

**TERMS AND CONDITIONS FOR  
HEIMSTADEN AB (PUBL)**

**Heimstaden**

**MAXIMUM SEK 1,750,000,000  
SENIOR UNSECURED FLOATING RATE BONDS 2019/2023**

**ISIN: SE0012622249**

**LEI: 549300WD2QBD89VBPV88**

First Issue Date: 31 May 2019

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

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

## **PRIVACY NOTICE**

The Issuer and the Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to these Terms and Conditions (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other Persons is primarily collected directly from such Persons.

The personal data collected will be processed by the Issuer and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under these Terms and Conditions and the Agency Agreement;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders to exercise their rights under these Terms and Conditions; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer and the Agent in relation to items (a)–(c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under these Terms and Conditions and the Agency Agreement. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer or Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's and the Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their websites [www.heimstaden.se](http://www.heimstaden.se) and [www.nordictrustee.com](http://www.nordictrustee.com).

## TABLE OF CONTENTS

1	DEFINITIONS AND CONSTRUCTION .....	1
2	THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS .....	8
3	STATUS OF THE BONDS .....	8
4	USE OF PROCEEDS .....	8
5	THE BONDS AND TRANSFERABILITY .....	9
6	CONDITIONS PRECEDENT .....	9
7	BONDS IN BOOK-ENTRY FORM .....	10
8	RIGHT TO ACT ON BEHALF OF A BONDHOLDER .....	11
9	PAYMENTS IN RESPECT OF THE BONDS .....	11
10	INTEREST .....	12
11	REDEMPTION AND REPURCHASE OF THE BONDS.....	12
12	INFORMATION TO BONDHOLDERS .....	14
13	GENERAL UNDERTAKINGS.....	15
14	EVENTS OF DEFAULT .....	17
15	DISTRIBUTION OF PROCEEDS .....	20
16	DECISIONS BY BONDHOLDERS .....	21
17	BONDHOLDERS' MEETING .....	23
18	WRITTEN PROCEDURE.....	24
19	AMENDMENTS AND WAIVERS .....	25
20	APPOINTMENT AND REPLACEMENT OF THE AGENT .....	25
21	APPOINTMENT AND REPLACING OF THE ISSUING AGENT .....	29
22	APPOINTMENT AND REPLACEMENT OF THE CSD .....	30
23	NO DIRECT ACTIONS BY BONDHOLDERS.....	30
24	TIME-BAR .....	30
25	NOTICES AND PRESS RELEASES .....	31
26	FORCE MAJEURE AND LIMITATION OF LIABILITY .....	32
27	GOVERNING LAW AND JURISDICTION .....	32
	SCHEDULE 1 Form of Compliance Certificate.....	34

**TERMS AND CONDITIONS FOR  
HEIMSTADEN AB (PUBL)  
MAXIMUM SEK 1,750,000,000  
SENIOR UNSECURED FLOATING RATE BONDS 2019/2023  
ISIN: SE0012622249**

**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 Central Securities Depositories and Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means generally accepted accounting principles, standards and practices in Sweden, including international financial reporting standards (IFRS) (as adopted or amended from time to time), if applicable.

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

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

“**Agency Agreement**” means the agency agreement entered into on or 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 the Bondholders’ agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Nordic Trustee & Agency AB (publ) reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

“**Bond**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

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

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

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

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

“**Central Securities Depositories and Financial Instruments Accounts Act**” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“**Change of Control Event**” means if Fredensborg AS, reg. no. 943 582 815, ceases to control the Issuer, and where “**control**” means that Fredensborg AS ceases to:

- (a) own, directly or indirectly, and vote as it sees fit for, more than fifty (50.00) per cent. of the total number of shares and votes in the Issuer; or
- (b) have the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance set out in Schedule 1 (*Compliance Certificate*), signed by the CFO, CEO or another authorised signatory of the Issuer certifying:

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; and
- (b) the percentages and calculations in respect of Solvency Ratio and the Equity Ratio.

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

“**Equity Ratio**” means, at any time, the equity of the Group as a percentage of the aggregate value of the Total Assets (in each case calculated in accordance with the Accounting Principles and in line with the principles for the audited financial statements).

“**Event of Default**” means an event or circumstance specified in Clause 14 (*Events of Default*).

“**Existing Bonds**” means, on the First Issue Date, the Issuer’s outstanding SEK 1,250,000,000 senior unsecured callable bonds with ISIN SE0006259669 having a final maturity date on 16 September 2019.

