



Apikal
Fastighetspartner

**TERMS AND CONDITIONS FOR
APIKAL FASTIGHETSPARTNER AB (PUBL)
UP TO SEK 1,000,000,000
PARTICIPATION LOAN, SERIES II**

ISIN: SE0005624848

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**Additional PLI Series**” means any PLI Series, other than the PLI Series constituted by these Terms and Conditions.

“**Adjusted Nominal Amount**” means the Debentureholder Participation divided by the total number of outstanding Debentures.

“**Affiliate**” means (i) any Swedish or foreign legal entity, which is at any time controlled by one or several Shareholders, directly or indirectly, (ii) the chief executive officer of an entity referred to in item (i) and any investment director, investment manager or investment associate employed from time to time by an entity referred to in item (i) (each a “**Relevant Person**”), and (iii) any Swedish or foreign legal entity, which at any time is controlled, directly or indirectly, by a Relevant Person. For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Approved Jurisdictions**” means Sweden, Denmark, Norway, Finland and Iceland, and any other jurisdiction approved by the Debentureholders.

“**Available Series Participation**” means, in relation to each PLI Series, the Original Series Participation less any amount of the Original Series Participation that has been repaid to the Instrumentholders and Shareholders, as the case may be, as further specified in the terms and conditions for the relevant PLI Series (for sake of clarity, the Available Series Participation under this PLI Series equates the Total Participation).

“**Board of Directors**” means the board of directors of the Issuer, from time to time.

“**Borrower**” means an entity to which the Issuer has provided a Loan.

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

“**Carried Interest**” has the meaning set forth in Clause 9.2.

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

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

“**Debenture**” means a Participation Loan Instrument which is constituted by these Terms and Conditions.

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

“**Debentureholder Participation**” means the total Nominal Amount of all outstanding Debentures less any amount of the Debentureholder Participation which has been repaid to the Debentureholders pursuant to Clause 10.2(b) and 11.1.

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

“**Derived Assets**” means shares, warrants, and other securities or assets obtained by the Issuer as a consequence of it making or holding a Loan, or in connection with a restructuring or composition in relation to a Loan in which the Issuer participates.

“**Final Lending Date**” means the second (2) anniversary of the First Reference Date (being 14 February 2016) or such earlier date as may follow from an application of Clause 12.2.

“**Final Repayment Date**” means the fifth (5) anniversary of the First Reference Date (being 14 February 2019).

“**Financial Indebtedness**” means (i) moneys borrowed, (ii) any amount raised pursuant to the issue of any commercial papers, subordinated debentures, bonds, notes or other securities (including debt raised under MTN and other debt issuance programmes) which is or can be admitted for trading on a Swedish or foreign regulated market, (iii) finance or capital leases, (iv) receivables sold or discounted (other than on a non-recourse basis), (v) other transactions, including but not limited to futures, having the commercial effect of a borrowing, (vi) the marked to market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price, (vii) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution, and (viii) liabilities under guarantees or indemnities for any of the obligations referred to in items (i) to (vii) (without double counting). For the avoidance of doubt, “Financial Indebtedness” does not include any Participation Loan Instrument or any financial indebtedness provided as participation to the Issuer by a Shareholder under a PLI Series.

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

“**First Reference Date**” means the starting date of the first Interest Period (being 14 February 2014).

“**GAAP**” means the generally accepted local accounting principles, standards and practices in Sweden, including IFRS (to the extent necessary for the purpose of listing the Debentures as set out in Clause 14.9).

“**Hedging Arrangement**” means any hedging arrangement entered into by the Issuer in accordance with Clause 5.4.

“**Hurdle Rate**” means the applicable percentage rate *per annum* displayed on NASDAQ OMX’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the second Business Day prior to last day of each relevant financial quarter for the offering of deposits in Swedish Kronor for a 3-month period, plus four (4)

per cent *per annum* (calculated on the actual number of days elapsed on a 360 day/year basis).

“**Instrumentholder**” means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Participation Loan Instrument issued under any PLI Series.

“**Instrumentholder Participation**” means the total nominal amount of all outstanding Participation Loan Instruments under a PLI Series less any amount which has been repaid to the Instrumentholders pursuant to the terms and conditions of the relevant PLI Series (for sake of clarity, the Instrumentholder Participation under this PLI Series equates the Debentureholder Participation).

“**Interest**” has the meaning set forth in Clause 9.1.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from the First Reference Date to (and including) 31 March 2014, and (ii) in respect of subsequent Interest Periods, 31 March, 30 June, 30 September and 31 December for each year or the Final Repayment Date, as the case may be, provided that if an Interest Period would otherwise end on a day that is not a Business Day, that Interest Period will instead end on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

“**Issue Date**” means the date on which all Debentures are issued by the Issuer pursuant to these Terms and Conditions (being 7 February 2014).

“**Issuer**” means Apikal Fastighetspartner AB (publ), Swedish Reg. No. 556921-1708, with registered office at Grev Turegatan 14 4TR, 114 46 Stockholm, fax no. 08 – 121 32 919 and e-mail investors@apikalfastighetspartner.se.

“**Issuing Agent**” means Nordic Fixed Income AB, or any other agent at any time elected by the Issuer, to be its issuing agent in accordance with the governing rules of the CSD “Regelverk för Emittenter och Emissionsinstitut 2013:1”.

“**Key Executive**” means each of Thomas Olsson and Martin Fredriksson.

“**Loan**” means each loan provided by the Issuer in order to fulfil the purpose in Clause 5.1 and which is funded by proceeds received from issuing Debentures and from the Shareholder Participation.

“**Loan Details**” means the specific commercial terms of each Loan and shall *inter alia* include parties, term, net interest rate expected to be charged to the Borrowers, and Security.

“**Management Fee**” means a quarterly fee, payable in advance by the Issuer to the Original Shareholders, calculated as 1.0 per cent *per annum* on the sum of the Total Participation on the last day of the previous Interest Period less an amount equal to any costs covered by paragraph (g) of the definition of Permitted Costs during the same period.

“**Nominal Amount**” has the meaning set forth in Clause 3.1.

