the duly executed Swedish Mortgage Certificates Pledge Agreement together with (i) the original Swedish Mortgage Certificates (or a delivery undertaking with respect to the original Swedish Mortgage Certificates), (ii) as soon as practically possible, a copy of a duly signed notice to HSB Bostadsrättsförening Adlersten i Karlskrona relating to the pledge over the Tenant-owner Flat Unit, (iii) as soon as practically possible, a copy of a duly signed acknowledgment of receipt of the notice set out in (ii), (iv) a notice to the Swedish Land Registration Authority (Sw. *Lantmäteriet*) instructing it to update the Mortgage Certificate Register (Sw. *Pantbrevsregistret*) setting out the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) as the holder of the pledged Swedish Mortgage Certificates, (v) as soon as practically possible, a copy of a duly signed notice to Trygg-Hansa Försäkrings AB relating to the pledge over the Tenant-owner Flat Unit and the Swedish Mortgage Certificates, and (vi) as soon as practically possible, a copy of a duly signed acknowledgment of receipt of the notice set out in (v); and
- (f) a copy of the duly executed Finnish Mortgage Certificate Pledge Agreement together with (i) the original Finnish Mortgage Certificates (or a delivery confirmation with respect to the original Finnish Mortgage Certificates), (ii) a notice to the National Land Survey Office of Finland (Fi. *Maanmittauslaitos*) instructing it to update the Title and Mortgage Register (Fi. *Lainhuuto- ja kiinnitysrekisteri*) setting out the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) as the holder of the pledged Finnish Mortgage Certificates, (iii) as soon as practically possible, a copy of a duly signed notice to the insurance company relating to the pledge over the Finnish Mortgage Certificates, and (iv) as soon as practically possible, a copy of a duly signed acknowledgment of receipt of the notice set out in (iii).

14. TERMINATION OF THE BONDS

14.1. The Agent is entitled, on behalf of the Holders, to terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** the Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and/or is remedied within five (5) Business Days of the due date;

- (b) **Conditions subsequent:** The Issuer has not provided the Agent/Security Agent with evidence, in form and substance satisfactory to the Agent/Security Agent (acting reasonably), showing that each of the actions described under Clause 13 (*Conditions Subsequent*) has been taken or that the events described therein have occurred at the times set out therein.
- (c) **Amortisations:** The Issuer has not complied with the obligations under paragraph 11.13 (*Amortisations*) unless the non-compliance is remedied within sixty (60) calendar days from the relevant Interest Payment Date.
- (d) **Other obligations:** the Issuer and/or any Subsidiaries do not comply with the Finance Documents, in any other way than as set out under (a), (b) or (c) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).
- (e) **Cross-acceleration/default:**
- a) any Financial Indebtedness of any Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described) under any document relating to Financial Indebtedness of any Group Company; or
 - b) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced,
- provided however that the amount of Financial Indebtedness referred to under item (a) and/or (b) directly above, individually or in the aggregate exceeds an amount corresponding to SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.
- (f) **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 (other than under the Bonds) with a view to rescheduling its Financial Indebtedness; or
 - b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company.
- (g) **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 thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii) in relation to the Issuer's Subsidiaries, 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;
- 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
- c) any analogous procedure or step is taken in any jurisdiction in respect of any Group Company.

(h) **Mergers and demergers:**

- a) a decision is made that any Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or
 - b) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity;
- (i) **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 equal to or exceeding SEK 5,000,000 and is not discharged within thirty (30) calendar days;
- (j) **Impossibility or illegality:** it is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable; or
- (k) **Continuation of the business:** the Issuer or any other Group Company ceases to carry on its business, except if due to (i) a merger or demerger that is not prohibited by Clause 14.1 (h) above, or (ii) a disposal, which is not prohibited by Clause 11.5.

14.2. Termination for payment prematurely on the grounds mentioned in Clause 14.1(d) may only occur if the nature of the particular circumstance is such that it would have a Material Adverse Effect and that the cause of termination is continuing at the time of the Agent's declaration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned in Clause 14.1(f).