**“Final Maturity Date”** means 31 May 2023.

**“Finance Documents”** means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) any Compliance Certificate; and
- (d) any other document designated as a Finance Document by the Agent and the Issuer.

**“Finance Lease”** means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a balance sheet liability.

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (a) monies borrowed and debit balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any derivative transaction (and, when calculating the value of that derivative transaction, only the marked to market value as at the relevant date on which Financial Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than sixty (60) days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above.

**“Financial Report”** means the annual audited consolidated financial statements of the Group or the quarterly interim unaudited consolidated reports of the Group which shall be prepared and made available according to paragraphs (a) and (b) of Clause 12.1.1.

**“Financial Year”** means the annual accounting period of the Group.

**“First Issue Date”** means 31 May 2019.

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

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

**“Heimstaden Bostad”** means Heimstaden Bostad AB (reg. no. 556864-0873).

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

**“Initial Bonds Issue”** means the issuance of Bonds 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 (Sw. *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 Bondholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**“Interest”** means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

**“Interest Payment Date”** means 31 March, 30 June, 30 September and 31 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 30 June 2019 (short first Interest Period) and the last Interest Payment Date shall be the Final Maturity Date (short last Interest Period) (or any Redemption Date prior thereto).

**“Interest Period”** means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**“Interest Rate”** means a floating rate of STIBOR (3 months) plus a margin of 3.25 per cent. *per annum*, provided that if the “Interest Rate” at any time is less than zero (0) it shall be deemed to be zero (0).

**“Issuer”** means Heimstaden AB (publ), a public limited liability company incorporated under the laws of Sweden with reg. no. 556670-0455.

**“Issuing Agent”** means Nordea Bank Abp, filial i Sverige, with Swedish reg. no. 516411-1683, SE-105 71 Stockholm, Sweden or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**“Listing Failure Event”** shall be deemed to have occurred if the loan constituted by the terms and conditions and evidenced by the Initial Bonds has not been admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within sixty (60) days from the First Issue Date (although the intention is to list the Initial Bonds within thirty (30) days from the First Issue Date).

**“Market Loan”** means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), which is or can be admitted for trading on a Swedish or foreign regulated market.

**“Material Group Company”** means the Issuer and any other Group Company which total assets according to the latest Financial Report amount to at least SEK 50,000,000.

**“Nasdaq Stockholm”** means the Regulated Market of Nasdaq Stockholm AB, Swedish reg. no. 556420-8394.

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

**“Properties”** means all real properties and site leasehold rights owned by any member of the Group from time to time.

**“Quarter Date”** means each of 31 March, 30 June, 30 September and 31 December.

**“Quotation Day”** means in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date), or (ii) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

**“Record Date”** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of proceeds*), or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**“Redemption Date”** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

**“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 Central Securities Depositories and 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.

**“Solvency Ratio”** means the ratio of Total Net Debt to Total Assets.

**“STIBOR”** means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable in length to the relevant Interest Period; or
- (b) if no such rate as set out in item (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Day; or
- (c) if no rate is available for the relevant Interest Period pursuant to item (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, 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.

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

**“Subsequent Bonds Issue”** means Subsequent Bonds issued by the Issuer under these Terms and Conditions after the First Issue Date.

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

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

**“Test Date”** means 31 March, 30 June, 30 September and 31 December each year.

“**Total Assets**” means, at any time, the total assets of the Group calculated in accordance with the Accounting Principles and in line with the principles for its audited Financial Report.

“**Total Net Debt**” means, at any time, the aggregate amount of all obligations of members of the Group for or in respect of Financial Indebtedness and any guarantee and/or indemnity in respect of any Financial Indebtedness at that time but:

- (a) *less* cash and cash equivalents and listed shares held by the Group (excluding shares in Group Companies); and
- (b) *excluding* any guarantee and/or indemnity in respect of any Financial Indebtedness that the Issuer has directly or indirectly accounted for in its most recent Financial Report; and
- (c) in relation to any revolving credit facility, only the utilized amount shall be taken into account,

and so that no amount shall be included or excluded more than once.

