

## **Terms and Conditions**

**Cherry AB (publ)**

**Up to EUR 200,000,000**

**Senior Secured Callable Bonds**

**ISIN: SE0008321616**

**6 July 2016**

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## 1. Definitions and Construction

### 1.1 Definitions

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

**"Account Operator"** means a Bondholder's account manager in the CSD.

**"Additional Share Issue"** means a new issue of shares by the Issuer where (i) such shares are issued to the Vendors as part of the consideration for the acquisition of the Additional Target Shares (such consideration shall constitute at least 40 per cent. of the total consideration for the Additional Target Shares), or (ii) such shares are issued for cash consideration and such cash are paid to the Vendors as part of the consideration for the acquisition of the Additional Target Shares (such consideration shall constitute at least 40 per cent. of the total consideration for the Additional Target Shares).

**"Additional Target Shares"** means 51 per cent. of the shares (capital and votes) of the Target which the Issuer intends to subsequently acquire, subject to a purchase option entered into with the sellers of the Target.

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

**"Advance Purchase Agreements"** means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

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

**"Agent"** means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as agent and security agent, acting for and on behalf of the Bondholders in accordance with these Terms and Conditions.

**"Amortisation Base"** means, at any date, an amount equal to EUR 100,000 multiplied with the aggregate of the total number of Bonds (including Subsequent Bonds) that have been issued at such date pursuant to these Terms and Conditions (for avoidance of doubt, not deducting any cancelled Bonds or Bonds held by the Issuer).

**"Bondholder"** means the person who is registered on a Securities Account as direct registered owner or nominee with respect to a Bond.

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 19 (*Bondholders' Meeting*).

**"Bonds"** means the debt instruments issued by the Issuer pursuant to these Terms and Conditions, including the Initial Bonds and the Subsequent Bonds.

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

**"Call Option"** means the Issuer's right to redeem outstanding Bonds in full in accordance with Clause 9.3 (*Voluntary Total Redemption (call option)*).

**"Call Option Amount"** means:

- (a) 104.50 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 30 months after the First Issue Date;
- (b) 103.15 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 30 months after the Issue Date to, but not including, the date falling 36 months after the First Issue Date;
- (c) 101.80 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 36 months after the Issue Date to, but not including, the date falling 42 months after the First Issue Date; and
- (d) 100.45 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 42 months after the Issue Date to, but not including, the Final Redemption Date.

**"Change of Control Event"** means the occurrence of an event or series of events whereby (i) the shares of the Issuer cease to be listed on an MTF or a Regulated Market, or (ii) one or more persons, acting together, acquire control over the Issuer or the Target Company and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**"Compliance Certificate"** means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with a Maintenance Test or an Incurrence Test, the certificate shall include calculations and figures in respect of the Maintenance Test or Incurrence Test, as applicable.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Bonds, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191,101 23 Stockholm, Sweden, or any party replacing it, as CSD, in accordance with these Terms and Conditions.

**"EBITDA"** means, in respect of the Reference Period, the consolidated profit of the Group, from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary or exceptional items which are not in line with the ordinary course of business;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading);
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) after adding the amount of the Issuer's *pro rata* amount of any profit (or deducting the amount the Issuer's *pro rata* amount of any loss) of the Target, up until completion of the acquisition of the Additional Target Shares (for the avoidance of doubt this calculation adjustment shall continue to be made if neither the Target Call Option nor the Reversed Call Option is exercised);
- (j) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (k) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of members of the Group.

**"EUR"** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

**"EURIBOR"** means:

- (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing

Agent at its request quoted by the Reference Banks, for deposits of EUR 10,000,000 for the relevant period; or

- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Euro offered for the relevant period; and

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

**"Event of Default"** means an event or circumstance specified in any of the Clauses 15.1 (*Non-Payment*) to and including Clause 15.9 (*Continuation of the Business*).