“**Ordinary Income**” means the net return on the Portfolio being:

- (a) all cash amounts (other than Principal Proceeds) payable to the Issuer in relation to, and during the term of, a Loan, including *inter alia* interest and commitment fees;
- (b) all cash amounts payable to the Issuer as a result of a sale or other disposal of a Derived Asset;
- (c) all cash interest and other dividends payable to the Issuer in relation to (i) any unutilised part of the Total Participation and (ii) any funds or assets which shall be, but have not yet been, distributed to the Debentureholders and/or the Shareholders pursuant to these Terms and Conditions;
- (d) all amounts payable to the Issuer under Hedging Arrangements that are not received in connection with a repayment or divestment of a Loan; and
- (e) any amount designated as Ordinary Income pursuant to Clause 10.2,

less the Management Fee and Permitted Costs.

“**Ordinary Income Shortfall**” has the meaning set forth in Clause 5.1.4.

“**Original Series Participation**” means, in relation to each PLI Series, the nominal value of the Participation Loan Instruments issued thereunder plus any participation amount provided to the Issuer by the Shareholders under such PLI Series.

“**Original Shareholders**” means the shareholders of the Issuer on the Issue Date (being Rickard Fischerström, Magnus Löfgren and Strukturinvest).

“**Participation Loan Amount**” has the meaning set forth in Clause 3.3.

“**Participation Loan Instrument**” means a debt instrument representing a participation loan (Sw. *kapitalandelslån*) issued by the Issuer pursuant to Chapter 11, Section 11 of the Companies Act.

“**Permitted Costs**” means the following costs, fees and expenses in relation to the Portfolio incurred by the Issuer:

- (a) legal, audit, custodial, consulting, valuation and other professional fees relating solely to this PLI Series (including costs in connection with, and for the purpose of maintaining, the listing of the Debentures in accordance with Clause 14.9 but excluding any set-up costs for establishing the Issuer);
- (b) costs relating to investments of the unutilised part of the Total Participation in accordance with Clause 5.1.2;
- (c) costs relating to Hedging Arrangements entered into by the Issuer;
- (d) transfer, capital and other taxes and duties (excluding tax related to the Management Fee and tax on the Issuer’s income) imposed on the Issuer solely in relation to this PLI Series;

- (e) any other costs incurred by the Issuer in providing Loans (including arrangement, banking, syndication, brokerage, broken-deal, registration, finders', depository and similar fees or commissions to Strukturinvest or any other distributor);
- (f) any costs referred to in sub-sections (a) and (d) relating both to this PLI Series and one or several Additional PLI Series, allocated between the relevant PLI Series *pro rata* to each Original Series Participation; and
- (g) costs relating to management services provided by the Original Shareholders, up to a maximum amount of 1.0 per cent *per annum* on the sum of the Total Participation on the last day of the relevant Interest Period.

Items (a) to (f) may not include any costs which are payable to the Shareholders, except for any fees payable to Strukturinvest under item (e).

“**PLI Series**” means any Participation Loan Instrument series either constituted by these Terms and Conditions or issued in accordance with Clause 4.1.

“**PLI Series Terms**” means these Terms and Conditions and any terms and conditions which constitute an Additional PLI Series and which have been adopted in accordance with Clause 4.3.

“**Portfolio**” means (i) the Loans and Derived Assets, (ii) any unutilised part of the Total Participation, (iii) any funds or assets which shall be, but have not yet been, repaid or otherwise distributed to the Shareholders and/or the Debentureholders pursuant to these Terms and Conditions and (iv) in-the-money Hedging Arrangements.

“**Portfolio Value**” means the market value (determined in accordance with GAAP, consistently applied from the Issue Date) from time to time of the Portfolio.

“**Principal Proceeds**” means any principal received by, or repaid or refunded to, the Issuer relating to a Loan, including any amount received by the Issuer under Hedging Arrangements in connection with a repayment of a Loan, and any amounts deemed as Principal Proceeds in connection with a Shortfall Compensation.

“**Quota Share**” means (i) in relation to an Original Shareholder, its Shareholder Participation divided by the Total Participation, and (ii) in relation to a Debentureholder, the aggregate Adjusted Nominal Amount of its Debentures divided by the Total Participation.

“**Real Property**” means all land, buildings, fixtures and installations whether below or above ground, including site leaseholds (*tomträtt*) which is owned, either directly or indirectly, by a Borrower.

“**Record Date**” has the meaning set forth in Clause 8.1.1.

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

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such securities 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.

“**Shareholder Participation**” means the amount denominated in Swedish Kronor which is provided to the Issuer by the Original Shareholders in accordance with Clause 3.4 for the purpose of investments in accordance with these Terms and Conditions less any amount thereof which has been repaid to the Original Shareholders pursuant to Clause 10.2(b).

“**Shareholder**” means the Original Shareholders and each future shareholder of the Issuer to which shares in the Issuer have been transferred or issued without an event of default occurring under Clause 15.1(b) (*Change of Control*).

“**Shortfall Compensation**” has the meaning set forth in Clause 9.3.1.

“**Strukturinvest**” means Strukturinvest Fondkommission (FK) AB, Reg. No. 556759-1721.

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

“**Total Participation**” means the sum of the Debentureholder Participation and the Shareholder Participation.

“**Up-front Fees**” has the meaning set forth in Clause 5.1.3.

“**Written Procedure**” means the written or electronic procedure for decision making among the Debentureholders in accordance with Clause 17.

1.2 Construction

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 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.

1.2.3 No delay or omission of any Debentureholder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. STATUS OF THE DEBENTURES AND UNDERTAKING TO MAKE PAYMENT

- 2.1 The Debentures are denominated in Swedish Kronor and each Debenture is constituted by these Terms and Conditions.
- 2.2 Subject to Clause 2.4, the Issuer undertakes to repay the Participation Loan Amount, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.3 The Issuer's obligation to repay the Participation Loan Amount is dependent on the value of the Portfolio from time to time. A Debentureholder is not guaranteed to receive repayment of the Nominal Amount of its Debentures.
- 2.4 The Debentureholders' right to repayment of the relevant Participation Loan Amount and Interest thereon is limited to the assets contained in the Portfolio and any amounts received by the Issuer in relation to the Portfolio and the Debentureholders shall not be entitled to any other assets held by the Issuer or any amounts received by the Issuer in relation to such assets.
- 2.5 By subscribing for Debentures, each initial Debentureholder agrees that the Debentures shall benefit from and be subject to these Terms and Conditions and by acquiring Debentures, each subsequent Debentureholder confirms such agreement.
- 2.6 The Debentures constitute direct, conditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them. The payment obligations of the Issuer under the Debentures shall, subject to the provisions of applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.
- 2.7 Except as set forth in Clause 4, the Issuer may not issue any other Participation Loan Instruments than the Debentures or take any part, directly or indirectly, in any other business than as comprised by any PLI Series Terms.
- 2.8 The Debentures are freely transferable but the Debentureholders may be subject to purchase or transfer restrictions with regard to the Debentures, as applicable, under local laws to which a Debentureholder may be subject. Each Debentureholder must ensure compliance with such restrictions at its own cost and expense.
- 2.9 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Debentures or the possession, circulation or distribution of any document or other material relating to the Issuer or the Debentures in any jurisdiction other than Sweden, where action for that purpose is required. Each Debentureholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Debentures.