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

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

## 1.2 Construction

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

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

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

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

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

## **2 THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS**

- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount. The Total Nominal Amount of the Initial Bonds is SEK 1,500,000,000.
- 2.4 The Issuer may, at one or several occasions, issue Subsequent Bonds, provided that:
- (a) no Event of Default is continuing or would result from such issue;
  - (b) the Solvency Ratio covenant will not be breached as a result of such subsequent issue; and
  - (c) the Equity Ratio covenant will not be breached as a result of such subsequent issue.
- 2.5 Subsequent Bonds 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 applicable to the Initial Bonds shall apply to Subsequent Bonds. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.
- 2.6 The price of the Subsequent Bonds may be set at the Nominal Amount, at a discount or at a premium compared to the Nominal Amount.
- 2.7 The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 1,750,000,000 unless consent from the Bondholders is obtained in accordance with Clause 16.5.

## **3 STATUS OF THE BONDS**

The Bonds constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all other direct, unconditional and unsecured obligations of the Issuer and without any preference among them.

## **4 USE OF PROCEEDS**

The Issuer shall use the proceeds from the issue of the Initial Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of the Initial Bonds, firstly to repay the Existing Bonds which shall be redeemed in full prior to their final maturity date

and thereafter towards general corporate purposes of the Group. The Issuer shall use the proceeds from the issue of any Subsequent Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of Subsequent Bonds, for investments, acquisitions and general corporate purposes of the Group.

## **5 THE BONDS AND TRANSFERABILITY**

- 5.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 5.2 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 5.3 All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bonds transferees upon completed transfer.
- 5.4 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 5.5 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

## **6 CONDITIONS PRECEDENT**

- 6.1 Prior to the First Issue Date, the Issuer shall provide to the Agent:
  - (a) copies of constitutional documents of the Issuer;
  - (b) duly executed copies of these Terms and Conditions and the Agency Agreement;
  - (c) a copy of a resolution of the board of directors of the Issuer:
    - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
    - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
    - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
  - (d) an irrevocable notice of early redemption under the Existing Bonds where the Issuer sets out that it will redeem all Existing Bonds on a specified date.
- 6.2 Prior to issuance of any Subsequent Bonds, the Issuer shall provide to the Agent:

- (a) to the extent not covered by the resolutions from the board of directors under Clause 6.1, a copy of a resolution of the board of directors of the Issuer:
  - (i) approving the terms of, and the transactions contemplated by, the Subsequent Bonds and resolving that it execute, deliver and perform any documents necessary in connection with the issue of the Subsequent Bonds;
  - (ii) authorising a specified person or persons to execute any such documents; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Subsequent Bonds;
- (b) a Compliance Certificate; and
- (c) a copy of any other authorisation or other document, opinion or assurance which the Agent notifies the Issuer that it reasonably considers necessary or desirable in connection with the issue of the Subsequent Bonds.

6.3 The Agent may assume that the documentation delivered to it pursuant to Clauses 6.1 and 6.2 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.

6.4 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clauses 6.1 and 6.2 (as applicable), as the case may be, have been fulfilled.

## **7 BONDS IN BOOK-ENTRY FORM**

7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

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

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

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

7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The

Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

- 7.6 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

## **8 RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

- 8.1 If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- 8.2 A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- 8.3 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 8.2 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.

## **9 PAYMENTS IN RESPECT OF THE BONDS**

- 9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 9.3 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 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, 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.

- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or any Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

## **10 INTEREST**

- 10.1 Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 10.3 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).
- 10.4 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 two (2) percentage units 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.

## **11 REDEMPTION AND REPURCHASE OF THE BONDS**

### **11.1 Redemption at maturity**

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

### **11.2 Group Company's purchase of Bonds**

Each Group Company may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. Bonds held by a Group Company may at such Group Company's discretion be retained or sold but not cancelled, except in connection with a redemption of the Bonds in full.

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

- 11.3.1 The Issuer may redeem all, but not only some, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest:
- (a) on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents; and
  - (b) in connection with a refinancing of the Bonds in full with a new bond issue, or other similar capital markets issues, during the six (6) months period falling immediately prior to the Final Maturity Date.
- 11.3.2 The Issuer may furthermore redeem all, but not only some, of the outstanding Bonds at any time (including, for the avoidance of doubt, following a partial mandatory repurchase of Bonds pursuant to Clause 11.4 (*Mandatory repurchase (put option)*) or a partial voluntary redemption of Bonds pursuant to Clause 11.2 (*Group Company's purchase of Bonds*) by way of open market purchases, tender offer or otherwise) the aggregate Nominal Amount of the Bonds held by the Issuer exceeds eighty (80) per cent. or more of the Total Nominal Amount, at a price per Bond equal to the higher of:
- (a) the Nominal Amount; and
  - (b)
    - (i) the weighted average price (excluding any proportion of the price attributable to accrued Interest) per Bond paid by the Issuer in any purchase, repurchase or redemption of Bonds during the period of thirty (30) days falling immediately prior to the date notice is given in accordance with Clause 11.3.3; or
    - (ii) if the Issuer has made no purchase, repurchase or redemption of Bonds during the period set out in paragraph (b)(i) above, the most recent price (excluding any proportion of the price attributable to accrued Interest) per Bond paid by the Issuer in any purchase, repurchase or redemption of Bonds,
- in each case together with accrued but unpaid Interest.
- 11.3.3 Redemption in accordance with Clauses 11.3.1 and 11.3.2 shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent. Any such notice shall state the Redemption Date, the relevant Record Date and the redemption price determined in accordance with Clause 11.3.2 and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- ### **11.4 Mandatory repurchase (put option)**
- 11.4.1 Upon a Change of Control Event or a Listing Failure Event occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of fifteen (15) Business Days following a notice from the Issuer of



