



Prospectus for admission to trading
on NASDAQ Stockholm of
up to SEK 750,000,000
**SENIOR UNSECURED FLOATING RATE
NOTES**
2015/2018 series no 5
ISIN: SE0006887923

Corem Property Group AB (publ)



IMPORTANT INFORMATION

On 26 March 2015 Corem Property Group AB (publ) issued a note loan amounting to SEK 400,000,000 Senior Unsecured Floating Rate Notes. The maximum amount of the note loan is up to SEK 750,000,000. This prospectus (the “**Prospectus**”) has been prepared by Corem Property Group AB (publ) in order to apply for listing of the issued notes (the “**Notes**”) on the Corporate Bond List of NASDAQ Stockholm. References to “**Corem**” or “**Corem Group**” in this Prospectus refer to Corem Property Group AB (publ). MAQS Advokatbyrå Stockholm AB, Swedbank AB (publ) and Danske Bank A/S, Danmark, Sverige filial have been acting as advisors to Corem in connection with the registration of the Notes.

This Prospectus has been prepared in accordance with the Swedish Financial Instruments Trading Act (Sw: *lag (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”) and Commission Regulation (EU) No 809/2004 of 29 April 2004 implementing the European Parliament and Council Directive 2003/71/EC, as this regulation was amended by Commission Regulation (EC) no 486/2012. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) (the “**SFSA**”) in accordance with the provisions of Chapter 2, Sections 25 and 26 §§ of the Trading Act. SFSA’s approval and registration do not imply that the information in this Prospectus is correct or complete.

The Prospectus has been prepared for listing of the loan constituted by the Notes for trading at NASDAQ Stockholm and does not constitute at any part an offer by Corem for subscription or purchase of the Notes.

This Prospectus is governed by Swedish law. The Prospectus may not be distributed in any jurisdiction where such distribution or sale would require any additional prospectus, registration or other measures than those required by Swedish law or otherwise would be in conflict with regulations in such jurisdiction. Holders of the Prospectus or Noteholders must therefore inform themselves about and observe any restriction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as applicable at any time, nor under any U.S. state securities legislation. Furthermore, Corem has not registered the Notes under the securities legislation of any other country.

The Prospectus will be available via the SFSA’s (www.fi.se) and Corem’s (www.corem.se) websites. Paper copies may be obtained from Corem.

The Prospectus, including the documents incorporated by reference (see “Documents incorporated by reference” below) as well as any supplements to the Prospectus, contains statements regarding the prospects of Corem made by the board of directors of Corem (the “**Board**”). Such statements are based on its knowledge of current circumstances regarding Corem’s business, market conditions, the current global environment in which Corem operates and other prevailing external factors. The reader should observe that forward-looking statements always are associated with uncertainty. An investment in the Notes is associated with risks and risk taking. Anyone considering investing in the Notes is therefore encouraged to carefully study the Prospectus, in particular the section “Risk Factors”. Each potential investor in the Notes must decide upon the suitability of an investment in the light of their own circumstances.

The figures in this Prospectus have in some cases been rounded off, which means that some tables do not always sum up correctly. Swedish crowns are referred to as “SEK”. Disputes regarding this Prospectus shall be determined in accordance with Swedish law and by the Swedish courts exclusively.

Definitions and terms used in this Prospectus have the same meaning as in the chapter “Terms and Conditions” unless otherwise expressly stated in this Prospectus.

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Definitions

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| Corem or Corem Group | Corem Property Group AB (publ), with corporate registration number 556463-9440, with or without subsidiaries depending on the context. |
| The Notes | Refers to the Note loan No. 5, 2015/2018, up to 750,000,000 SEK, ISIN: SE0006887923. |
| NASDAQ Stockholm | NASDAQ Stockholm AB. |
| The Prospectus | This prospectus prepared due to the registration of the Notes at NASDAQ Stockholm. |
| SEK | Refers to Swedish crowns. |
| Terms and Conditions | Refers to the Terms and Conditions for the Notes. |

1 RISK FACTORS

Investments in notes always involve a certain degree of risk. In this section a number of risk factors are described, both general risks attributable to Corem Group's operations and main risks linked to the Notes in their capacity of financial instruments. A number of factors affect and may come to affect Corem Group's operations, result, financial position and the Notes. The intention is to describe risks that are related to Corem Group's operations and thus also Corem's ability to fulfil its obligations in accordance with the Terms and Conditions of the Notes.

Before making a decision to invest in the Notes, any potential investor should carefully consider the risk factors outlined below, as well as any other relevant information such as the final Terms and Conditions of the Notes and any publicly available financial and other information of Corem. In addition, an investor must, alone or together with its financial and other types of advisors, engage in a general evaluation of external facts and general information about the property market and property companies from its own perspective. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to bear these risks. The below summary of risk factors does not claim to be complete, nor are the risks ranked in order of importance.

Additional risk factors which are currently unknown or which are currently not deemed to be material may also affect Corem Group's future operations, result and financial position and thus also Corem's ability to fulfil its obligations in accordance with the Terms and Conditions.

1.1 Risks related to the operations

Macroeconomic factors

The real estate market is to a large extent affected by macroeconomic factors such as the general economic development, growth, employment, level of production of new premises, changes in infrastructure, population growth, inflation and interest rate levels. Economic growth affects the employment rate, which is an essential basis for supply and demand on the rental market and consequently impacts vacancy rates and rental levels.

Inflation expectations have an impact on the interest rate and thus affect the net interest income. Interest expenses on debt to credit institutions are Corem Group's single largest cost items. In the long term, interest rate changes will have significant impact on Corem Group's earnings and cash flow. The inflation also impacts Corem Group's costs. Furthermore, changes in interest rates and inflation also impact yield requirements and by that, the market value of the properties' market value.

A number of Corem Group's lease agreements are wholly or partially linked to the consumer price index (CPI), i.e. the lease agreements are wholly or partially adjusted in accordance with the inflation. There is a risk that Corem Group is not able to negotiate lease agreements that wholly or partially compensate the inflation. If Corem Group's costs increase more due to inflation than

Corem Group's compensation due to index adjustments, this would have a negative impact on Corem Group's earnings.

Higher vacancy rates and interest rates, increased costs and lower rental rates could have a significant negative impact on Corem Group's business, financial position and earnings.

Geographical risks

The supply and demand of properties and by that, the return on real estate investments differs between geographical markets and may develop differently within the geographical markets. Corem has a well-diversified property portfolio with properties in different geographical markets. However, there is a risk that that demand does decline on most or all geographical markets which could have a significant impact on Corem Group's business.

Rental income and rental development

Decreased occupancy rates and rental rates will, regardless of reason, affect Corem Group's earnings negatively. The risk for great fluctuations in vacancies and loss of rental incomes increases, the more single large tenants a real-estate company has. There is a risk that that Corem Group's larger tenants do not renew or extend their lease agreements when these have expired, which in the long term could lead to a decrease in rental incomes and an increase in vacancies.

Corem Group is dependent on that the tenants pay their rents on time. Corem Group's earnings could be impacted negatively if tenants stop their payments, or do not fulfil their obligations in other ways.