**"Final Redemption Date"** means 11 July 2020.

**"Finance Charges"** means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any loan owing to any member of the Group or any shareholder loan and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

**"Finance Documents"** means these Terms and Conditions, the Trustee Agreement, the Security Documents, any Subordination Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance or operational leases, to the extent the arrangement is or would have been treated as a finance or an operational lease in accordance with the accounting principles applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted on a non-recourse basis;
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

**"Financial Report"** means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 12.1 (*Information from the Issuer*).

**"First Call Date"** means the date falling 24 months after the Issue Date.

**"First Issue Date"** means 11 July 2016.

**"First Subsequent Bonds"** means the Subsequent Bonds issued by the Issuer on one occasion amounting to a maximum of EUR 100,000,000, provided that, at the time of disbursement of the First Subsequent Bonds, the Additional Share Issue is completed.

**"Floating Rate Margin"** means 9.00 per cent *per annum*.

**"Further Subsequent Bonds"** means any Bonds issued after the First Issue Date and the issue of the First Subsequent Bonds on one or more occasions.

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

**"Incurrence Test"** means the test of the financial incurrence covenants as set out in Clause 13.2 (*Incurrence Test*).

**"Initial Bonds"** means the Bonds issued on the First Issue Date.

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

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

**"Initial Share Issue"** means a new issue of shares by the Issuer where such shares are issued to the Vendors as part of the consideration for the acquisition of the Initial Target Shares (such consideration shall constitute at least 50 per cent. of the total consideration for the Additional Target Shares).

**"Initial Target Shares"** means 49 per cent. of the shares (capital and votes) of the Target which the Issuer intends to initially acquire.

**"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 all or

substantially all its creditors (other than the Bondholders and creditors of secured debt) 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 Clause 8 (*Interest*).

**"Interest Coverage Ratio"** means the ratio of EBITDA to Net Finance Charges.

**"Interest Payment Date"** means 11 January, 11 April, 11 July, and 11 October of each year or, to the extent such day is not a Business Day, 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. The first Interest Payment Date for the Bonds shall be 11 October 2016 and the last Interest Payment Date shall be the Final Redemption Date.

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

**"Interest Rate"** means EURIBOR (3 months) plus the Floating Rate Margin, payable quarterly in arrears.

**"Issue Date"** means the First Issue Date and any subsequent date when issuance of Subsequent Bonds takes place.

**"Issuer"** means Cherry AB (publ), a limited liability company incorporated under the laws of Sweden, with Reg. No. 556210-9909.

**"Issuing Agent"** means ABG Sundal Collier ASA, Reg. No. 883603362, or any other party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Make Whole Amount"** means a price equivalent to the sum of:

- (a) the present value on the relevant record date of 104.50 per cent. of the Outstanding Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining coupon payments (assuming that the interest rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated EUR mid-swap rate for the remaining term from the redemption date until the First Call Date plus the Floating Rate Margin), less any accrued but unpaid interest, through and including the First Call Date,

each calculated by using a discount rate of 50 basis points over the comparable German government bond rate (i.e. comparable to the remaining duration of the Bonds until the



First Call Date) and where "relevant record date" shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

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

**"Material Adverse Effect"** means a material adverse effect on:

- (a) the business, assets or financial condition of the Group (taken as a whole);
- (b) the Issuer's ability to perform and comply with its payment obligations under these Terms and Conditions; or
- (c) the validity or enforceability of these Terms and Conditions.

**"Material Group Company"** means each of the Issuer, the Target or a Subsidiary representing more than 10.00 of the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra group transactions) or EBITDA of the Group on a consolidated basis according to the latest Financial Report.

**"Net Finance Charges"** means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Shareholder Loans).

**"Net Interest Bearing Debt"** means the aggregate interest bearing debt less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, Shareholder Loans, any claims subordinated pursuant to a subordination agreement in form and substance satisfactory to the Agent and interest bearing debt borrowed from any Group Company).

**"Net Proceeds"** means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole Bookrunner have requested that their respective fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

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

**"Outstanding Nominal Amount"** means the Nominal Amount less the aggregate amount by which each Bond has been partly repaid in accordance with these Terms and Conditions.