3. PARTICIPATIONS BY THE PARTIES

- 3.1 The participation loan will be represented by Debentures, each in a nominal amount of SEK 500,000 (the "**Nominal Amount**").
- 3.2 All Debentures will be issued on a fully paid basis and all Debentures will be issued at an issue price of 100.0 per cent of the Nominal Amount plus a premium in an amount agreed by the Issuer and each Debentureholder to be paid as a brokerage fee by the Issuer to the relevant broker or Original Shareholder.

- 3.3 The principal amount of a Debenture from time to time, which reflects the principal of the participation loan owed by the Issuer to a Debentureholder in relation to each Debenture equals: (i) the Adjusted Nominal Amount divided by the Total Participation, (ii) then multiplied by the Portfolio Value, or if lower, the Total Participation (the “**Participation Loan Amount**”).
- 3.4 The Original Shareholders may make a total contribution of up to SEK 20,000,000, by way of equity, capital contribution or subordinated loans, to the funds available for Loans pursuant to these Terms and Conditions. The contribution by the Original Shareholders shall be made available to the Issuer no later than when the Debentureholder Participation is made available to the Issuer.
- 3.5 The Total Participation shall not at any time exceed SEK 1,000,000,000.

4. ADDITIONAL PLI SERIES

- 4.1 The Issuer has on 22 October 2013 issued a first series of Participation Loan Instruments, which are constituted by terms and conditions which fulfil the requirements set forth under Clauses 4.3(a) - 4.3(d).
- 4.2 The Issuer may, after the Issue Date, issue other Participation Loan Instruments than the Participation Loan Instruments constituted by these Terms and Conditions.
- 4.3 Additional PLI Series may only be constituted by terms and conditions which:
- (a) specify that the commitments by the relevant Instrumentholders and Shareholders shall be utilised for the same purpose as that which applies to the Debentures under Clause 5.1;
 - (b) specify that the relevant Instrumentholders’ rights shall be limited in recourse to the portfolio of assets funded by the relevant Additional PLI Series in the same manner that applies in relation to these Terms and Condition under Clause 2.4;
 - (c) in relation to the relevant Additional PLI Series, contain the same events of default as those set forth in Clause 15.1; and
 - (d) are otherwise made out on substantially the same terms and conditions as these Terms and Conditions.

5. USE OF PROCEEDS

5.1 Purpose

- 5.1.1 The Issuer shall utilise the Total Participation to provide loans to real property owners, materially in accordance with the Loan Details which have been approved by the Debentureholders..
- 5.1.2 Any unutilised part of the Total Participation shall be invested in Swedish Kronor denominated governmental loans or bonds with a maximum of three (3) months remaining to maturity or be placed on short term bank deposits.
- 5.1.3 During the first Interest Period, an amount equal to 2.0 per cent of the Nominal Amount of all Debentures will be payable by the Issuer to Strukturinvest as an arrangement fee and an amount equal to 2.5 per cent of the Nominal Value of all Debentures will be payable by the

Issuer to certain brokers as a brokerage fee (together the “**Up-front Fees**”). The Issuer may utilise part of the Total Participation to pay the Up-front Fees.

5.1.4 The Issuer may agree to immaterial changes to the terms of existing Loans without the consent of the Debentureholders. “Immaterial changes” shall include, without limitation changes to (i) Security afforded to the Issuer by a Borrower, if such alteration does not, at the time of such change, detrimentally affect the Issuer’s Security for a Loan (taken as a whole) and (ii) interest rate and charges under a Loan if the total amounts payable to the Issuer during the full term of such Loan remain substantially the same. Changes to the term or loan amount of a Loan shall never be considered “immaterial changes”.

5.1.5 Should the amount of the net return of the Portfolio, as described in items (a)-(e) in the definition of Ordinary Income, not suffice to pay the Management Fee and Permitted Costs during a financial quarter (an “**Ordinary Income Shortfall**”), the Issuer may utilise part of the Total Participation to pay such Ordinary Income Shortfall.

5.2 **Objective**

The principal objective of the Issuer is to achieve a net annual return on the Total Participation amounting to between six (6) and eight (8) per cent, such net return to be distributed in accordance with these Terms and Conditions.

5.3 **Restrictions**

5.3.1 The Issuer shall only provide Loans to Borrowers that, directly or indirectly, own Real Property which:

- (a) is located in an Approved Jurisdiction;
- (b) has building(s) sitting on it utilised as offices, for sales, for storage, for logistics, as residences or for “mixed usage”; and
- (c) has an estimated market value of between SEK 50,000,000 and SEK 2,000,000,000.

5.3.2 The amount of a Loan provided by the Issuer to a Borrower in order to finance certain Real Property shall not, together with any other senior or equal ranking indebtedness of the Borrower previously provided to the Borrower in order to finance such Real Property, at the date when such Loan is provided, exceed 85 per cent of the estimated market value of such Real Property.

5.3.3 The Loans provided by the Issuer to a Borrower shall be secured with adequate Security and shall preferably constitute first ranking or subordinated mortgage over the Real Property financed by the Loan and/or pledges over the shares in the company owning the Real Property and/or a guarantee from the Borrower’s parent company. Loans provided by the Issuer shall, in terms of law on preferential rights, be at least equated with each Borrower’s other unsecured and unsubordinated payment obligations, except where such obligations have more preferential rights under current law.

5.3.4 The maturity date of each Loan shall occur prior to the Final Repayment Date.

5.3.5 An unutilised amount of up to ten (10) per cent of the Total Participation may be retained to be used after the Issue Date for payment of costs related to the Portfolio.

5.3.6 On such date that the Issuer obtains authorisation to manage an alternative investment fund from the Swedish Financial Services Authority or other competent authority, the Issuer shall no longer be bound by the restrictions set forth in these Terms and Conditions on altering existing Loans or providing new Loans without the approval of the Debentureholders.