Operating and maintenance costs

Operating costs consist mainly of tariff-based costs such as costs for electricity, sanitation, water and heating. Many of these products and services can only be bought from one service provider, which may affect the price. The costs for electricity and heating have the largest impact on the result. To the extent increases in such costs are not compensated by terms in lease agreements, or by renegotiation of lease agreements in order to increase the rent, Corem Group's net operating income may be impacted negatively.

Maintenance costs are attributable to actions that intend to maintain the property's long term standard. Corem Group has a plan for the implementation of maintenance measures that are deemed necessary. Unexpected and large renovation needs may however affect Corem Group negatively.

Credit risk

Credit risk is defined as the risk that Corem Group's counterparties may not fulfil their obligations to Corem Group. The financial position of Corem Group's existing and potential customers may deteriorate to such extent that they become unable to pay rent on time or perform their other financial obligations. It might be the case that Corem Group's counterparties will not be able to perform their obligations towards Corem Group. Furthermore, credit risk within Corem Group's financial operations arises for instance from excess cash placements, entering of interest-rate swap agreements and obtaining long- and short-term financing under credit agreements or capital market financing. Corem Group's business and earnings could be impacted negatively if Corem Group's counterparties do not fulfil their obligations to Corem Group.

Interest risk

Corem Group's business is mainly financed, in excess of equity, by borrowings from credit institutions and the bond market. Corem Group's capital structure results in interest expenses being the main costs item. An interest rate risk is defined as the risk of a negative 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 Corem Group's strategy as regards hedging the interest rates. The market interest rates for long-term interest periods are mainly affected by the expected inflation rate, where pricing of bonds and certificates are determined by the supply and demand. The interest rates for short-term interest periods are mainly affected by the Swedish National Bank's (*Sw. Riksbanken*) actions and decisions relating to its repurchase rate (*Sw. reporäntan*), which is a monetary policy rate instrument. Increased market interest rates over time will also increase interest expenses for Corem Group, which means that Corem Group's business, earnings and financial position could be adversely affected.

Refinancing risks

Refinancing risk is the risk that financing may not be obtained, or could only be obtained at significantly increased costs. Two of Corem's bond loans, amounting to a total of SEK 400,000,000, have final maturity date during 2015. Although Corem today estimates that the refinancing risk is small there is still a risk that future refinancing is not possible at all, or is not possible on terms that are attractive for Corem. In case Corem Group is unable to refinance existing facilities or obtain additional financing at market terms, as a result of an insufficient supply in the capital market or for any other reason, it could adversely affect Corem Group's business, financial position and earnings.

Changes in value of interest derivatives

Basically all of Corem Group's credit agreements have floating interest rates. As part of managing the interest rate risk, Corem Group uses interest derivatives, mainly interest swaps and interest caps. The interest derivatives are recorded continuously at actual value in the balance sheet and stated as value changes in the income statement. As market interest rates change, a theoretical

over- or undervalue of the interest derivatives occur but have no impact on the cash flow. The derivatives protect against higher interest rate levels, but also imply that the market value of Corem Group's interest derivatives decreases if the market interest rates decrease, which will have a negative impact on Corem Group's financial position and earnings.

Currency risks

Currency risk is the risk that Corem's earnings and financial position is impacted negatively by fluctuations in exchange rates. Corem owns five properties in Denmark. Corem's accounts are consolidated in SEK but certain operating costs and income are denominated in Danish Kroner (DKK) and Corem is therefore exposed to currency risk. Despite the fact that the Danish properties are financed by credit facilities in DKK and the fluctuations in exchange rates will hence only impact the net earnings of the properties, any unfavourable fluctuations in relevant exchange rates may adversely impact Corem's operations, financial position and earnings.

Changes in value of properties

Corem Group's real estate investments are recorded in the balance sheet at actual value and the value changes are recorded in the income statement. Unrealized value changes have no impact on the cash flow. Corem performs a valuation of its entire property holdings quarterly. 38 per cent of the valuations have been performed externally during 2014, and the remaining part by Corem itself. Corem's properties' loan to value ratio was approximately 59 per cent as of 31 December 2014.

The value of the properties is affected by a number of factors, partly by property specific factors such as renting levels, rental rates and operating costs and partly by market specific factors such as yield demands and cost of capital that are derived from comparable transactions on the real estate market. Property related deteriorations such as lower rental income and increased vacancies, as well as market specific factors such as higher yield demand can cause Corem Group to write down the actual value of its investment properties, which could have a negative impact on Corem Group's earnings and financial position. If the value of the properties shows a negative development, other things being equal, the surplus value between the assets and the debt decreases. Less surplus value, i.e. high loan-to-property-value ratio may imply that the probability of recovering the full investment amount in the Notes in an event of default situation is lower than in a situation with high surplus value, i.e. low loan-to-property-value ratio. However, despite a positive surplus value, regardless of size, there is a risk that all or parts of the invested amount in the Notes can not be recovered in an event of default situation.

Transactions

All investments for the Corem Group are associated with uncertainties, such as loss of tenants, environmental circumstances and technical problems. Prior to an investment an evaluation is performed that aims to identify, and if possible, to reduce the risks that can be associated with the investment. There is no guarantee that future business activities or properties that are added through acquisitions result in the anticipated positive impact and, as such, may have a negative impact on Corem Group's earnings and financial position.

Project risks

The operations of Corem Group also comprise property development projects. When developing property certain risks arise. Larger projects may entail major investments which may lead to an increased credit risk should tenants be unable to fulfil their obligations towards Corem Group, and Corem Group in turn would be unable to find other tenants for the premises in question, or should the demand or the price for the property alter during the project. Projects may also be delayed or may entail higher costs than foreseen which may lead to increased costs or decreased earnings. Further, Corem Group is dependent on receiving the proper authority decisions and permits to carry out property development projects. In the event of the above, there is a risk that this will have a negative impact on Corem Group's operations, earnings and financial position.

Executive management, staff and operational risk

Operational risk is the risk of incurring losses due to inadequate procedures and/or irregularities. Adequate internal control, administrative system adapted for the purposes, skills development and access to reliable valuation and risk models are a good basis for guaranteeing the operational safety.

Corem Group's employees' knowledge, experience and commitment are important for Corem Group's future development. Corem Group would be affected negatively if a number of its employees would leave Corem Group at the same time, or if Corem Group's operational security and control would fail.

Competition

Corem Group acts in an industry that is exposed to competition. Corem Group's future competitive opportunities are dependent on, among other things, Corem Group's ability to be at the forefront and respond quickly to existing and future market needs. Corem Group may therefore be forced to make cost demanding investments, to restructure or to make price reductions in order to adapt to a new competition situation. Increased competition could adversely affect Corem Group's business and earnings.

Technical risks

Property investments are associated with technical risks. Technical risk is defined as the risk associated with the technical management of the property, such as the risk for construction errors, other latent defects and deficiencies, damages (for example by fire or other force of nature) and pollution. By investing in properties with sound technical standard, either newly developed or recently renovated properties, the technical risk can be reduced. However, it cannot be ruled out that significant unforeseen costs may occur. If such technical problems would occur they may cause significant increased costs for Corem Group and adversely affect Corem Group's earnings and financial position.