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

- (a) incurred under the Bonds (except for any Subsequent Bonds, other than the First Subsequent Bond Issue);

- (b) taken up from a Group Company;
- (c) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (d) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (e) arising under any interest rate hedging transactions in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (f) under any overdraft facility incurred by the Issuer or any of its Subsidiaries in a maximum aggregate amount of SEK 35,000,000 (each an "**Overdraft Facility**" and together the "**Overdraft Facilities**");
- (g) related to any Shareholder Loans;
- (h) incurred under Advance Purchase Agreements;
- (i) incurred as a result of any Group Company acquiring another entity (other than the Target) and which is due to that such acquired entity holding indebtedness, provided that the Incurrence Test is met, tested pro forma including the acquired entity in question and provided that any such acquired debt is refinanced by the Issuer within 6 months, or, if the Incurrence Test is not met then such Financial Indebtedness must be unwound within 60 days of such acquisition;
- (j) save for the First Subsequent Bond Issue, incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue by the Issuer under these Terms and Conditions, or (ii) ranks pari passu or is subordinated to the obligations of the Issuer under the Finance Documents, and has a final maturity date or a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;
- (k) of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business;
- (l) until the Conditions Precedent for Disbursement have been fulfilled, any Refinancing Debt; and
- (m) not permitted under paragraphs (a) to (l) above and where the outstanding principal amount does not exceed SEK 5,000,000 in aggregate for the Group at any time.

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

- (a) granted under the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) provided in relation to any operational lease agreement entered into by a Group Company;
- (d) granted as security for any Overdraft Facility permitted pursuant to paragraph (f) of the definition Permitted Debt;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) provided for interest rate hedging transactions set out in paragraph (d) of the definition Permitted Debt;
- (g) provided for any guarantees issued by a Group Company in the ordinary course of business; and
- (h) provided by an acquired entity over its own assets only and securing Financial Indebtedness permitted pursuant to paragraph (h) of Permitted Debt.

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

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

**"Record Date"** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, or (iii) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**"Redemption Date"** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption, Repurchase and Prepayment of the Bonds*).

**"Reference Banks"** means banks reasonably selected by the Issuing Agent.

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

**"Refinancing Debt"** means debt that is refinanced in connection with the disbursement of Net Proceeds from the Subsequent Escrow Account.

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

**"Remaining Payment"** means the total consideration for the Additional Target Shares.

**"Restricted Payment"** has the meaning given to such term in Clause 14.2 (*Distributions*).

**"Reversed Call Option"** means the call option (callable during the first quarter of 2017 if the Target Call Option has not been exercised) relating to the Vendors' right to repurchase the Initial Target Shares from the Issuer granted by Issuer to the Vendor under the Share Purchase Agreement.

**"Reversed Call Option Escrow Account"** means a bank account of the Issuer, into which the Vendors shall transfer the exercise price for the Reversed Call Option if the Reversed Call Option is exercised, which has been pledged in favor of the Agent and the Bondholders (represented by the Agent) under the Reversed Call Option Escrow Account Pledge Agreement. The monies standing to the Reversed Call Option Escrow Account shall immediately be used in full for part of the repayment as set out in Clause 9.6 (*Mandatory Prepayment due to a Reversed Call Option*).

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

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by the Issuer or by some other person) of the Issuer and each other Group Company to the Secured Parties under each of the Finance Documents, together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents, or any other document evidencing or securing any such liabilities.

**"Secured Parties"** means the Bondholders, the Agent (including in its capacity as Agent under the Trustee Agreement) and the Security Agent.

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

**"Security Agent"** means Nordic Trustee & Agency AB (publ).

**"Security Documents"** means the following security documents pursuant to which the Transaction Security is created:

- (a) the Initial Escrow Account Pledge Agreement;
- (b) the Subsequent Escrow Account Pledge Agreement;
- (c) the Reversed Call Option Escrow Account Pledge Agreement;
- (d) a pledge agreement entered into by the Issuer and the Agent in respect of material downstream intercompany loans (if any);