5.3.7 Subject only to Clause 5.3.6, no Loans may be provided by the Issuer without the consent of the Debentureholders.

5.3.8 The restrictions in this Clause 5.3 may be varied with the consent of the Debentureholders.

5.4 Hedging Arrangements

The Issuer may, with the consent of the Debentureholders, enter into hedging arrangements for the purpose of currency protection of Swedish Kronor against the currency in which a Loan is denominated and interest rate protection.

5.5 Derived Assets

The Issuer may as a consequence of it making or holding a Loan, or in connection with a restructuring or composition in relation to a Loan made by the Issuer, obtain Derived Assets. Such Derived Assets shall be held by the Issuer as a part of the Portfolio and sold or otherwise disposed of when the Issuer deems fit.

5.6 Loan allocation between different PLI Series

Loans provided by the Issuer after having issued Additional PLI Series shall, subject to the lending restrictions that apply under the relevant PLI Series Terms, be allocated between the PLI Series *pro rata* to each Original Series Participation. If the Available Series Participation of a PLI Series does not cover the *pro rata* amount required to provide the relevant Loan, such shortfall shall be allocated between the other PLI Series *pro rata* to each Original Series Participation.

The mechanism described above is exemplified in the table below. The amount of the Loan to be allocated between PLI Series by the Issuer in the example is SEK 400.

	Debenture Serie I	Debenture Serie II	Debenture Serie III
Original Series Participation	150	250	500
Available Series Participation	50	250	500
<i>Pro rata</i> allocation	$150/900 \approx 0,17$ $0.17*400 = 68$ Loan amount: 50 Shortfall: 18	$250/900 \approx 0,28$ $0.28*400 = 112$ Loan amount: 112	$500/900 \approx 0,55$ $0.55*400 = 220$ Loan amount: 220
Shortfall compensation	-	$250/750 \approx 0.33$ $0.33*18 = 5.94$ Shortfall comp.: 5.94	$500/750 \approx 0.67$ $0.67*18 = 12.06$ Shortfall comp.: 12.06

	Debenture Serie I	Debenture Serie II	Debenture Serie III
Final Loan allocation	50	117.94	232.06

6. DEBENTURES IN BOOK-ENTRY FORM

- 6.1 The Debentures will be registered for the Debentureholders on their respective Securities Accounts and no physical Debentures will be issued. Accordingly, the Debentures will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Debentures shall be directed to an Account Operator.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Debenture shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer shall be entitled to obtain information from the register kept by the CSD in respect of the Debentures (*skuldbok*). At the request of a Debentureholder, the Issuer shall request and provide such information to that Debentureholder.

7. RIGHT TO ACT ON BEHALF OF A DEBENTUREHOLDER

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

8. PAYMENTS IN RESPECT OF THE DEBENTURES

8.1 Payments of Participation Loan Amount and Interest

- 8.1.1 Any payment or repayment under the Terms and Conditions shall be made to such person who is registered as a Debentureholder on the record date five (5) Business Days prior to the relevant due date (the “**Record Date**”), or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment or repayment.
- 8.1.2 If a Debentureholder 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 Debentureholder 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 the payment of amounts according to the aforesaid, the CSD will pay such amount to the

relevant Debentureholder on the Record Date as soon as possible after such obstacle has been removed.

- 8.1.3 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 8.1.4 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.
- 8.1.5 The Issuer is not liable to gross up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.

8.2 **Allocation of payments**

- 8.2.1 Any Interest shall be paid to the Debentureholders as interest on the Debentures.
- 8.2.2 Any repayment of the Debentureholder Participation shall be a repayment of the Participation Loan Amount.
- 8.2.3 If both the Participation Loan Amount and Interest are due for payment and if the available funds are insufficient to discharge all the amounts due and payable, the available funds shall first be applied towards payment of Interest and secondly towards repayment of the Total Participation.
- 8.2.4 The Issuer may make payments to the Shareholders in any form (whether relating to Interest, Management Fees, repayment of the Shareholder Participation or otherwise).
- 8.2.5 The Issuer may, at its discretion, retain any amounts payable to the Shareholders. Such amounts shall be kept separated from, and not form part of, the Portfolio. Any amount so retained shall nonetheless be deemed repaid or otherwise distributed to the Shareholders for the purpose of these Terms and Conditions.

8.3 **Payment of Management Fee**

The Management Fee shall be calculated quarterly. The Management Fee shall be for the account of the Original Shareholders and shall not form part of the Portfolio. The Management Fee shall be distributed among the Original Shareholders as agreed among them and with the Issuer and shall be paid in advance to the Original Shareholders on the first day of each Interest Period.

8.4 **Receipt in kind**

Any Ordinary Income or Principal Proceeds received otherwise than in cash that is immediately available for distribution shall not be considered to have been received by the Issuer until such income or proceeds have been converted to cash in a commercially reasonable manner.

9. **INTEREST**

9.1 **Payment of Interest**

- 9.1.1 Subject to Clause 9.3, the Issuer shall apply any Ordinary Income received during an Interest Period, less any Carried Interest in respect of such Interest Period, as interest on

the Total Participation (“**Interest**”). Each Debentureholder and Original Shareholder is entitled to its Quota Share of any Interest. All calculations of Interest shall be made without taking into account any tax payable by the Issuer (other than if a Permitted Cost).

9.1.2 Interest to Debentureholders is payable ten (10) Business Days after the last day of each Interest Period and shall accrue and be paid from and including the Issue Date up to the Final Repayment Date. Notwithstanding the foregoing, Interest to Debentureholders is payable twenty five (25) Business Days after the Interest Period ending on the Final Repayment Date. Interest on the Shareholders Participation shall be for the account of the Original Shareholders and shall after the last day of the relevant Interest Period not form part of the Portfolio.

9.2 **Carried Interest**

Twenty (20) per cent of the part of the aggregate Ordinary Income (after the Shortfall Compensation has been made) for an Interest Period that exceeds the equivalent of the Hurdle Rate calculated on the Total Participation during such Interest Period is “Carried Interest” and shall be for the account of the Shareholders and shall not form part of the Portfolio. The Carried Interest shall be distributed among the Shareholders as agreed among them and the Issuer.