the Change of Control Event or a Listing Failure Event pursuant to Clause 12.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Listing Failure Event.

- 11.4.2 The notice from the Issuer pursuant to Clause 12.1.2 shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.1.2. The repurchase date must fall no later than fifteen (15) Business Days after the end of the period referred to in Clause 11.4.1.
- 11.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 11.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.
- 11.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be retained or sold but not cancelled.
- 11.4.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.4, if a third party in connection with the occurrence of a Change of Control Event or Listing Failure Event, as applicable, offers to purchase the Bonds in the manner and on the terms set out in this Clause 11.4 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.4, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

## **12 INFORMATION TO BONDHOLDERS**

### **12.1 Information from the Issuer**

- 12.1.1 The Issuer will make the following information available to the Bondholders by way of publishing the information on the website of the Issuer, and, after the Bonds have been listed, the following information shall be made available by way of press release:
  - (a) as soon as the same become available, but in any event within one hundred and twenty (120) days after the end of each Financial Year, its audited consolidated financial statements for that Financial Year;
  - (b) as soon as the same become available, but in any event within sixty (60) days after the end of each quarter of its Financial Year, its unaudited consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period;
  - (c) as soon as practicable upon becoming aware of an acquisition or disposal of Bonds by a Group Company or an Affiliate, information regarding the aggregate Nominal

Amount held by Group Companies and/or an Affiliate, or the amount of Bonds cancelled by the Issuer; and

- (d) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.

12.1.2 The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event and a Listing Failure Event. A notice in relation to a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

12.1.3 When the financial statements and other information are made available to the Bondholders pursuant to Clause 12.1.1, 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 and attach copies of any notices sent to the Regulated Market on which the Bonds are admitted to trading.

12.1.4 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.

## **12.2 Information from the Agent**

The Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

## **12.3 Publication of Finance Documents**

12.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the website of the Issuer and the Agent.

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

## **13 GENERAL UNDERTAKINGS**

### **13.1 Disposals**

The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or

involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group where such disposal is reasonably likely to have an adverse effect on the ability of the Issuer to perform its obligations under the Finance Documents.

### **13.2 Negative pledge**

- (a) Except as permitted under paragraph (b) below, the Issuer shall not, and shall ensure that no other Group Company will, create or permit to subsist any Security over any of its assets for any Market Loan raised by the Company or another Group Company.
- (b) Notwithstanding paragraph (a) above, Heimstaden Bostad or any of its Subsidiaries may provide Security over its assets to secure any Market Loan issued by Heimstaden Bostad, provided that Heimstaden Bostad at the time of issue of such Market Loan has been assigned a credit rating by any of Standard & Poor's, Moody's or Fitch.

### **13.3 Merger**

The Issuer shall not, and shall procure that no Group Company will, enter into any amalgamation, demerger, merger, consolidation, unless between Group Companies and provided that the Issuer is the surviving entity.

### **13.4 Change of business**

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole (i.e. primarily holding and operating properties) from that carried out by the Group on the First Issue Date.

### **13.5 Maintenance of Properties**

The Issuer shall, and shall procure that each other Group Company, keep the Properties in a good state of repair and maintenance, subject to normal wear and tear and in accordance with normal market practice, and in such repair and condition as will enable each Group Company owning a Property to comply in all material respects with all applicable laws and regulations.

### **13.6 Insurance**

The Issuer shall, and shall procure that each other Group Company, keep the Properties insured to an extent which is customary for similar properties on the Swedish market with one or more reputable insurers. The insurance cover shall *inter alia* include full value insurance and third party liability insurances.