- (e) a pledge agreement entered into by the Issuer and the Agent in respect of all shares in each of Cherry Spelglädje AB, Cherry Casino Syd AB, Playcherry PR & Media AB, Svenska Klubbspel AB, Cherry Malta Ltd and Cherry Gaming Ltd;
- (f) a pledge agreement entered into by the Issuer and the Agent in respect of the Issuer rights under the share purchase agreement relating to the Initial Target Shares and the Additional Target Shares (including over the rights under the Target Call Option and over the payment for the exercise price of the Reversed Call Option) (the "**Share Purchase Agreement**");
- (g) attached security, over the Additional Target Shares held by the Vendor granted to the Issuer under a share pledge agreement between the Vendor and the Issuer, to the security granted over the Issuer's rights under the Share Purchase Agreement;
- (h) immediately following disbursement of the Net Proceeds from the Initial Bond Issue from the Initial Escrow Account, a second ranking share pledge in the Initial Target Shares which shall, immediately following disbursement of the Net Proceeds from the First Subsequent Bond Issue from the Subsequent Escrow Account, constitute a first ranking share pledge in the Initial Target Shares and which shall be released if the Vendor exercises the Reversed Call Option and an amount equal to at least EUR 40,000,000 is transferred to the Reversed Call Option Escrow Account pledged to the Bondholders;
- (i) immediately upon completion of a First Subsequent Bond Issue, first ranking share pledge over the Additional Target Shares; and
- (j) any other document designated as a Security Document by the Issuer and the Agent.

**"Shareholder Loans"** means any shareholder loan to the Issuer if such shareholder loan (a) according to its terms and pursuant to a subordination agreement, are subordinated to the obligations of the Issuer under these Terms and Conditions, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date, and (c) according to its terms yield only payment-in-kind interest, other than interest that is permitted to be payable under Clause 14.2 (*Distributions*).

**"Sole Bookrunner"** means ABG Sundal Collier AB, Reg. No. 556538-8674.

**"Subordination Agreement"** means a subordination agreement between, among others, the Agent the Issuer and any creditor with respect to Shareholder Loans.

**"Subsequent Bonds"** means the First Subsequent Bonds and the Further Subsequent Bonds.

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

**"Subsequent Escrow Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Agent on or about the date of the issuance of the First Subsequent Bonds in respect of a first priority pledge over the Subsequent Escrow Account in respect of the Net Proceeds from the First Subsequent Bonds and all funds held on the Subsequent Escrow Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

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

**"Target"** means Come On Malta Ltd, business identity code C46829, a limited liability company incorporated under the laws of Malta.

**"Target Call Option"** means the call option (callable during the last quarter of 2016) relating the Issuer's right to purchase the Additional Target Shares from the Vendors granted by the Vendor to the Issuer under the Share Purchase Agreement.

**"Total Nominal Amount"** means the total aggregate Outstanding Nominal Amount of the Bonds from time to time.

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

**"Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents.

**"Trustee Agreement"** means the fee agreement entered into between the Agent and the Issuer on or about the Issue Date regarding, inter alia, the remuneration payable to the Agent.

**"Vendors"** means Prunus Avium Ltd, Teneo Management Ltd, Lucid Web Solutions Ltd, Kojak Malta Ltd and Fiona Holding Ltd.

**"Written Procedure"** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 20 (*Written Procedure*).

**"Yggdrasil"** means Yggdrasil Holding Ltd (corporate identity number C57560) and each of its subsidiaries.

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) **"assets"** includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

- (iii) a "**regulation**" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in EUR 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 EUR for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.int](http://www.ecb.int)). If no such rate is available, the most recently published rate shall be used instead.
  - (c) 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. Status of the Bonds

- (a) The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The Nominal Amount of each Bond is EUR 100,000 (the "**Nominal Amount**"). The minimum Total Nominal Amount of the Initial Bonds is EUR 50,000,000. The Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- (d) The Issuer may, at one occasion, issue First Subsequent Bonds. First Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the applicable ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 200,000,000.
- (e) Provided that (i) no Event of Default is continuing or would result from such issue, and (ii) the Incurrence Test (tested pro forma including such Financial Indebtedness) is met, the Issuer may, at one or several occasions, issue Further

Subsequent Bonds. Further Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the applicable ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 200,000,000.