Legal risks

New laws or regulations, or changes concerning the application of existing laws or regulations that are applicable to Corem Group's business activities or the tenants' business activities could have a negative impact on Corem Group's earnings and financial position. On 12 June 2014 the Swedish Government published an Official Report (SOU 2014:40). It is proposed that, as of 1 January 2016, new rules shall be implemented in Sweden regarding, *inter alia*, limitation on deductions of interest costs and other financial costs, which hence could limit Corem Group's possibility to obtain deductions in this respect. Furthermore, there are significant differences in the political parties' view on the size and occurrence of taxes and subsidies. It cannot be excluded that tax rates are changed in the future or that other changes of regulations occur which affect the ownership of real estate properties or real estate transactions. If the above described would materialize, it could have a negative impact on Corem Group's business, earnings and financial position.

Environmental risks

Property management and property development have an environmental impact. Corem Group has adopted an environmental policy plan and works actively with environmental issues. The Environmental Code states that everyone who has conducted a business operation that has contributed to pollution also has a responsibility for after-treatment of the property. If the responsible person cannot carry out or pay for the after-treatment of a polluted property, the person who has acquired the property is liable for after-treatment provided that the buyer at the time of the acquisition knew of or should have discovered the pollution. This means that claims, under certain conditions, may be raised against Corem Group for soil remediation or for remediation concerning presence or suspicion of pollution in soil, water areas or ground water, in order to put the property in a condition pursuant to the Environmental Code. Corem Group has not performed any exhaustive investigation of possible environmental pollution in the property portfolio, but estimates that neither existing nor previous business activities at the properties have entailed any environmental risks that substantially could affect Corem Group's financial position. However, there is no absolute certainty in this respect and any future demands regarding environmental risks may affect Corem Group's earnings and financial position negatively.

Tax risks and deficit deductions

Changes in legislation regarding company and property taxation, as well as other government charges and contributions, may affect the conditions for Corem Group's business activities. There is a risk that these charges and contributions will not remain unchanged in the future, for example changes in the possibility for depreciation for tax purposes and tax deductions on interest costs could adversely affect Corem Group's result. Corem Group has accumulated tax losses. Changes to the ownership of Corem resulting in a change of control of Corem can lead to limitations (in whole or in part) of the possibility to use such carry-forwards. Changes in legislation or case law can affect the possibility to use such carry-forwards. It cannot be ruled out that tax rates will change in the future, or that there are other changes to the governmental system that will impact property ownership. However, in a number of Corem Group's lease agreements the tenant is responsible for the accruing property taxes at each time. Any change in the tax legislation or practice that entails

changes to corporate tax rate or changed possibilities for tax depreciations or possibilities to use deductible deficits may lead to a changed tax situation in the future for Corem Group and may have a negative impact on Corem Group's earnings.

Disputes

Due to the nature of Corem Group's business, Corem is from time to time involved in disputes with tenants or suppliers. None of the disputes to date are deemed to be significant for Corem Group. However, it cannot be ruled out that Corem may incur higher costs due to ongoing disputes, or that Corem may become involved in additional disputes with tenants or suppliers. A negative outcome of any current or future dispute could have a negative impact on Corem Group's business, financial position and earnings.

The Swedish Tax Authority has in two cases presented claims towards Corem Group based on the act on tax evasion (Sw: *Lagen om skatteflykt*). A negative outcome in one of the cases will not affect the earnings of Corem Group, while a negative outcome in the second case will result in a tax demand amounting to a maximum of SEK 68 million (inclusive of interest incurred). The amount has been reserved for and paid in advance to the Tax Authority. Corem has appealed the decisions rendered to date.

1.2 Risks relating to the Notes

Liquidity risks

Corem cannot assure that a liquid trading of the Notes will occur and be maintained. Corem will apply for listing of the Notes at NASDAQ Stockholm after the Swedish Financial Supervisory Authority approves a prospectus for this purpose. There is no assurance that the Notes are approved for trading. Even if a Note is admitted to trading on the regulated market there is a risk that a demand for and trading with the Notes will not exist. In addition, following listing of the Notes, the liquidity and trading price of the Notes may vary as a result of numerous factors, including general market movements and irrespective of Corem's performance. This may entail that a Noteholder cannot sell his or her Notes at the desired time or at a yield which is comparable to similar investments that have an existing and functioning secondary market. A lack of liquidity in the market may have a negative impact on the market value of the Notes.

Credit risk

Investments in notes in general entail a certain degree of risk for investors, including the risk of losing the value of the entire investment. Investors who invest in the Notes become exposed to a credit risk in relation to Corem and the Notes carry a, relatively, high interest, which is to be regarded as a compensation for the, relatively, higher risk an investor carries compared to an investment in Swedish government bonds. The investor's ability to receive payment under the Terms and Conditions of the Notes is dependent on Corem Group's ability to fulfil its payment obligations, which in its turn is dependent on the development of Corem Group's business activities

and its financial position. Corem Group's financial position is affected by a number of risk factors, of which a number have been discussed above.

An increased credit risk may cause that the Notes will be attached with a higher risk premium by the market, which would affect the Notes' value and price in the secondary market negatively. Another aspect of the credit risk is that a deteriorating financial position may cause Corem Group's credit rating to decrease, which could negatively affect the possibility for Corem to refinance the Notes at maturity.

Priority rights

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of Corem and shall rank at least pari passu with other direct, unsecured and unsubordinated obligations of Corem. This means that a Noteholder in the event of Corem's liquidation, company reorganization or bankruptcy, normally would receive payment after any prioritised creditors (e.g. lenders or investors that have the benefit of security) have received payment. The Terms and Conditions of the Notes do not include a so called "negative pledge" undertaking and hence Corem and its subsidiaries may post security to other lenders, including for the benefit of holders of notes issued by Corem in the future or for the benefit of other lenders to the Corem Group. Such security would not secure the Notes.

Each investor should be aware of the fact that there is a risk that the person that invests in the Notes may lose the whole, or parts of, his or her investment in the event of Corem's liquidation, bankruptcy or company reorganization.

Structural subordination and dependency on subsidiaries

Since Corem is a parent company to Corem Group's property owning companies, Corem is dependent upon receiving dividends and group contributions from its subsidiaries to be able to fulfil its obligations under the Terms and Conditions. The Notes are not guaranteed by any of these subsidiaries or any other company or person. This means that the Notes are structurally subordinated to any indebtedness raised in any of the property owning subsidiaries, and so the creditors of such indebtedness have priority over the Noteholders to the assets and revenue generated in the subsidiaries. The Terms and Conditions of the Notes do not include any restriction (other than indirectly by way of the interest cover ratio and the equity ratio covenant) on the ability of Corem to incur additional indebtedness, neither in Corem nor in any of the subsidiaries.