### **13.7 Financial Covenants**

- 13.7.1 The Solvency Ratio may not exceed seventy-five (75) per cent. at any time.
- 13.7.2 The Equity Ratio may not be less than twenty (20) per cent. at any time.
- 13.7.3 The Solvency Ratio and the Equity Ratio shall be measured on each Test Date.

### **13.8 Admission to trading of Bonds**

The Issuer shall ensure that:

- (a) the Initial Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date;
- (b) the Bonds, once admitted to trading on the relevant Regulated Market, continue being admitted to trading thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds); and
- (c) upon any Subsequent Bonds being issued, the volume of Bonds admitted to trading on the relevant Regulated Market promptly, and not later than twenty (20) Business Days (unless a shorter period is required by mandatory law) after the relevant issue date, is increased accordingly.

### **13.9 Undertakings relating to the Agency Agreement**

13.9.1 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 reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

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

## **14 EVENTS OF DEFAULT**

Each of the events or circumstances set out in Clauses 14.1 to 14.9 is an Event of Default.

### **14.1 Non-Payment**

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error; and
- (b) is remedied within five (5) Business Days from the due date.

### **14.2 Other obligations**

The Issuer or any other person (other than the Agent) 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 Clause 14.1 above), unless the non-compliance:

- (a) is capable of remedy; and

- (b) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

#### **14.3 Misrepresentation**

Any representation or statement made or deemed to be made by a Group Company in the Finance Documents or any other document delivered by or on behalf of any Group Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

#### **14.4 Impossibility or illegality**

It is or becomes impossible or unlawful for any Group Company to perform any of its obligations under the Finance Documents or any Finance Document is not, or ceases to be, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Bondholders under the Finance Documents.

#### **14.5 Insolvency**

Any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent.

#### **14.6 Insolvency proceedings**

14.6.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Material Group Company;
  - (b) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any Material Group Company or any of its assets; or
  - (c) enforcement of any Security over any assets of any Material Group Company,
- or any analogous procedure or step is taken in any jurisdiction.

14.6.2 Clause 14.6.1 shall not apply to any corporate action, legal proceedings or other procedure or step taken which is frivolous or vexatious and is discharged, stayed or dismissed within sixty (60) days of commencement.

#### **14.7 Creditors' process**

Any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any asset of a Material Group Company having an aggregate value of SEK 50,000,000 and is not discharged within sixty (60) days.

#### **14.8 Cross payment-default/Cross-acceleration**

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) provided

that no Event of Default will occur under this Clause if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 50,000,000.

#### **14.9 Cessation of business**

Any Material Group Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, except as permitted under Clause 13.1 (*Disposals*) or as a result of a solvent liquidation.

#### **14.10 Acceleration of the Bonds**

- 14.10.1 Upon the occurrence of an Event of Default, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.10.4, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 14.10.2 The Agent may not accelerate the Bonds in accordance with Clause 14.10.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently).
- 14.10.3 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.10.4 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.10.5 If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 14.10.6 If the Bonds are declared due and payable in accordance with this Clause 14.10, the Issuer shall redeem all Bonds with an amount per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest.

## 15 DISTRIBUTION OF PROCEEDS

15.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2.8, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.13;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

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

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

15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## 16 DECISIONS BY BONDHOLDERS

- 16.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 16.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 16.4 Only a person who is, or who has been provided with a power of attorney or other proof of authorization pursuant to Clause 8 (*Right to act on behalf of a Bondholder*) from a person who is, registered as a Bondholder:
- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 16.5 The following matters shall require consent of Bondholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 1,750,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
  - (b) waive a breach of or amend an undertaking set out in Clause 13 (General undertakings);
  - (c) a mandatory exchange of Bonds for other securities;



- (d) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
  - (e) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
  - (f) amend the provisions in this Clause 16.5.
- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a) or (b)) or an acceleration of the Bonds.
- 16.7 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.8 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 16.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.10 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.12 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at

the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.

- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- 16.15 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the website of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **17 BONDHOLDERS' MEETING**

- 17.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4.3, 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 Bondholders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the notice pursuant to Clause 17.1) (iv) agenda for the meeting (including each request for a decision by the Bondholders) and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 17.4 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

- 17.5 If the Agent, in breach of these Terms and Conditions, has not convened a Bondholders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Bondholders' Meeting itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD and, if no Person to open the Bondholders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 17.6 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.
- 17.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **18 WRITTEN PROCEDURE**

- 18.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Record Date prior to the date on which the communication is sent. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Bondholder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 18.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD.
- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19 AMENDMENTS AND WAIVERS**

- 19.1 The Issuer and the Agent (acting on behalf of the Bondholders) 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 Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), provided such amendment or waiver does not materially adversely affect the rights of the Bondholders; or
  - (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- 19.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 19.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 12.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 19.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

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

### **20.1 Appointment of Agent**

- 20.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds 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 Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 20.1.2 Each Bondholder 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 Bondholder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 Duties of the Agent**

- 20.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution, validity, perfection or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent. The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.. The Agent may charge the requesting Bondholder a reasonable administrative fee for making Finance Documents available.
- 20.2.2 Upon request by a Bondholder, the Agent may distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Bondholder 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. The Agent may upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.
- 20.2.3 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- 20.2.4 The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person and no opinion or advice by the Agent will be binding on the Bondholders.
- 20.2.5 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.
- 20.2.6 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 20.2.7 The Agent shall, subject to Clause 25.2.2, be entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 20.2.8 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 (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents (iii) when the Agent is to make a determination under the Finance Documents or (iv) as otherwise agreed between the Issuer and the Agent. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 20.2.9 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.
- 20.2.10 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 20.2.11 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 Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- 20.2.12 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2.11.
- 20.2.13 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects. The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

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

- 20.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 16 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 14.10.1.
- 20.3.5 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 Bondholders under the Finance Documents.
- 20.3.6 The Agent may assume that the documentation and evidence delivered to it under Clause 6 (*Conditions Precedent*) are accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not review the documents and evidence referred to above from a legal or commercial perspective of the Bondholders.

### **20.4 Replacement of the Agent**

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

- 20.4.2 Subject to Clause 20.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Bondholders 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 Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

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

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



- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

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

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing of the Bonds listed the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

## **23 NO DIRECT ACTIONS BY BONDHOLDERS**

- 23.1 A Bondholder 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 (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1.2), 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 20.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.12 before a Bondholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **24 TIME-BAR**

- 24.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3)

years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been time-barred and has become void.

- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **25 NOTICES AND PRESS RELEASES**

### **25.1 Notices**

- 25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address notified by the Agent to the Issuer from time to time or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or to such address notified by the Issuer to the Agent from time to time or, if sent by email to by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders, provided that the same means of communication shall be used for all Bondholders. A notice to the Bondholders shall also be published on the website of the Group and the Agent.
- 25.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.
- 25.1.3 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

### **25.2 Press releases**

- 25.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 11.3 (*Voluntary total redemption (call option)*), 11.4 (*Mandatory repurchase (put*

*option*)), 12.1.2, 14.10.3, 15.4, 16.15, 17.1, 18.1, 19.3, 20.2.12 and 20.4.1 shall also be published on the websites of the Issuer and the Agent, and as from the date when the Bonds have been listed by way of press release by the Issuer or the Agent, as applicable.

- 25.2.2 In addition to Clause 25.2.1, if, after the Bonds have been listed, any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

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

- 26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 26.2 The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 26.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

## **27 GOVERNING LAW AND JURISDICTION**

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

We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place: Holmås

Date: 24/5-19

**HEIMSTADEN AB (PUBL)**

**As Issuer**



Name: Adam Lindh

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

Place:

Date:

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**As Agent**

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

We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place:

Date:

**HEIMSTADEN AB (PUBL)**

**As Issuer**

---

Name:

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

Place: *Stockholm*

Date: *2019-05-24*

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**As Agent**



---

Name: **Christoffer Andersson**  
VD / CEO

**SCHEDULE 1****Form of Compliance Certificate**

To: Nordic Trustee & Agency AB (publ) as Agent  
 From: Heimstaden AB (publ)  
 Dated: [●]

Dear Sirs,

**Heimstaden AB (publ)**  
**maximum SEK 1,750,000,000 senior secured floating rate bonds**  
**ISIN: SE0012622249**  
**(the "Bonds")**

1. We refer to the terms and conditions for the Bonds (the "**Terms and Conditions**"). This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that:
  - (a) the Solvency Ratio on the Test Date [date], was [●]; and
  - (b) the Equity Ratio on the Test Date [date], was [●].
3. We set out below calculations establishing the figures in paragraph (2):  
 [●]
4. We confirm that no Event of Default is continuing. *[If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.]*

---

[●]

---

[●]