- (f) The Bonds constitute direct, general, secured, unconditional and unsubordinated obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsecured and unsubordinated obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (g) Subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferrable. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (h) 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 Denmark, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### 3. Use of Proceeds

- (a) The Net Proceeds from the issuance of the Initial Bonds shall be applied to (i) finance the acquisition of the Initial Target Shares (together with the Initial Share Issue), and (ii) pay Transaction Costs.
- (b) The Net Proceeds from the issuance of the First Subsequent Bonds shall be applied to (i) finance the acquisition of the Additional Target Shares (together with the Additional Share Issue), (ii) pay Transaction Costs, and (iii) refinance the Refinancing Debt.
- (c) The Net Proceeds from the issuance of the Further Subsequent Bonds shall be applied to finance general corporate purposes of the Group, including acquisitions.

### 4. Conditions Precedent

- (a) The payments of the Net Proceeds from the Initial Bonds to the Initial Escrow Account is subject to the Agent having received documents and evidence of the Initial Escrow Account Pledge Agreement and the payments of the Net Proceeds from the First Subsequent Bonds to the Subsequent Escrow Account is subject to the Agent having received documents and evidence of the Subsequent Escrow Account Pledge Agreement



- (b) The Agent's approval of the disbursement of the Net Proceeds from the Initial Bonds from the Initial Escrow Account are subject to the following documents being received by the Agent, in form and substance satisfactory to it (acting reasonably), that the following actions have been taken and that the following events have occurred:
- (i) certificate of registration, articles of association and copy of the relevant board minutes for the Issuer and each other party to a Finance Document;
  - (ii) copies of corporate resolutions for the Issuer and each entity granting Transaction Security;
  - (iii) evidence that the Finance Documents have been duly executed;
  - (iv) evidence that the Transaction Security (except for items (b), (h) and (i) of the definition of "Transaction Security") has been duly provided and perfected or will be perfected immediately following disbursement;
  - (v) evidence that a minimum of 50 per cent. of the total consideration for the Initial Target Shares will be paid in kind pursuant to the Initial Share Issue;
  - (vi) evidence that all closing conditions for the acquisition of the Initial Target Shares (except for payment of the purchase price) have been satisfied or waived and that the acquisition will be consummated immediately upon disbursement of funds from the Initial Escrow Account; and
  - (vii) a legal opinion on the validity and enforceability of the Finance Documents issued by a reputable law firm.
- (c) The Agent's approval of the disbursement of the Net Proceeds from the First Subsequent Bonds from the Subsequent Escrow Account is subject to the following documents being received by the Agent, in form and substance satisfactory to it (acting reasonably), that the following actions have been taken and that the following events have occurred:
- (i) any funds raised in the issuance of the First Subsequent Bonds (net of Transaction Costs) must be allocated in full towards financing the Remaining Payment;
  - (ii) evidence that a minimum of 40 per cent. of the Remaining Payment either (i) is paid with proceeds from the Additional Share Issue or (ii) is paid in kind with shares issued pursuant to the Additional Share Issue; and
  - (iii) evidence that the Transaction Security listed under items (b), (h) and (i) of Transaction Security has been duly provided and perfected or will be perfected immediately following disbursement.

- (d) When the conditions precedent for disbursement set out in Clause 4(a) have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Initial Escrow Accounts) to transfer the funds from the Initial Escrow Account in accordance with Clause 3(a) (*Use of Proceeds*). The Agent shall transfer any residual funds of the Net Proceeds on the Initial Escrow Accounts, to the bank account specified by the Issuer.
- (e) If the conditions precedent for disbursement set out in Clause 4(a) have not been fulfilled within 30 Business Days from the Issue Date for the Initial Bonds, the Issuer shall redeem the Bonds at a price equal to 100 per cent. of the Nominal Amount together with accrued but unpaid interest and the funds on the Initial Escrow Account shall in such case be applied to redeem the Bonds on behalf of the Issuer. Any shortfall shall be covered by the Issuer.
- (f) When the conditions precedent for disbursement set out in Clause 4(c) have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall transfer the funds from the Subsequent Escrow Account in accordance with Clause 3(b) (*Use of Proceeds*). The Agent shall transfer any residual funds of the Net Proceeds on the Subsequent Escrow Account, to the bank account specified by the Issuer.
- (g) If the conditions precedent for disbursement set out in Clause 4(c) have not been fulfilled on 31 March 2017, the Issuer shall redeem the First Subsequent Bonds at a price equal to 102 per cent. of the Nominal Amount together with accrued but unpaid interest and the funds on the Subsequent Escrow Account shall in such case be applied to redeem the First Subsequent Bonds on behalf of the Issuer. Any shortfall shall be covered by the Issuer.
- (h) The Agent may assume that documentation and other evidence delivered to it pursuant to Clause 4(b) and (c) 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.