9.3 **Shortfall Compensation**

9.3.1 As a result of the payment of the Up-front Fees, the initial value of the Portfolio will be 95.5 per cent of Total Participation and should any Ordinary Income Shortfall occur, the value of the Portfolio will be reduced by such amount. In order to compensate for these reductions of the value of the Portfolio, the Issuer shall, when calculating the Interest each financial quarter, deem an amount of the received Ordinary Income equal to five (5) per cent of the Up-front Fees plus any amount previously paid by the Issuer to cover Ordinary Income Shortfalls as set forth in Clause 5.1.4 as Principal Proceeds (a “**Shortfall Compensation**”).

9.3.2 If the Ordinary Income received during a financial quarter does not cover the payment of Shortfall Compensation as set forth in Clause 9.3.1, such shortfall shall, to the extent possible, be compensated when calculating the Interest during the following financial quarter or, if applicable, when there is sufficient Ordinary Income to cover such shortfall.

10. **PRINCIPAL PROCEEDS**

10.1 Any Principal Proceeds received by the Issuer before the occurrence of the Final Lending Date shall be retained by the Issuer and shall be applied towards providing new Loans.

10.2 Any Principal Proceeds received by the Issuer on or after the occurrence of the Final Lending Date shall:

- (a) *first*, at the Issuer’s discretion, up until 18 months prior to the Final Repayment Date, be retained by the Issuer and be applied towards providing new Loans and/or for the payment of costs related to the Portfolio;
- (b) *second*, if applicable, be applied towards repayment, ten (10) Business Days after the last day of the relevant Interest Period (except for the Interest Period ending on the Final Repayment Date, for which payment shall be made within twenty five (25) Business Days), *pro rata* of the Debentureholder Participation and the Shareholder Participation up to an amount which together with any amount

retained pursuant to paragraph (a) is equivalent to the original Loan amount, (determined in accordance with GAAP); and

(c) *third*, if applicable, be applied as Ordinary Income.

10.3 Until the date when the Issuer no longer reasonably deems it appropriate to retain such amounts, any amount retained by the Issuer in accordance with Clause 10.2(a) shall not be deemed to form part of Principal Proceeds, provided that after the 18 month period mentioned in Clause 10.2(a) has expired, the amount retained in accordance with Clause 10.2(a) plus any amount retained in accordance with Clause 11.1 may not exceed ten (10) per cent of the Total Participation.

11. REPAYMENT OF DEBENTUREHOLDER PARTICIPATION

11.1 Final Lending Date

If the unutilised part of the Total Participation on the Final Lending Date exceeds ten (10) per cent of the total Total Participation, such excess amount shall be used to repay *pro rata* the Debentureholder Participation and the Shareholder Participation unless the Original Shareholders and the Debentureholders agree otherwise. Any unutilised part of the Total Participation that is not used for repayment as set forth above may, if and to the extent reasonably deemed appropriate by the Issuer, be retained by the Issuer to provide additional Loans and/or for payment of costs related to the Portfolio, provided that after the 18 month period mentioned in Clause 10.2(a) has expired, the amount retained in accordance with Clause 10.2(a) plus any amount retained in accordance with this Clause 11.1 may not exceed ten (10) per cent of the Total Participation. The Issuer may at any time after the Final Lending Date repay any amount retained in accordance with this Clause 11.1 in the manner set forth above. Any repayment made in accordance with this Clause 11.1 shall take place ten (10) Business Days after the last day of the Interest Period in which the Final Lending Date falls or the decision to repay unutilised sums was taken by the Issuer, as applicable.

11.2 Final Repayment Date

11.2.1 The Issuer shall, during the six (6) months preceding the Final Repayment Date (subject to that the Issuer may not provide or alter the terms of a Loan without the consent of the Debentureholders), dispose of all Loans in the Portfolio, which cannot be expected to be repaid on maturity, in a commercially sound manner, settle all external liabilities that relate to the Portfolio and which are due for payment, and place the remaining funds received on short term bank deposits. For the avoidance of doubt, Clause 10.2 applies also to such remaining funds.

11.2.2 If there are Loans remaining in the Portfolio on the date falling one (1) month prior to the Final Repayment Date, which cannot be expected to be repaid on maturity or be disposed in a commercially sound manner, the Issuer shall arrange for a decision among the Debentureholders in accordance with Clause 16 on whether:

- (a) the Issuer shall provide an arrangement whereby the abovementioned outstanding Loans continue to be held by the Issuer, as approved by the Debentureholders; or
- (b) the abovementioned outstanding Loans shall be distributed in kind in accordance with Clause 10.2(b) applied *mutatis mutandis*.

11.2.3 Following distribution (if any) in accordance with Clause 10.2(b), 11.1 or 11.2.2, the Debentures shall be deemed repaid in full and the Issuer shall have no further obligations to the Debentureholders.

11.3 **Changes to Legislation**

Should it become unlawful for the Issuer to perform its obligations under these Terms and Conditions, or should any substantial decrease in revenue occur for the Issuer or substantial additional or increased cost be incurred or suffered by the Issuer, as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of these Terms and Conditions, the Issuer may declare the Debentures prematurely due and payable on a date determined by the Issuer, by giving the Debentureholders at least six (6) months' notice. During such period, the Portfolio shall be unwound in accordance with Clause 11.2 applied *mutatis mutandis*, unless the Issuer, the Shareholders and the Debentureholders agree otherwise.

12. **MANAGEMENT OF THE PORTFOLIO**

12.1 The Original Shareholders shall manage the Portfolio on behalf of the Issuer in exchange for the Management Fee. The Issuer may only provide Loans in accordance with decisions by a credit committee appointed by the Board of Directors.

12.2 The Key Executives shall be responsible for the management of the Portfolio. In case any Key Executive for any reason terminates his employment with the Issuer or his employment is being terminated by the Issuer, the Board of Directors shall use its best efforts to replace him with a substitute executive as soon as possible and preferably before his employment has ended. Any substitute executive must have sufficient skill and experience and be approved by the Debentureholders.

12.3 The Board of Directors shall consist of between three (3) and six (6) members, appointed by the Shareholders. At least one board member shall be a person independent from the Shareholders, with such competence within the field of auditing and/or accounting as is required pursuant to Chapter 8, Section 49a paragraph 2 of the Companies Act.