14.3. If the right to terminate 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 termination to be deemed to exist.

14.4. The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Clause 14.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any

investigations relating to the circumstances specified in Clause 14.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 14.1 and provide the Agent with all documents that may be of significance for the application of this Clause 14 .

- 14.5.** The Issuer is only obligated to inform the Agent according to Clause 14.3 if informing the Agent would not conflict with any statute or the Issuer's registration contract with NASDAQ OMX Stockholm. If such a conflict would exist pursuant to the listing contract with NASDAQ OMX Stockholm or otherwise, the Issuer shall however be obligated to either seek the approval from NASDAQ OMX Stockholm 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 Clause 14.3.
- 14.6.** If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 14.1, the Agent shall decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 16 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and whether such event has a Material Adverse Effect.
- 14.7.** If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 14.8.** If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.9.** For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 14 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 16 (*Decisions by Holders*).

14.10. If the Bonds are declared due and payable, the Issuer shall redeem all Bonds with an amount per Bond equal to 105.00 per cent. of the Nominal Amount or, if the Bonds are declared due and payable on or after the First Call Date, at the applicable Call Option Amount.

15. DISTRIBUTION OF PROCEEDS

15.1. If the Bonds have been declared due and payable due to an Event of Default, all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the security under the Security Documents or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
- (b) *second*, 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);
- (c) *third*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourth*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents (except for the Intercompany Loans).

Any excess funds after the application of proceeds in accordance with Clause 15.1(a) to 15.1(d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

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

15.3. Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds and/or an enforcement of any or all of the security created under the Security Documents constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.

15.4. If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Holders 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 8.1 shall apply.

16. DECISIONS BY HOLDERS

- 16.1.** A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2.** Any request from the Issuer or a Holder (or Holders) representing at least 10.00 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 16.3.** The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 16.4.** Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 19 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 18.2, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 16.5.** The following matters shall require consent of Holders representing at least the following proportion of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2:
- (a) two thirds (2/3) to (i) waive a breach of or amend an undertaking in Clause 11 (*Special undertakings*), or (ii) amend a provision in the Finance Documents, subject to paragraph (b) below; and

- (b) three quarters (3/4) to (i) release any security provided under the Security Documents, (ii) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer, (iii) amend any payment day for principal or Interest or waive any breach of a payment undertaking, and (iv) amend the provisions in this Clause 0 or Clause 16.6.
- 16.6.** Any matter not covered by Clause 0 shall require the consent of Holders representing more than 50.00 per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2. This includes, but is not limited to, any waiver of the terms of the Finance Documents that does not require a higher majority (other than an amendment permitted pursuant to Clause 21.1 (a) or (b)) or termination of the Bonds or enforcement of any security under the Security Documents.
- 16.7.** If the number of votes or replies are equal, the opinion, which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Holders' Meeting shall be appointed by the Holders in accordance with Clause 16.6.
- 16.8.** Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least 50.00 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to paragraph (b) of Clause 0, and otherwise at least 20.00 per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 16.9.** If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.10.** 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.
- 16.11.** A Holder 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.
- 16.12.** The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting

or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- 16.13.** A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that such non-adoption or non-voting may cause other Holders.
- 16.14.** All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.15.** If a decision shall be taken by the Holders 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) their 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 of a Group Company.
- 16.16.** Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders 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 Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

17. HOLDERS' MEETING

- 17.1.** The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request (including proposed decisions to the Holders) from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 17.2.** Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 22.4.2, 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 Holders' Meeting in accordance with Clause 17.1.
- 17.3.** The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.