## 5. Bonds in Book-Entry Form

- (a) 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 Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to the CSD.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer and the Agent shall at all times 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. For the purpose of carrying out any administrative

procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.

- (d) For the purpose of or in connection with any Bondholders' Meeting under Clause 19 (*Bondholders' Meeting*) or any direct communication to the Bondholders under Clause 20 (*Written Procedure*), the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- (f) The Issuer and the Agent may use the information referred to in Clauses 5(c) through 5(e) 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.

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

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

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

- (a) Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date, by crediting the relevant amount to the bank account nominated by each Bondholder in connection with its Securities Account in the CSD.

- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment 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 the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Bondholder being registered as such on the Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8(b) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.

## **8. Interest**

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the Final Redemption Date. Any Subsequent Bonds will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its Issue Date up to (and including) the next succeeding Interest Payment Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) The 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).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two (2) per cent. higher than the Applicable 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 Applicable Interest Rate shall apply instead.

## **9. Redemption, Repurchase and Prepayment of the Bonds**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Redemption Date with an amount per Bond equal to the Nominal Amount together

with accrued but unpaid Interest. If the Final Redemption Date is not a Business Day, then the redemption shall occur on the first following Business Day.

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

The Issuer may, subject to applicable law, at any time purchase Bonds, provided that any Bond purchased by a Group Company (other than the Issuer) will promptly be surrendered to the Issuer for cancellation. Bonds held by the Issuer may at the Issuer's discretion be retained, sold or, if held by the Issuer, be cancelled.

## **9.3 Voluntary Total Redemption (call option)**

The Issuer may redeem early all, but not some only, of the Bonds on any Business Day before the Final Redemption Date. The Bonds shall be redeemed at the Make Whole Amount or the Call Option Amount (as applicable) together with accrued but unpaid interest.

## **9.4 Voluntary Partial Redemption**

The Issuer may on one occasion during each 12 months period commencing 12 months after the Issue Date, repay up to 5.00 per cent. of the Amortisation Base, in which case all outstanding Bonds shall be partially repaid by way of reducing the Outstanding Nominal Amount of each Bond pro rata. The repayment per Bond shall equal the repaid percentage of the Outstanding Nominal Amount (rounded down to the nearest EUR 1.00) plus (i) a premium on the repaid amount of 2.00 per cent., and (ii) accrued but unpaid interest on the repaid amount. The minimum amount that is permitted to be prepaid in accordance with this clause is an amount which is equivalent to 1.00 per cent. of the total Nominal Amount (including Subsequent Bonds).

## **9.5 Redemption notice**

Redemption in accordance with this Clauses 9.3 and 9.4 shall be made by the Issuer giving not less than twenty (20) Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent and in accordance with the instructions of the Issuer, the Paying Agent or the Issuing Agent, as applicable. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in full with the applicable amounts.

## **9.6 Mandatory Prepayment due to a Reversed Call Option**

If the Vendor exercises the Reversed Call Option, the Issuer shall, within 15 Business Days, repay all outstanding Bonds in full. The repayment per Bond shall equal the Outstanding Nominal Amount (rounded down to the nearest EUR 1.00) plus (i) a premium on the repaid amount of 2.00 per cent. of the Outstanding Nominal Amount, and (ii) accrued but unpaid interest on the Outstanding Nominal Amount.

## **9.7 Mandatory Prepayment due to a sale of the Initial Target Shares**

If neither the Target Call Option nor the Reversed Call Option has been exercised on or after 1 April 2017 and the Issuer sells the Initial Target Shares, the Issuer shall, within 15 Business Days, repay all outstanding Bonds in full. The repayment per Bond shall equal

the Outstanding Nominal Amount (rounded down to the nearest EUR 1.00) plus (i) a premium on the repaid amount of 2.00 per cent. of the Outstanding Nominal Amount, and (ii) accrued but unpaid interest on the Outstanding Nominal Amount.