Corem Group has within the framework of its financing raised loans from credit institutions and has thereby pledged mortgage deeds in certain properties and shares in some of Corem Group's property owning subsidiaries. Corem also intends to continue seeking appropriate and attractive financing and may in connection thereto grant security for such financing (which may include secured capital markets financing). The issuance of secured capital market financing may negatively affect the liquidity, value and price of the Notes in the secondary market.

Prepayment risk

Corem has a right under the Terms and Conditions to redeem all outstanding Notes three months prior to the Final Maturity Date. There is a risk that the market value of the Notes is higher than the price that Corem may be entitled to redeem the Notes for. However, an early redemption can never be made at an amount lower than a nominal amount of 100 per cent.

According to the Terms and Conditions, the Noteholders have the right to request prepayment of their Notes should a Change of Control Event, Delisting Event or a Listing Failure, as defined in the Terms and Conditions, occur. Corem shall further redeem the Notes if it is, or becomes impossible or unlawful, for Corem to perform any of the provisions of the Terms and Conditions or if the obligations under the Terms and Conditions are not legal, valid, binding or enforceable. There is a risk that Corem will not have sufficient funds at the time of such prepayment to make the required prepayment of the Notes.

Euroclear

The Notes will be connected to Euroclear Sweden AB's ("**Euroclear**") account-based system, why no physical notes have been or will be issued. Clearing and settlement at trading with the Notes, as well as payment of interest and redemption of principal amounts will be performed within Euroclear's account-based system. The investors are therefore dependent on the functionality of Euroclear's account-based system.

Noteholders' Meeting

The Terms and Conditions of the Notes include certain conditions regarding the Noteholders' Meeting, or a Written Procedure, that can be held in order to resolve matters relating to the Noteholders' interests. The Terms and Conditions allow for stated majorities to bind all Noteholders, including Noteholders who have not participated in and voted at the actual Noteholders' Meeting, or written Procedure, or have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' Meeting.

Noteholders' representation

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. However, this does not rule out the possibility that the Noteholders, in certain situations, could bring their own action against Corem. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit a written power of attorney for legal proceedings. The failure of all Noteholders to submit such a power of attorney could negatively impact the enforcement of the Notes. Under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders.

Changes in legislation

The Terms and Conditions are based on Swedish legislation applicable at the date hereof. There can be no assurance as to the effect of any potential future change in legislation, case law or

administrative practice. Changes in legislation, case law or administrative practice related to corporate income tax, property tax and other tax, for example changes to the possibility to make depreciation for tax purposes or in legislation relating to leases or the environment could adversely affect Corem Group's operations, result and financial position.

2 PERSONS RESPONSIBLE

On 26 March 2015 Corem issued the Note loan up to SEK 750,000,000 referred to in this Prospectus. The decision to issue the Notes has been taken by the Board. The Prospectus is prepared for listing of the Notes on the Corporate Bond List at NASDAQ Stockholm according to the Terms and Conditions. At the time for approval of the Prospectus SEK 400,000,000 of the total amount is issued. Corem may issue and apply for listing of additional Notes, within the amount, under this Prospectus.

Corem accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Stockholm 11 May 2015

Corem Property Group AB (publ)

Board of directors

3 SHORT SUMMARY OF THE NOTE LOAN

This section provides a general overview and description of the Notes and is not a complete description of the Notes. Any decision to invest in the Notes by any potential investor should be carefully considered and based on an assessment of the entire Prospectus, including the documents incorporated by reference. The complete Terms and Conditions of the Notes are described in the section "Terms and Conditions".

3.1 Brief description of the Notes

The Notes are in form of debt instruments intended for public sale. A Note confirms that the Noteholder has a claim in relation to Corem. The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of Corem. The Notes have been issued for refinancing of existing bond loans maturing in May and July 2015 and general corporate purposes, including intra-group lending.

The Notes amount for a total maximum amount of SEK 750,000,000, are denominated in SEK and have ISIN: SE0006887923. The Notes were issued under Swedish law and are affiliated to Euroclear's account-based system. Holding of the Notes is recorded at each Noteholder's securities account. The payment of interest and Nominal Amount and, if applicable, deduction of preliminary tax will be made through Euroclear.

Noteholders are entitled to payment of interest and Corem shall redeem the Notes' nominal amount on the relevant Redemption Date. The Final Maturity Date of the Notes is 1 April 2018 or any prior date following by the Terms and Conditions.

Under certain conditions specified under section 13 (Acceleration of the Notes) in the Terms and Conditions the Noteholders are entitled to request that Corem redeem the Notes at an amount equal to the nominal amount plus accrued interest.

On the Final Maturity Date Corem shall redeem all outstanding Notes at their nominal amount plus accrued interest. Payment of a nominal amount and accrued but unpaid interest shall be made to the person who is registered on a securities account as Noteholder, or to the person who is otherwise entitled to receive payment under a Note on the Record Date prior to the Redemption Date. The right to receive repayment of the nominal amount shall be prescribed and become void 10 years from the Redemption Date.

Each initial Note carries an interest at STIBOR 3 months plus 3.5 per cent per annum from the First Issue Date up to the relevant Redemption Date. Interest is paid quarterly subsequently on each Interest Payment Date and is 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 days (actual/360-days basis). Interest Payment Date means 1 July, 1 October, 1 January and 1 April of 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. The right to payment of interest shall be prescribed and become void three years from the relevant due date for payment. Interest calculation is performed by Euroclear.

Swedbank AB (publ) is the Issuing Agent and Nordic Trustee & Agency AB (publ) is the Agent for the Notes. By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf in any legal or arbitration proceedings relating to the Notes held by such Noteholder. The Agent may, at any time, call a Noteholders' Meeting or call for a Written Procedure among Noteholder's, which may lead to the majority decision binding all Noteholders, see sections 15 (Decisions by Noteholders) and 17 (Written Procedure) in the Terms and Conditions.

The Notes were issued through a "private placement" where the Notes have been offered to and purchased by a number of institutional and other investors. The Notes have been issued for SEK 400,000,000 at the present.

Corem intends to register the Notes to trading on the regulated market of NASDAQ Stockholm, see Section 11.5 (Admission to trading) in the Terms and Conditions. The application will be made when the SFSA approves this Prospectus. An application for listing of the Notes at NASDAQ Stockholm does not constitute any guarantee that such application will be approved. The estimated expenses related to the admission to trading are SEK 170,000.

The Notes are freely transferable and trading with the Notes between investors may occur from the date the Notes were issued.

Advisors

MAQS Advokatbyrå Stockholm AB, Swedbank AB (publ) and Danske Bank A/S, Danmark, Sverige filial have advised Corem in connection with the Notes issue.