- 17.4.** The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the notice.
- 17.5.** If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within ten (10) Business Days after having received a request thereof in accordance with Clause 17.1, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a person appointed by the requesting Person.
- 17.6.** At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. Subject to the majority requirement set forth in Clause 0(a), the Holders' Meeting may also disallow the Issuer from being present at the Holders' Meeting when certain matters are discussed. Prior to such decision, the Issuer shall be given the opportunity to (i) review and consider any proposals for decisions intended to be discussed and (ii) present its opinion in the matter to the Holders' Meeting prior to the Holders' Meeting's casting of votes and decision in the matter. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other documentation establishing its authority to represent the Holder.
- 17.7.** Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

18. WRITTEN PROCEDURE

- 18.1.** The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request (including proposed decisions to the Holders) from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each Person who is registered as a Holder with the CSD on the Business Day prior to the date on which the communication is sent.
- 18.2.** Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.
- 18.3.** A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Holders, (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 Holder 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 Holder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 18.4.** If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within ten (10) Business Days after having received such notice, the requesting person may instigate a Written Procedure itself. If the requesting person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 18.5.** When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 0 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 0 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. RIGHT TO ACT ON BEHALF OF A HOLDER

- 19.1.** If any Person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 19.2.** A Holder may issue one or several powers of attorney 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 Holder and may further delegate its right to represent the Holder by way of a further power of attorney.
- 19.3.** The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 19.1 and 19.1 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.

20. NO DIRECT ACTIONS BY HOLDERS

- 20.1.** A Holder may not take any steps whatsoever against a Group Company 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 any Group Company in relation to any of the liabilities of any Group Company under the Finance Documents.
- 20.2.** Clause 20.1 shall not apply if the Agent/Security Agent has been instructed by the Holders 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 Holder to provide documents in accordance with Clause 22.1.2), 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/Security Agent under the Finance Documents or by any reason described in Clause 22.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 22.2.9 before a Holder may take any action referred to in Clause 20.1.

- 20.3.** The provisions of Clause 20.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 10.4 (*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 Holders.

21. AMENDMENTS AND WAIVERS

- 21.1.** The Issuer and the Agent (acting on behalf of the Holders) may agree to amend the Finance Documents or waive any provision in the Finance Documents, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
 - (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
 - (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).
- 21.2.** The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- 21.3.** The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 21.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 21.4.** An amendment or waiver to the Finance Documents shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

22. APPOINTMENT AND REPLACEMENT OF THE AGENT OR SECURITY AGENT

22.1. Appointment of Agent/Security Agent

- 22.1.1. By subscribing for Bonds, each initial Holder appoints the Agent/Security Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent/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 Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent/Security Agent to act on its behalf.
- 22.1.2. Each Holder shall immediately upon request by the Agent/Security Agent provide the Agent/Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent/Security Agent), as the Agent/Security Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent/Security Agent is under no obligation to represent a Holder which does not comply with such request.
- 22.1.3. The Issuer shall promptly upon request provide the Agent/Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent/Security Agent), that the Agent/Security Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 22.1.4. The Agent/Security Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent Agreement and the Agent's/Security Agent's obligations as agent or security agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 22.1.5. The Agent/Security Agent may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

22.2. Duties of the Agent/Security Agent

- 22.2.1. The Agent/Security Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent/Security Agent is not responsible for the execution or enforceability of the Finance Documents. The Agent/Security Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent/Security Agent.
- 22.2.2. The Agent/Security Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent/Security Agent in doing so.

- 22.2.3. When acting in accordance with the Finance Documents, the Agent/Security Agent is always acting with binding effect on behalf of the Holders. The Agent/Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 22.2.4. The Agent/Security Agent is entitled to delegate its duties to other professional parties, but the Agent/Security Agent shall remain liable for the actions of such parties under the Finance Documents.
- 22.2.5. The Agent/Security Agent shall treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders 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.
- 22.2.6. The Agent/Security Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent/Security Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 22.2.7. The Agent/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/Security Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent/Security Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent/Security Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (iii) when the Agent/Security Agent is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Agent/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*).
- 22.2.8. Notwithstanding any other provision of the Finance Documents to the contrary, the Agent/Security Agent is not obligated to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 22.2.9. If in the Agent's/Security Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent/Security Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent/Security Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 22.2.10. The Agent/Security Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee

or indemnity due to the Agent under the Finance Documents, or (ii) if it refrains from acting for any reason described in Clause 22.2.8.