## **9.8 Mandatory Prepayment due to Yggdrasil Divestment**

Upon a divestment of Yggdrasil to a third party through a trade sale, the Issuer shall, within 15 Business Days, repay an amount equal to 20.00 per cent. of the Outstanding Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Outstanding Nominal Amount of each Bond pro rata. The repayment per Bond shall equal the repaid percentage of the Outstanding Nominal Amount (rounded down to the nearest EUR 1.00) plus (i) a premium on the repaid amount of 4.50 per cent. and (ii) accrued but unpaid interest on the repaid amount.

## **9.9 Mandatory Repurchase due to a Change of Control Event (put option)**

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event pursuant to Clause 12.1(b) (after which time period such right shall lapse).
- (b) The notice from the Issuer pursuant to Clause 12.1(b) 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 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(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.9(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.8, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.8 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.8 may at the Issuer's discretion be retained, sold or cancelled.

## **10. Amortisation**

The Issuer shall repay the Outstanding Nominal Amount in the amounts and at the dates set out in table below:

<b>Amortisation date</b>	<b>Amortisation amount</b>
11 July 2017	2.5 per cent. of the Amortisation Base

11 January 2018	2.5 per cent. of the Amortisation Base
11 July 2018	2.5 per cent. of the Amortisation Base
11 January 2019	2.5 per cent. of the Amortisation Base
11 July 2019	2.5 per cent. of the Amortisation Base
11 January 2020	2.5 per cent. of the Amortisation Base

Any repayment of the Outstanding Nominal Amount, shall reduce the Outstanding Nominal Amount of each Bond by the amount repaid pro rata (rounded down to the nearest EUR 1.00). The remaining outstanding amount under the Bonds shall be redeemed on the Final Redemption Date.

## 11. Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants on or about the First Issue Date the Transaction Security (except for item (b), (h) and (i) of the definition of "Security Documents") to the Secured Parties as represented by the Agent.
- (b) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants on or about the date of the issuance of the First Subsequent Bonds the Transaction Security listed under item (h) and (i) in the definition of "Security Documents" to the Secured Parties as represented by the Agent.
- (c) The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Document. The Issuer shall enter into the Security Document and perfect the Transaction Security in accordance with the Security Document on or about the First Issue Date or on or about the date of the issuance of the First Subsequent Bonds (as applicable).
- (d) Unless and until the Agent has received instructions from the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interests of the Secured Parties.

## 12. Information to Bondholders

### 12.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language to the Bondholders by publication on the website of the Issuer:

- (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of the relevant interim period, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (iii) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed.
- (b) The Issuer shall immediately notify the Bondholders and the Agent when the Issuer is or becomes aware of (i) the occurrence of a Change of Control Event, or (ii) that an Event of Default has occurred, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (c) When the financial statements and other information are made available the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall issue a Compliance Certificate to the Agent in connection with the delivery of a Financial Report or the testing of an Incurrence Test.
- (e) The Issuer shall promptly notify the Agent (with full particulars) when the Issuer is or becomes 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.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 12.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 12.1.



- (g) When and for as long as the Bonds are listed, the reports referred to under Clause 12.1(a) shall, in addition, be prepared in accordance with IFRS and made available in accordance with the rules and regulations of NASDAQ Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

## **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 Information among the Bondholders**

Upon request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds. 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.

## **12.4 Publication of Finance Documents**

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

# **13. Financial Testing**

## **13.1 Maintenance Test**

- (a) The Issuer shall ensure that at all times:
  - (i) the Interest Cover Ratio is at least 2.75:1; and
  - (ii) the Net Interest Bearing Debt to EBITDA:
    - (A) from the First Issue Date up until the date falling two years from the First Issue Date, is not greater than 5.00:1;
    - (B) from the date falling two years from the First Issue Date up until the date falling three years from the First Issue Date, is not greater than 4.50:1; and
    - (C) from the date falling three years from the First Issue Date up until the Final Redemption Date, is not greater than 4.00:1.

calculated in accordance with the calculation principles set out in Clause 13.4 (*Calculation Adjustments*), on a consolidated basis and based on the most recently delivered Financial Report.