Swedbank AB (publ) and Danske Bank A/S, Danmark, Sverige filial (collectively the "**Bookrunners**") have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for Corem Group in the ordinary course of business. In particular, it should be noted that a Bookrunner might be a lender under certain credit facilities with a member of Corem Group as borrower. Therefore, conflicts of interest may exist or may arise as a result of the Bookrunners having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

4 COMPANY AND OPERATIONS

Corem is a real estate company whose common and preferential shares are admitted to trading on NASDAQ Stockholm, Mid Cap. Corem Group owns, manages and develops industrial, warehouse, logistics and retail properties in central and southern Sweden and in Denmark. Corem's real estate portfolio consists, as of 31 December 2014, of 131 properties with a leasable area of 982,895 square meters. The portfolio is divided into five geographical areas: the Stockholm Region, the Southern Region, the Western Region, the Småland Region and the Mälardalen/North Region. The total property value amounted to SEK 7,259,000,000 and the total rental value amounted to SEK 683,000,000 as of 31 December 2014. Corem's headquarters is located in Stockholm and Corem Group has regional offices in Stockholm, Malmö, Gothenburg, Jönköping and Örebro.

In order to maintain a good knowledge of the relevant markets and to gain proximity to tenants, Corem has a decentralized organization. Corem intends to create long-term growth and increase in value by managing, acquiring, building and improving properties in industrial, warehouse, logistics and retail areas. Corem's overall goal is to become the leading real estate company in its sector in certain selected regions and to provide Corem's shareholders with a stable return on equity in the long-term. This will be achieved by continuous efforts to promote sustainable development.

Environmental work is a natural and important aspect of Corem Group's business. The environmental work will contribute to creating a sustainable society, more effective use of resources and consistent profitability.

The information in this Prospectus as of 31 December 2014 comes from Corem's annual report for 2014. The information in the annual report has been audited by Corem's auditor as set out therein.

4.1 Ownership and ownership structure

The table below lists the major shareholders in Corem as of 31 December 2014, as well as states the ownership structure of Corem.

| Name | Common shares | Preference shares | Share of stock, % | Share of votes, % |
|---------------------------------|----------------------|--------------------------|--------------------------|--------------------------|
| Rutger Arnhult via companies | 28,721,342 | 1,021,604 | 37.2 | 38.9 |
| Gårdarike AB | 7,898,483 | 94,711 | 10.0 | 10.7 |
| Länsförsäkringar fonder | 7,478,188 | - | 9.3 | 10.1 |
| Swedbank Robur fonder | 4,940,464 | - | 6.2 | 6.7 |
| JP Morgan Bank | 3,849,048 | - | 4.8 | 5.2 |
| Fjärde AP-Fonden | 2,383,724 | - | 3.0 | 3.2 |
| CBNY-Norges Bank | 2,016,150 | - | 2.5 | 2.7 |
| Pomona Gruppen AB | 1,499,998 | - | 1.9 | 2.0 |
| Livsförsäkrings AB Skandia | 1,446,582 | - | 1.8 | 2.0 |
| SEB Life Intl. Assurance | 1,383,363 | - | 1.7 | 1.9 |
| Folksam Fonder | 1,336,800 | 4,967 | 1.7 | 1.8 |
| Aktie-Ansvar Sverige | 1,200,000 | - | 1.5 | 1.6 |
| Patrik Tillman via companies | 1,142,882 | 80,000 | 1.5 | 1.6 |
| JP Morgan Europé Limited | 1,066,808 | - | 1.3 | 1.4 |
| Staffan Rasjö | 977,792 | 54,336 | 1.3 | 1.3 |
| Other shareholders | 6,070,037 | 5,355,701 | 14.3 | 8.9 |
| Total outstanding shares | 73,411,661 | 6,611,319 | 100.0 | 100.0 |
| Repurchased shares | 2,484,925 | - | | |
| Total registered shares | 75,896,586 | 6,611,319 | 100.0 | 100.0 |

Source: Euroclear Sweden AB

4.2 Board, senior management and auditors

Corem's Board consists of five directors and no deputy directors. The Board and management can be reached via the company's address Box 56085, SE-102 17 Stockholm, telephone 08-503 85 333. All five directors own common and/or preferential shares in Corem, directly or through one or several companies.

4.2.1 The Board

Patrik Essehorn

Chairman of the Board since 2010, Board member since 2008.

Patrik Essehorn is partner at MAQS Advokatbyrå Stockholm AB, chairman of the board of Suburban Properties AB, board member of Tribona AB (publ) and of Patrik Essehorn Advokat AB.

Dependent in relation to Corem. Independent in relation to major shareholders.

Jan Sundling

Board member since 2007.

Jan Sundling is chairman of the board of SJ AB, Sjöfartsverket and Jan Sundling i Ytterkvarn AB and board member of Aditro Logistics AB.

Independent in relation to Corem. Independent in relation to major shareholders.

Rutger Arnhult

Board member since 2007.

Rutger Arnhult is CEO and board member of Klöver AB (publ), chairman of the board of M2 Asset Management AB and Arnia Holding AB, and board member of Tribona AB (publ) and Vytal Diagnostics AB.

Dependent in relation to Corem. Dependent in relation to major shareholders.

Christina Tillman

Board member since 2010.

Christina Tillman is CEO of Gudrun Sjöden AB, chairman of the board of House of Dagmar AB and board member of COOP Sverige AB.

Independent in relation to Corem. Independent in relation to major shareholders.

Johanna Skogestig

Board member since 2015.

Johanna Skogestig is head of transactions at Vasakronan AB (publ), board member of Lokalfastighetsbolaget Förvaltaren AB and board member of Estate Service Management AB.

Independent in relation to Corem. Independent in relation to major shareholders.

4.2.2 Senior management

Eva Landén, CEO.

Jerker Holmgren, Vice President and Property Manager.

Håkan Engstam, Vice President, Transaction- and IR Manager.

Ulrika Allgulander, CFO.

Jesper Carlsöö, Rental Manager.

There are no conflicts of interest between the duties of the Board members or senior management in respect of the company and their private interests or other commitments.

4.2.3 Auditors

At the annual general meeting 2015 Ernst & Young AB and Ingemar Rindstig, born 1949, were elected as Corem's auditors in charge. Ernst & Young AB is represented by Mikael Ikonen, born 1963. Ingemar Rindstig is also employed by Ernst & Young AB. Ernst & Young AB has been the auditors of Corem since 2012. Both Mikael Ikonen and Ingemar Rindstig are authorized public accountants and members of FAR SRS, the professional institute for accountants in Sweden.

5 LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

5.1 Legal structure

Corem is a public company under the commercial name Corem Property Group AB (publ), corporate registration number 556463-9440, with domicile in Stockholm. Corem was incorporated and registered in 1993. Corem's operations are regulated by the Companies Act (Sw: *Aktiebolagslagen (2005:551)*) and Corem is affiliated with Euroclear.

The object of Corem's business is to, directly or indirectly through its subsidiaries, acquire, own, manage, develop and sell properties and thereto related business. Corem Group consists of holding companies and real estate owning companies. Corem Property Group AB (publ) is the parent company of Corem Group. All subsidiaries are wholly-owned by Corem and incorporated in Sweden except Corem Property Danmark A/S, a company incorporated and registered in Denmark.

5.2 Material contracts

Rental agreements

Lease agreements are of significant importance to Corem's business. However, Corem is not dependent on any particular lease agreement. The lease agreements of Corem Group have diverse terms and conditions. The notice periods are generally not less than nine months.