22.3. Limited liability for the Agent/Security Agent

- 22.3.1. The Agent/Security Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with the Finance Documents, unless directly caused by its negligence or wilful misconduct. The Agent/Security Agent shall never be responsible for indirect loss.
- 22.3.2. The Agent/Security Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent/Security Agent or if the Agent/Security Agent has acted with reasonable care in a situation when the Agent/Security Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 22.3.3. The Agent/Security Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent/Security Agent to the Holders, provided that the Agent/Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent/Security Agent for that purpose.
- 22.3.4. The Agent/Security Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*).
- 22.3.5. Any liability towards the Issuer which is incurred by the Agent/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 Holders under the Finance Documents.

22.4. Replacement of the Agent/Security Agent

- 22.4.1. Subject to Clause 22.4.5, the Agent/Security Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent/Security Agent at a Holders' Meeting convened by the retiring Agent/Security Agent or by way of Written Procedure initiated by the retiring Agent/Security Agent.
- 22.4.2. Subject to Clause 22.4.5, if the Agent/Security Agent is insolvent, the Agent/Security Agent shall be deemed to resign as Agent/Security Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent/Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 22.4.3. A Holder (or Holders) representing at least 10.00 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 Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent/Security Agent and appointing a new Agent/Security Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent/Security Agent be dismissed and a new Agent/Security Agent appointed.
- 22.4.4. If the Holders have not appointed a successor Agent/Security Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent/Security Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent/Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 22.4.5. The retiring Agent/Security Agent shall, at its own cost, make available to the successor Agent/Security Agent such documents and records and provide such assistance as the successor Agent/Security Agent may reasonably request for the purposes of performing its functions as Agent/Security Agent under the Finance Documents.
- 22.4.6. The Agent's/Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent/Security Agent and acceptance by such successor Agent/Security Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent/Security Agent.
- 22.4.7. Upon the appointment of a successor, the retiring Agent/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/Security Agent. Its successor, the Issuer and each of the Holders 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/Security Agent.
- 22.4.8. In the event that there is a change of the Agent/Security Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent/Security Agent may reasonably require for the purpose of vesting in such new Agent/Security Agent the rights, powers and obligation of the Agent/Security Agent and releasing the retiring Agent/Security Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent/Security Agent agrees otherwise, the new Agent/Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent/Security Agent.

23. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 23.1.** The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 23.2.** The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

24. TIME-BAR

- 24.1.** The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred 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 Holders' right to receive payment has been time-barred and void.
- 24.2.** If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar 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 the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

25. NOTICES AND PRESS RELEASES

25.1. Notices

- 25.1.1. Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent/Security 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 such email address notified by the Agent/Security Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent/Security Agent, to such email address notified by the Issuer to the Agent/Security Agent from time to time; and

- (c) if to the Holders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent/Security Agent.
- 25.1.2. 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 (and, if between the Agent/Security Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent/Security Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.
- 25.1.3. Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

25.2. Press releases

- 25.2.1. Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 10.3 (*Early voluntary redemption by the Issuer*), 10.4 (*Mandatory prepayment due to a Change of Control Event (put option)*), 11.15.2, 14.5, 16.15, 17.1, 18.1 and 21.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 25.2.2. In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders 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 Holders 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 Holders, the Agent shall be entitled to issue such press release.

26. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 26.1.** Neither the Agent/Security Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent/Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 26.2.** The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

- 26.3.** Should a Force Majeure Event arise which prevents the Agent/Security Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 26.4.** The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

27. GOVERNING LAW AND JURISDICTION

- 27.1.** These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 27.2.** Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.2, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 27.3.** The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent/Security Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court, which may otherwise exercise jurisdiction over the Issuer or any of its assets.
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We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place:

NORDLYS AB (PUBL)
as Issuer

Name:

Name:

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

Place:

CORPNORDIC SWEDEN AB
as Agent/Security Agent

Name:

Name:

Addresses

Company

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