13. **INFORMATION TO DEBENTUREHOLDERS**

13.1 The Issuer will make the following information available to the Debentureholders by way of press release and by publication on the website of the Issuer:

- (a) no later than five (4) months after the end of each financial year, its annual audited financial statements;
- (b) no later than two (2) months after the end of each financial quarter, its unaudited financial statements, provided that the financial statements delivered after the end of the second financial quarter in each year shall also include a review by the auditors;
- (c) no later than five (4) months after the end of each financial year, an annual portfolio report which includes a narrative description of material developments of the Portfolio, a balance sheet and profit and loss account for the Portfolio, a specification of the Portfolio Value as of the last Business Day of such financial year, information on payments and distributions made to the Shareholders in relation to the Portfolio during such financial year, information on the

Management Fees, Permitted Costs and Shortfall Compensations relating to the Portfolio for the preceding financial year, the amount available for providing Loans at the last preceding financial quarter and accruals/distributions of Carried Interest for the preceding financial year, provided further that each annual portfolio report shall be reviewed by the auditors; and

- (d) no later than two (2) months after the end of each financial quarter, a quarterly portfolio report which includes a narrative description of material developments of the Portfolio, a specification of the Portfolio Value as of the last Business Day of such financial quarter, information on payments and distributions made to the Shareholders in relation to the Portfolio during such financial quarter, information on the Management Fees, Permitted Costs and Shortfall Compensations relating to the Portfolio for the preceding financial quarter, the amount available for providing Loans at the last preceding financial quarter and accruals/distributions of Carried Interest for the preceding financial quarter,

in each case in accordance with GAAP, unless the Debentureholders at the request of the Issuer have agreed to substitute GAAP with other principles.

- 13.2 The Issuer is obliged to promptly notify the Debentureholders (with full particulars) if any circumstance specified in Clause 15 occurs.
- 13.3 The Issuer shall keep the Debentureholders informed in writing of relevant details relating to any issue of Additional PLI Series.
- 13.4 The Issuer shall, promptly upon becoming aware of the same, notify the Debentureholders, with reasonable detail, if the Instrumentholders holding Participation Loan Instruments issued under an Additional PLI Series declare the Participation Loan Instruments issued under such Additional PLI Series due and payable prior to the specified maturity as a result of an event of default (however described).
- 13.5 The Issuer shall convene an annual information meeting for the Debentureholders to be held within twenty (20) Business Days after the delivery of the annual audited financial statements in accordance with Clause 13.1(a). The purpose of the information meeting is to present the activities of the Issuer relating to the Portfolio during the previous year.
- 13.6 Notwithstanding Clause 13.1, the Issuer may from time to time provide additional information to Debentureholders that have made confidentiality undertakings to the Issuer. If the Issuer decides to offer the Debentureholders any additional information, all Debentureholders shall be treated equally and entitled to receive the same information, provided they enter into confidentiality undertakings, as requested by the Issuer.

14. GENERAL UNDERTAKINGS

14.1 Distributions

- 14.1.1 The Issuer shall not (i) make any dividend on shares, (ii) repurchase its own shares, (iii) repay share capital or other restricted equity with repayment to Shareholders by way of redemption or otherwise or (iv) make other similar distributions to its Shareholders, unless if relating to the distribution of funds generated under any Additional PLI Series as specified in the relevant PLI Series Terms.
- 14.1.2 The Issuer may, at its discretion, distribute assets and funds not forming part of the Portfolio.

14.2 **Business of the Issuer**

The Issuer shall procure that no change is made in the general nature of the business of the Issuer from that carried on as of the Issue Date and the Issuer shall not engage in any other business activity different from what is contemplated by the PLI Series Terms, except with the prior consent of the Debentureholders.

14.3 **Financial Indebtedness**

The Issuer may only incur Financial Indebtedness if the aggregate outstanding amount of all Financial Indebtedness for the Issuer does not at any time exceed SEK 5,000,000.

14.4 **Negative pledge**

Except as set forth in relation to limited recourse for the Debentureholders in Clause 2.4 or similar limited recourse clauses in any PLI Series Terms other than these Terms and Conditions, the Issuer shall not create or permit to subsist, any Security over any of part of the Portfolio or enter into any other preferential arrangement having a similar effect.

14.5 **Currency Protection**

Any Hedging Arrangements shall be made with a reputable bank or financial institution.

14.6 **Authorisations**

The Issuer shall procure that it obtains and maintains all necessary authorisations, consents and any other relevant regulatory approvals or permits.

14.7 **Separation of different PLI Series**

14.7.1 The Issuer shall at all times keep the Portfolio separated from its other assets and any portfolios under Additional PLI Series (whether physically or by way of book-keeping).

14.7.2 The Issuer shall at all times keep different PLI Series separated from a book-keeping perspective. As part of such separate book-keeping, the Issuer shall allocate income related to and repayments of loans funded from different PLI Series *pro rata* to the loan amounts provided from such PLI Series.

14.7.3 The Issuer shall have a separate bank account for each PLI Series and shall, as soon as practically possible, allocate between such bank accounts cash amounts received as income related to or repayment of loans funded by different PLI Series.

14.8 **Separation of Ordinary Income and Principal Proceeds**

For the purpose of calculating Ordinary Income and Principal Proceeds, each Loan shall be kept as a separate book entry in the books of the Issuer.

14.9 **Admission to trading**

14.9.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Debentures is admitted to trading on the Regulated Market not later than 31 May 2014, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

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

15. ACCELERATION OF THE DEBENTURES

- 15.1 Any Debentureholder is (subject to the further conditions specified below) entitled to declare all of its Debentures immediately due and payable, if any of the following events has occurred and is continuing:

- (a) *Insolvency*:
- (i) The Issuer is unable or admits inability to pay its debts as they fall due, or suspends making payments on any of its debts.
 - (ii) 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 of the Issuer;
 - (B) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
 - (C) the appointment of a liquidator, receiver, administrator or other similar officer in respect of the Issuer or any of its assets; or
 - (D) enforcement of any security over any assets of the Issuer,or any analogous procedure or step is taken in any jurisdiction, except for any action by a third party that is frivolous or vexatious and is discharged, stayed or dismissed within twenty (20) Business Days of commencement.
- (b) *Change of Control*: The Original Shareholders together ceasing to hold, directly or indirectly, more than 50 per cent of all votes and outstanding shares of the Issuer, except if, and to the extent, the Debentureholders have consented to the relevant share transfer or issue in accordance with Clause 16.5(d).
- (c) *Cross Default*: Any Instrumentholder holding Participation Loan Instruments issued under an Additional PLI Series becomes entitled to declare all of its Participation Loan Instruments immediately due and payable prior to its specified maturity as a result of an event of default (however described).
- (d) *Failure to Comply*: The Issuer or (where applicable) the Shareholders fail to comply with, or in any way act in violation of, a material obligation under these Terms and Conditions, provided that (i) Debentureholders representing more than 50 per cent of the Debentureholder Participation have notified the Issuer in reasonable detail of the relevant failure and/or violation, (ii) the failure and/or violation is not caused by technical or administrative error and (iii) that the Issuer or the relevant Shareholder does not remedy such failure or violation within forty (40) Business Days from the day of receipt of such notification. If the failure or violation cannot be remedied, or if the Issuer or the relevant Shareholder fails to

remedy the failure or violation as set out above, each Debentureholder may, following notification as aforesaid, declare its Debentures payable without such prior notice.