Financing agreements

Corem is financed by equity capital and debt. The main part of the debt is interest-bearing debts. Borrowing is done through credit facilities with banks with short-term interest rate where the interest rate risk is limited through derivatives. As security for the loans Corem has provided mortgage deeds, securities, promissory notes in subsidiaries, and downstream guarantee. During 2013 Corem issued senior unsecured notes in a total amount of SEK 200,000,000. The credit agreements contain customary terms and conditions in respect of change of control (Sw: *kontrollägarskifte*) and cross default (Sw: *uppsägning vid kontraktsbrott*) as well as covenants regarding equity/assets ratio, interest rate ratio and loan to value ratio. As of 31 December 2014 Corem's outstanding interest-bearing debts amounted to SEK 5,635,000,000.

Other material contracts

Except as outlined in this section Corem is not dependent on any particular contract that is of major importance to Corem's business or profitability.

5.3 Legal and arbitration proceedings

Due to the nature of Corem Group's business, Corem Group is from time to time involved in disputes with tenants or suppliers. None of the disputes to date are deemed to be significant for Corem Group. The Swedish Tax Authority has in two cases presented claims towards Corem Group based on the act on tax evasion (Sw: *Lagen om skatteflykt*). A negative outcome in one of the

cases will not affect the earnings of Corem Group, while a negative outcome in the second case will result in a tax demand amounting to a maximum of SEK 68 million (inclusive of interest incurred). The amount has been reserved for and paid in advance to the Tax Authority. Corem has appealed the decisions rendered to date.

Except for the above mentioned proceedings, Corem is not now and has not been party to any governmental, legal or arbitration proceedings (including, to the best of the knowledge of the Board, any such proceedings which are pending or threatened) during the previous 12 months which may have, or have had in the recent past, significant effects on Corem's financial position or profitability.

5.4 Insurances

Corem Group is covered by commercial and property insurance that is customary for the industry Corem Group operates in. Given the nature and scope of the business, the Board deems that the parent company and its subsidiaries are covered by satisfactory insurances.

5.5 Environmental activities

Legislation and environmental standards constitutes the basis for Corem's environmental work. Corem complies with the laws and regulatory requirements that exist for properties in Sweden. The requirements primarily relate to mandatory inspections and surveys, such as ventilation inspections, energy declarations and work environment requirements. Corem has adopted an environmental policy and works actively with environmental issues.

5.6 Significant changes

After the end of the financial year 2014 and up to and including 13 March 2015, Corem Group has repurchased additionally 20,200 common shares, having in total repurchased 2 505 125 common shares, and as of 13 March 2015 the fair value of Corem's shareholdings in Klöver AB (publ) amounted to SEK 1,702,000,000, which is SEK 505,000,000 above the reported value. Since 31 March 2015 Corem has acquired a property in Halmstad for an amount of SEK 121,000,000. Aside from the above mentioned, there have not been any significant changes in the financial or trading position of Corem since the last interim report.

There has been no material adverse change in the prospects of Corem since 31 December 2014, being the date of publication of the last audited financial information of Corem.

5.7 Legal structure

Corem Group consists of holding companies and real estate owning companies. The main subsidiaries of Corem are:

| Company name | Corp.reg.no | Shareholdings, % |
|-----------------------------|-------------|------------------|
| Corem AB | 556731-4231 | 100 |
| Corem Göteborg Holding AB | 556736-6819 | 100 |
| Corem Mälardalen Holding AB | 556736-6876 | 100 |
| Corem Småland Holding AB | 556736-6892 | 100 |
| Corem Stockholm Holding AB | 556736-6264 | 100 |
| Corem Öresund Holding AB | 556736-6751 | 100 |

6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available, during the validity period of this Prospectus, at Corem's office, Riddargatan 13 C in Stockholm, during regular business hours:

- Corem's Articles of Association;
- Corem's audited annual reports (including the subsidiaries) for the financial years 2014 and 2013;
- Articles of Association and financial reports are also available at Corem's website, www.corem.se.

7 HISTORICAL FINANCIAL INFORMATION

The Prospectus consists of, in addition to this document, the following documents which are incorporated by reference.

1. Extract from Corem's annual report (including auditor's report) for the financial year 2014 (pages 4B – 37B).
2. Extract from Corem's annual report (including auditor's report) for the financial year 2013 (pages 56 – 87).

The historical financial information for 2014 and 2013 is prepared in accordance with IFRS and has been audited.

Investors should read all information which is incorporated by reference as part of this Prospectus. It should be noted that the non-incorporated parts of the annual reports for 2013 and 2014 are either not relevant for the investor or covered elsewhere in the Prospectus.

All of the above documents will, during the validity period of the Prospectus, be available in electronic form at Corem's website, www.corem.se.

**TERMS AND CONDITIONS FOR
COREM PROPERTY GROUP AB (PUBL)
UP TO SEK 750,000,000
SENIOR UNSECURED FLOATING RATE NOTES
2015/2018 series no 5
ISIN: SE0006887923**

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



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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

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

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

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

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

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

“**Change of Control Event**” occurs if any person or persons, acting collectively, acquires or takes Control over the Issuer. However the aforementioned shall not apply should such Change of Control Event be triggered by a company the shares of which are listed on NASDAQ Stockholm or any other Regulated Market. Should a Change of Control Event have been triggered by a company the shares of which are listed on NASDAQ Stockholm or any other Regulated Market, this Change of Control Event provision shall apply *mutatis mutandis* to subsequent changes of Control in the new listed owner.

“**Control**” means (i) acquire or otherwise obtain control over, directly or indirectly, more than 50 per cent. of the total outstanding voting rights in the Issuer or (ii) the right to, directly or indirectly, appoint or discharge all or a majority of the members of the Board of Directors in the Issuer.

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

"Delisting Event" occurs if at any time: (i) the Issuer's ordinary shares are not listed on NASDAQ Stockholm or any other Regulated Market, or (ii) trading with the Issuer's ordinary shares on NASDAQ Stockholm is suspended during a period of more than 15 trading days when the NASDAQ Stockholm is at the same time open for trading. However (i) and (ii) shall not apply should the de-listing or trading suspension occur as a result of a public offer for the shares in the Issuer by a company the shares of which are listed on NASDAQ Stockholm or any other Regulated Market, in which case (i) and (ii) above shall apply *mutatis mutandis* to a de-listing or trading suspension relating to the shares in the new listed owner.

"Event of Default" means an event or circumstance specified in Clause 13.1.

"Equity" shall mean the total consolidated equity of the Group in accordance with the Accounting Principles.

"Equity Ratio" means Equity divided by Total Assets excluding financial assets and cash equivalents according to the Accounting Principles;

"Final Maturity Date" means the date falling three (3) years after the First Issue Date.