- 15.2 If any Debentures are declared due and payable in accordance with Clause 15.1(a) (*Insolvency*), 15.1(b) (*Change of Control*) or 15.1(c) (*Cross Default*):
- (a) each other Debentureholder shall be promptly notified thereof, and have the right to declare its Debentures due and payable; and
 - (b) the Issuer shall apply an amount equivalent to the relevant Debentureholder's Quota Share (and the Quota Share of any Debentureholder which has declared its Debentures due and payable in accordance with paragraph (a)) of the Portfolio towards repayment up to the Participation Loan Amount. Any amount thus received, which is in excess of the Participation Loan Amount, shall be paid to the relevant Debentureholder(s) as Interest.
- 15.3 If any Profit Loan Instruments are declared due and payable in accordance with any PLI Series Terms other than these Terms and Conditions, the Issuer shall promptly inform the Debentureholders thereof in accordance with Clause 13.4 and the Debentures shall become immediately due and payable.
- 15.4 If any Debentures are declared due and payable in accordance with Clause 15.1(d) (*Failure to Comply*) or become due and payable in accordance with Clause 15.3, the Portfolio shall be unwound. During the period when the Portfolio is being unwound, the Debentureholders may request that one or several Key Executives shall be replaced by one or several substitute executives, which shall in such case be elected by the Debentureholders and have sufficient skill and expertise, and Clause 11.2 shall otherwise be applied *mutatis mutandis* for a period of six (6) months commencing on the day the Debentures were declared due and payable.

16. DECISIONS BY DEBENTUREHOLDERS

- 16.1 Any request from the Issuer or a Debentureholder (or Debentureholders) representing at least ten (10) per cent of the Debentureholder Participation (such request may only be validly made by a person who is a Debentureholder on the Business Day immediately following the day on which the request is received by the Issuer and shall, if made by several Debentureholders, be made by them jointly) for a decision by the Debentureholders on a matter relating to these Terms and Conditions shall be directed to the Issuer and dealt with at a Debentureholders' Meeting or by way a Written Procedure, as determined by the requesting person(s). The person(s) requesting the decision may suggest the form for decision making, but if it is in the Issuer's opinion more appropriate that a matter is dealt with at a Debentureholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Debentureholders' Meeting.
- 16.2 The Issuer may refrain from convening a Debentureholders' Meeting or instigating a Written Procedure if the suggested decision must be approved by any person in addition to the Debentureholders and such person has informed the Issuer that an approval will not be given.
- 16.3 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 from a person who is, registered as a Debentureholder:
- (a) on the fifth (5) Business Day prior to the date of the Debentureholders' Meeting, in respect of a Debentureholders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 18.2, in respect of a Written Procedure,
- may exercise voting rights as a Debentureholder at such Debentureholders' Meeting or in such Written Procedure.
- 16.4 The following matters shall require the consent of Debentureholders representing at least 67 per cent of the Debentureholder Participation for which Debentureholders are voting at a Debentureholders' Meeting or for which Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2:
- (a) any change to, or waiver of, these Terms and Conditions (subject to Clause 16.5);
 - (b) dealings in matters in which a Shareholder or an Affiliate has a conflicting interest;
 - (c) any transactions or agreements between the Issuer and any of the Shareholders or an Affiliate, except for agreements relating to services contemplated by any PLI Series Terms;
 - (d) a transfer by any Original Shareholder of any shares or interest in the Issuer or an issue of shares or interests by the Issuer that would result in the Original Shareholders ceasing to hold more than 50 per cent of all votes and outstanding shares of the Issuer; and
 - (e) the retention of additional unused funds after the Final Lending Date pursuant to Clause 11.1.
- 16.5 The following matters shall require the consent of all Debentureholders of the Debentureholder Participation for which Debentureholders are voting at a

Debentureholders' Meeting or for which Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2:

- (a) the issue of further Participation Loan Instruments (for the avoidance of doubt, for which consent shall be required at each occasion any such are issued) other than as contemplated by these Terms and Conditions;
- (b) a change to the terms dealing with Debentureholder consent;
- (c) an extension of the term of the Debentures;
- (d) early termination of the Debentures and/or any part of the Debentureholder Participation (other than as set out in these Terms and Conditions); and
- (e) changes to the general nature of the Issuer's business as set out in Clause 14.2; and
- (f) a change to the terms for allocation and distribution of interest and proceeds.

16.6 Any matter not covered by Clause 16.4 or 16.5 shall require the consent of Debentureholders representing more than 50 per cent of the Debentureholder Participation for which Debentureholders are voting at a Debentureholders' Meeting or for which Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2.

16.7 Quorum at a Debentureholders' Meeting or in respect of a Written Procedure only exists if a Debentureholder (or Debentureholders) representing at least fifty per cent of the Debentureholder Participation in case of a matter pursuant to Clause 16.4 or 16.5, and otherwise twenty (20) per cent of the Debentureholder Participation:

- (a) if at a Debentureholders' 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 Debentureholders' Meeting or in respect of a Written Procedure, the Issuer shall convene a second Debentureholders' 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 Debentureholders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Debentureholders' Meeting or Written Procedure.

16.9 Any decision which requires Debentureholders' consent and which also relates to one or several Additional PLI Series shall, in addition to what is set forth in this Clause 16, also require consent from the Instrumentholders of each relevant PLI Series in the manner set forth in the relevant PLI Series Terms.

16.10 Any decision which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, under the Terms and Conditions shall be subject to the Issuer's consent.