"Finance Documents" means these Terms and Conditions, Agency Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

"Financial Indebtedness" means indebtedness for or in respect of:

- (a) loans or credit facilities utilized;
- (b) issued convertible bonds, debentures, bonds or similar financial instruments;
- (c) agreement regarding rent, purchase or leasing which under generally accepted accounting principles is to be regarded as financial leasing;
- (d) transferred claims, unless such claims have been transferred without a right for the acquirer to raise claims against the transferor;
- (e) derivative transactions, however, when calculating the value of any derivative transaction, only the current market value shall be considered;
- (f) counter-indemnities or other payment obligations relating to guarantees, letters of credit or other similar instruments or documents issued by a bank or other financial institution;
- (g) other transactions, including futures contracts, that have the commercial effect of a borrowing; and
- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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



"First Issue Date" means 1 April 2015. The Issuer shall publish the First Issue Date in accordance with Clause 23.2 (*Press releases*).

"Force Majeure Event" has the meaning set forth in Clause 24.1.

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

"Initial Notes" means the Notes issued on the First Issue Date.

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

"Interest" means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

"Interest Coverage Ratio" means profit from property management (*Förvaltningsresultat*), including realised capital gains and received dividend, plus financial expenses divided with financial expenses, of the Group according to the Accounting Principles.

"Interest Payment Date" means 1 July, 1 October, 1 January and 1 April of 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. The first Interest Payment Date for the Notes shall be 1 July 2015 and the last Interest Payment Date shall be the relevant Redemption Date.

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

"Interest Rate" means 3 month STIBOR plus 3.50 percentage units *per annum*.

"Issuer" means Corem Property Group AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556463-9440.

"Issuing Agent" means Swedbank AB (publ) with Reg. No. 502017-7753, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Listing Failure" means the situation where the (i) the Notes are not listed on the corporate bond list of NASDAQ Stockholm or on another Regulated Market within sixty (60) days after the First Issue Date or (ii) at any time after sixty (60) days after the First



Issue Date, the Notes cease to be listed on the corporate bond list of NASDAQ Stockholm or on another Regulated Market.

"Material Adverse Effect" means a material adverse effect in respect of (i) the Issuer's and/or the Group Company's business or financial position, (ii) the Issuer's ability to meet its payment obligations under the Terms and Conditions, or (iii) the validity or enforceability of rights under the Terms and Conditions.

"Nominal Amount" has the meaning set forth in Clause 2.3.

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

"Noteholders' Meeting" means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders' Meeting*).

"Note" means a debt instrument (*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, including the Initial Notes and any Subsequent Notes.

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

"Record Date" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Noteholders' 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 Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

"Reference Date" means each of 31 March, 30 June, 30 September and 31 December of each year for as long as any Notes are outstanding.

"Regulated Market" means any regulated market, as defined in Directive 2004/39/EC on markets in financial instruments.

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

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

"STIBOR" means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ Stockholm's website for STIBOR fixing (or through another website replacing it) at 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 Nordea Bank AB (publ), Skandinaviska Enskilda Banken (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ); or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

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

"Subsidiary" means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen* (2005:551)).

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

"Total Assets" shall mean the total assets of the Group in accordance with the Accounting Principles.

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

"Written Procedure" means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*Written Procedure*).

1.2 Construction

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

- (a) **"assets"** includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a **"regulation"** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental,



intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(d) a provision of law is a reference to that provision as amended or re-enacted; and

(e) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

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

1.2.5 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. STATUS OF THE NOTES

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The nominal amount of each Note is SEK 1,000,000 (the "**Nominal Amount**"). All Initial Notes are issued on a fully paid basis at an issue price of hundred per cent. of the Nominal Amount.

2.4 Provided that no Event of Default is continuing or would result from such issue, the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Notes shall apply to Subsequent Notes. The price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.

2.5 The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them, and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer other than those mandatorily preferred by law.

-
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing of existing bond loans maturing in May and July 2015 and general corporate purposes, including intra-group lending.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuer shall provide to the Agent, prior to the issuance of the Initial Notes the following, in form and substance satisfactory to the Agent:

- (a) the Finance Documents duly executed by the Issuer and the Agent;
- (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Notes, the terms of the Finance Documents, and resolving to enter into such documents and any other documents necessary in connection therewith; and
- (c) the articles of association and certificate of incorporation (as at the date of (b)) of the Issuer; and
- (d) evidence that the person who has signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is duly authorised to do so.

- 4.2 The Issuer shall provide to the Agent, prior to the issuance of any Subsequent Notes the following, in form and substance satisfactory to the Agent:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Notes and resolving to enter into documents necessary in connection therewith;
- (b) the articles of association and certificate of incorporation (as at the date of (a)) of the Issuer; and
- (c) a certificate from the Issuer confirming that no Event of Default is continuing or would result from the issue of the Subsequent Notes and that no such issuance



would cause a breach of any undertaking of the Issuer in accordance with Clause 12.

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

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

5. NOTES IN BOOK-ENTRY FORM

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

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

5.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

5.4 For the purpose of or in connection with any Noteholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.

6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder.



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- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

7. PAYMENTS IN RESPECT OF THE NOTES

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. INTEREST

- 8.1 Each Initial Note carries Interest at the Interest Rate calculated on the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate calculated on the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).



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- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 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.

9. REDEMPTION AND REPURCHASE OF THE NOTES

9.1 Redemption at maturity

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

9.2 Issuer's purchase of Notes

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

9.3 Voluntary total redemption (call option)

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full any time from and including the first Business Day falling three (3) months prior to the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

- 9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

9.4 Early redemption due to illegality (call option)

- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.4.2 The Issuer shall give notice of any redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).
- 9.4.3 A notice of redemption in accordance with Clause 9.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.



9.5 Mandatory repurchase due to a Change of Control Event, Delisting Event or a Listing Failure (put option)


- 9.5.1 Upon the occurrence of a Change of Control Event, a Delisting Event, or a Listing Failure, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, the Delisting Event or the Listing Failure pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of such event.
- 9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased.
- 9.5.3 If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1.
- 9.5.4 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- 9.5.5 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained, sold or cancelled.
- 9.5.6 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Notes in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

10. INFORMATION TO NOTEHOLDERS

10.1 Information from the Issuer

- 10.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Group:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the audited consolidated financial statements of the Group and the unconsolidated financial statements of the Issuer, for that financial year prepared in accordance with the Accounting Principles;



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- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of each financial year, the unaudited consolidated financial statements of the Group and the unconsolidated financial statements of the Issuer or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles; and
- (c) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading;
- (d) as soon as practicable following a cancellation of Notes by the Issuer, the Total Nominal Amount.
- 10.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a Delisting Event or a Listing Failure. A notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- 10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent a compliance certificate (i) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it), and (ii) attaching copies of any notices sent to the Regulated Market on which the Notes are admitted to trading. The compliance certificate shall be in a form agreed between the Issuer and the Agent and include a confirmation that no Event of Default has occurred and that the financial undertakings set out in Clause 12 (*Financial Undertakings*) have been met, including figures and the basis on which the Equity Ratio and the Interest Coverage Ratio, have been calculated. Such compliance certificate shall also be delivered by the Issuer to the Agent within 30 calendar days of the Agent's request provided the Agent has justified reason to request such information.
- 10.1.4 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 10.2 Information from the Agent**
- 10.2.1 The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
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10.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

10.3 Information among the Noteholders

Upon request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes (at the discretion of the Agent). The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

10.4 Publication of Finance Documents

10.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.