16.11 A Debentureholder holding more than one Debenture need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

- 16.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Debentureholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Debentureholders that consent at the relevant Debentureholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.13 A matter decided at a duly convened and held Debentureholders' Meeting or by way of Written Procedure is binding on all Debentureholders, irrespective of them being present or represented at the Debentureholders' Meeting or responding in the Written Procedure. The Debentureholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Debentureholders.
- 16.14 All costs and expenses incurred by the Issuer for the purpose of convening a Debentureholders' Meeting or for the purpose of carrying out a Written Procedure shall be paid by the Issuer.
- 16.15 Debentures held by the Issuer, a Shareholder, an Affiliate or any other person or entity owning any Debentures (irrespective of whether such person is directly registered as owner of such Debentures) that has undertaken towards the Issuer, a Shareholder or an Affiliate to vote for such Debentures in accordance with the instructions given by the Issuer or a Shareholder, shall not entitle to participation in decisions in respect of matters requiring Debentureholders' consent or any voting rights at a Debentureholders Meeting, and such Debentures shall not be considered when calculating if the necessary majority has been achieved for a consent in accordance with these Terms and Conditions.
- 16.16 Information about decisions taken at a Debentureholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Debentureholders and published on the website of the Issuer, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Debentureholders' Meeting or Written Procedure shall at the request of a Debentureholder be sent to it by the Issuer.

17. DEBENTUREHOLDERS' MEETING

- 17.1 The Issuer shall convene a Debentureholders' Meeting by sending a notice thereof to each Debentureholder. If a Debentureholder or Debentureholders have requested that a Debentureholders' Meeting be convened, such notice shall be sent no later than five (5) Business Days after receipt of a request from the Debentureholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 17.2 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Debentureholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Debentureholders' Meeting. Should prior notification by the Debentureholders be required in order to attend the Debentureholders' Meeting, such requirement shall be included in the notice.
- 17.3 The Debentureholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.

18. WRITTEN PROCEDURE

- 18.1 The Issuer shall instigate a Written Procedure by sending a communication to each such person who is registered as a Debentureholder on the fifth (5) Business Day prior to the

date on which the communication is sent. If a Debentureholder or Debentureholders have requested that a Written Procedure be instigated, such communication shall be sent no later than five (5) Business Days after receipt of a request from the Debentureholder(s) (or such later date as may be necessary for technical or administrative reasons)

18.2 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Debentureholders, (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 Debentureholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Debentureholder must reply to the request (such time period to last at least fifteen (15) 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.

18.3 When the requisite majority consents of the total Debentureholder Participation pursuant to Clauses 16.4 and 16.5 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4 or 16.5, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. PRESCRIPTION

19.1 The right to receive repayment of the principal of the Debentures shall be prescribed and become void ten (10) years from the Final Repayment Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Debentureholders' right to receive payment has been prescribed and has become void.

19.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslagen (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Debentures, 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.

20. NOTICES AND PRESS RELEASES

20.1 Notices

20.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Issuer, at the address set forth in Clause 1.1 or any substitute address or fax number as the Issuer may notify to the Debentureholders by not less than five (5) Business Days' notice; and
- (b) if to the Debentureholders, at their addresses as registered with the CSD or to such other address as each Debentureholder from time to time notifies to the Issuer.

- 20.1.2 Any communication or document made or delivered by one person to another under or in connection with these Terms and Conditions will only be effective:
- (a) if by way of fax, when received in legible form;
 - (b) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
 - (c) if by way of e-mail, when actually received in readable form;

and, if a particular department or officer is specified as part of its address details, if addressed to that department or officer.

- 20.1.3 Failure to send a notice or other communication to an Instrumentholder or any defect in it shall not affect its sufficiency with respect to other Instrumentholders.
- 20.1.4 Any notice received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- 20.1.5 If a person receives an out-of-office reply in any communication via e-mail, such communication will be effective at the date of the recipient's return, as set out in the relevant out-of-office reply (unless re-sent by way of fax or letter, in which case Clause 20.1.2(a) or (b) (as applicable) shall apply).

21. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 21.1 No Shareholder shall have any liability to the Debentureholders for any loss suffered by the Debentureholders, which arises out of any action or inaction of such Shareholder or the Board of Directors, unless such course of conduct constituted fraud, wilful misconduct or negligence on the part of such Shareholder in relation to the Debentureholders, or a breach of these Terms and Conditions.
- 21.2 Neither the Issuer nor any member of the Board of Directors shall be liable for any loss suffered by the Debentureholders, which arises out of their respective managerial and/or commercial decisions, actions or inactions under, or in connection with, these Terms and Conditions, unless such decisions, actions or inactions constituted fraud, wilful misconduct or negligence, or a breach of these Terms and Conditions.
- 21.3 Neither the Issuer, any member of the Board of Directors nor any Shareholder 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.
- 21.4 The provisions in this Clause 21 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

22. MISCELLANEOUS

22.1 Currency

All calculations, valuations, allocations and distributions in accordance with these Terms and Conditions shall be made in Swedish Kronor and all fees to the Shareholders shall be payable in Swedish Kronor.

22.2 **Conflict of Interest**

- 22.2.1 Any transactions or agreements between the Issuer and a Shareholder or an Affiliate will be on an arm's length basis and requires the prior consent of the Debentureholders, except for agreements relating to services contemplated by these Terms and Conditions.
- 22.2.2 The Issuer will provide the Debentureholders adequate disclosure with respect to all actual or potential conflict of interest situations in relation to transactions and/or agreements with a Shareholder or an Affiliate. The Debentureholders' consent pursuant to Clause 16 is required for such transactions and/or agreements, which are not contemplated by these Terms and Conditions. The management by the Original Shareholders of the Portfolio shall not constitute a conflict of interest for the Original Shareholders.

22.3 **Money Laundering**

- 22.3.1 The Issuer is, and will continue to be, in compliance with any applicable money-laundering laws of Sweden.
- 22.3.2 Notwithstanding any provision of this Agreement to the contrary, the Issuer shall be authorised to take such action as it determines to be necessary or advisable for it to comply with the applicable anti-money laundering laws of Sweden.

22.4 **Issuing Agent**

- 22.4.1 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 Debentures.
- 22.4.2 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.

23. **GOVERNING LAW AND JURISDICTION**

- 23.1 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.
- 23.2 Any dispute, controversy or claim arising out of or in connection with these Terms and Conditions, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three (3) arbitrators. The place of arbitration shall be in Stockholm and the language to be used in the arbitral proceedings shall be English unless the arbitral tribunal decides otherwise.

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

Place:Stockholm

Date: [●]

APIKAL FASTIGHETSPARTNER AB (PUBL)
as Issuer

Name: [●]

Name: [●]