10.4.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

11. GENERAL UNDERTAKINGS

11.1 Compliance with laws

The Issuer shall, and shall procure that the Group Companies will, comply in all material respects with all laws and regulations to which it may be subject and its articles of association and other constitutional documents.

11.2 Nature of business

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

11.3 Disposal of assets

The Issuer shall not, and shall ensure that none of the Group Companies, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

11.4 Dealings with related parties

The Issuer shall, and shall ensure that the Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is



another Group Company) and/or any affiliates of such direct and indirect shareholders, at arm's length terms.

11.5 Admission to trading

11.5.1 The Issuer shall ensure that the Notes are admitted to trading on the Regulated Market of NASDAQ Stockholm or on another Regulated Market within six (6) months after issuance, and that it remains admitted.

11.5.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

11.5.3 It is the Issuer's intention that the Notes are admitted to trading on the Regulated Market of NASDAQ Stockholm or on another Regulated Market within 30 calendar days after the First Issue Date. The absence of admission within 30 calendar days shall not constitute a Listing Failure nor an Event of Default under these Terms and Conditions.

11.6 Undertakings relating to the Agency Agreement

11.6.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information 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 Agency Agreement.

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

11.7 CSD related undertakings

11.7.1 The Issuer shall keep the Notes affiliated with a CSD and comply with all CSD regulations applicable to the Issuer and the Notes.

12. FINANCIAL UNDERTAKINGS

The Issuer undertakes for so long as any amount is outstanding under the Notes to comply or, as relevant, procure the compliance with the financial covenants set out in this Clause 12.

12.1 Equity Ratio

The Equity Ratio of the Group shall at any time not be less than twenty (20) per cent.



12.2 Interest Coverage Ratio

The Interest Coverage Ratio of the Group shall at any Reference Date not be less than 1.25 on a rolling twelve-month basis.

13. ACCELERATION OF THE NOTES

13.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 13.5, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with any of the financial undertakings set out in Clause 12 (*Financial undertakings*);
- (c) the Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) or (b) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (e) the Issuer is, or is deemed for the purpose of any applicable law to be, Insolvent;
- (f) it is resolved that (i) the Issuer shall enter into liquidation or (ii) a Group Company shall enter into liquidation which results in a Material Adverse Effect;
- (g) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any fixed asset of a Group Company provided that the market value of such assets exceeds SEK ten million (10,000,000) and is not



discharged within thirty (30) Business Days (unless and for as long as contested in good faith);

- (h) (i) any Financial Indebtedness of a Group Company is not paid when due nor within 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 (however described) or (ii) any commitment for any Financial Indebtedness of a Group Company is cancelled by a creditor as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (h) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness referred to herein is less than SEK twenty million (20,000,000);
- (i) the Issuer suspends its payments;
- (j) the Issuer or a Group Company applies for or admits an application for financial reorganization according to the Company Reorganization Act (*Lag om företagsrekonstruktion (1996:764)*);
- (k) the board of directors of the Issuer prepares a merger plan under which the Issuer shall merge into a new or existing company, with the effect that the Issuer is not the surviving entity, provided that a consent from the Noteholders' Meeting to do so is not obtained before the merger is finalised; and
- (l) the board of directors of the Issuer prepares a merger plan under which the Issuer shall be merged with a company, with the effect that the Issuer is the surviving entity, provided that such merger would constitute a Material Adverse Effect; and
- (m) the board of directors of a Group Company (other than the Issuer) establishes a merger plan under which the Group Company shall merge into a new or existing company (other than a Group Company), with the effect that the Group Company is not the surviving entity, provided that a consent from the Noteholders' Meeting to do so is not obtained; and provided that the merger will entail a Material Adverse Effect.

13.2 In the event that IFRS changes, and no longer recognizes or requires fair value adjustments in the calculation of the book value of properties, the equity and total assets shall (for the calculation of Equity Ratio above) nevertheless be adjusted with reference to such market values as if IFRS, as applied on the First Issue Date, would remain applicable.

13.3 The Agent may not accelerate the Notes in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

13.4 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred



and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 13.5 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.6 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 13.7 In the event of an acceleration of the Notes in accordance with this Clause 13, the Issuer shall redeem all Notes at an amount per Note equal to the redemption amount specified in Clause 9.3 (*Voluntary total redemption*) as applicable considering when the acceleration occurs.

14. DISTRIBUTION OF PROCEEDS

- 14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.13, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
 - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in



accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).
- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

15. DECISIONS BY NOTEHOLDERS

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way 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 Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or



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- (b) on the Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,

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

15.5 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 750,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (f) a change of Issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes; and
- (g) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 13 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1(a) or (b)), and acceleration of the Notes.

15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.



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- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 15.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 15.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 15.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.14 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or other or otherwise responsible to determine whether a Note is owned by a Group Company.
- 15.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.
- 16. NOTEHOLDERS' MEETING**
- 16.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than five (5) Business Days after receipt of a request from the Issuer



or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

- 16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, 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 Noteholders' Meeting in accordance with Clause 16.1.
- 16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.4 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.
- 17. WRITTEN PROCEDURE**
- 17.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Record Date prior to the date on which the communication is sent.
- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.
- 17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 17.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15.5 and 15.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.



18. AMENDMENTS AND WAIVERS

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, 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; or
 - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*), and shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

19. APPOINTMENT AND REPLACEMENT OF THE AGENT

19.1 Appointment of Agent

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.



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- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 19.2 Duties of the Agent**
- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 19.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 19.2.6 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 19.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has



received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- 19.2.9 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.8.

19.3 Limited liability for the Agent

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*).
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by



them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 20.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 20.2 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.



21. NO DIRECT ACTIONS BY NOTEHOLDERS

- 21.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Noteholders 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 Noteholder to provide documents in accordance with Clause 19.1.2), 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 under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.9 before a Noteholder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, Delisting Event or a Listing Failure*) or other payments which are due by the Issuer to some but not all Noteholders.

22. PRESCRIPTION

- 22.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23. NOTICES AND PRESS RELEASES

23.1 Notices

- 23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch;



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- (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; and
- (c) if to the Noteholders, 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 Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.
- 23.1.2 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 will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1.
- 23.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.
- 23.2 Press releases**
- 23.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality*), 10.1.2, 13.4, 16.1, and 17.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 23.2.2 In addition to Clause 23.2.1, if any information relating to the Notes or the Group contained in a notice the Agent may send to the Noteholders 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 Noteholders 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 Noteholders, the Agent shall be entitled to issue such press release.
- 24. FORCE MAJEURE AND LIMITATION OF LIABILITY**
- 24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 24.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.



24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25. GOVERNING LAW AND JURISDICTION

25.1 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.

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

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

Place: Stockholm

Date: 2015-03-26

COREM PROPERTY GROUP AB (PUBL)
as Issuer



Eva Landén




Patrik Essehörn

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

Place: Stockholm

Date: 2015-03-26

NORDIC TRUSTEE & AGENCY AB (PUBL)
as Agent



Erik Saers
Managing Director

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