### 13.2 Incurrence Test

- (a) The Incurrence Test is met if, at the relevant time:
  - (i) the ratio of Net Interest Bearing Debt to EBITDA is not greater than 3.00:1; and
  - (ii) no Event of Default is continuing or would occur upon the incurrence of debt or distribution (as applicable),

calculated in accordance with the calculation principles set out in Clause 13.4 (*Calculation Adjustments*), on a consolidated basis and based on the most recently delivered Financial Report.

### 13.3 Testing

- (a) The calculation of the Maintenance Test shall be made quarterly on the basis of the interim report for the period covered by the relevant Reference Date on the basis of the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 31 March 2017.
- (b) The calculation of the ratio of Net Interest Bearing Debt to EBITDA for the Incurrence Test shall be made for the Reference Period ending on the last day of the period covered by the most recent Financial Report.

### 13.4 Calculation Adjustments

- (a) The figures for EBITDA, Finance Charges and Net Finance Charges for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, but adjusted so that:
  - (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Reference Period; and
  - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Reference Period.
- (b) The figures for Net Interest Bearing Debt set out in the financial statements as of the most recent quarter date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Net Interest Bearing Debt for such period shall be:
  - (i) reduced by an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness of the Issuer or of any other

Group Company repaid, repurchased or otherwise discharged with respect to the Issuer and the continuing Group Companies with the proceeds from disposals of entities referred to in paragraph (a) under the adjustment to EBITDA above (or, if the Financial Indebtedness is owed by a Group Company that is sold, the Net Interest Bearing Debt for such period directly attributable to the Financial Indebtedness of such Group Company to the extent the Issuer and the continuing Group Companies are no longer liable for such Financial Indebtedness after such sale);

- (ii) increased on a pro forma basis by an amount equal to the Net Interest Bearing Debt directly attributable to (i) any Financial Indebtedness owed by acquired entities referred to in paragraph (a) under the heading adjustment to EBITDA above, and (ii) any Financial Indebtedness incurred to finance the acquisition of such entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and

increased on a pro forma basis by an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness incurred under any Subsequent Bonds, calculated as if such debt had been incurred at the beginning of the relevant Reference Period

## **14. General Undertakings**

### **14.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 14 for as long as any Bonds remain outstanding.

### **14.2 Distributions**

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend on its shares (other than to the Issuer or a Subsidiary of the Issuer, provided that any such distribution made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, the distribution is made so that a Group Company receives at least its pro rata share);
  - (ii) make any contribution (other than contributions to Subsidiaries, provided that any such contributions made to a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, the contribution is made so that the contributing Group Company contributes no more than its pro rata share);
  - (iii) repurchase any of its own shares;
  - (iv) redeem its share capital or other restricted equity with repayment to shareholders;

- (v) make any prepayments or repayments under any long-term debt ranking junior or *pari passu* with the Bonds (other than in relation to loans between the Group Companies); or
- (vi) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a Subsidiary of the Issuer),

each a "**Restricted Payment**".

- (b) Notwithstanding paragraph (a) above, a Restricted Payment may be made by the Issuer:
  - (i) following 31 March 2017, if the Incurrence Test is met calculated pro forma including such Restricted Payment; and
  - (ii) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit for the previous fiscal year.
- (c) Notwithstanding paragraph (a) above, the Issuer may distribute the shares in Yggdrasil to the shareholders of the Issuer through an in kind share distribution, provided that the Incurrence Test is met, calculated pro forma including such distribution.

### 14.3 Listing of the Bonds

- (a) The Issuer shall use its best efforts to procure that the Bonds are listed at the corporate bond list on NASDAQ Stockholm no later than 30 days after the First Issue Date and the Issuer shall take all reasonable measures to ensure that the Bonds are listed accordingly, provided that the Bonds shall in any case be listed within 60 days after the First Issue Date and the Issuer shall take all measures required to ensure that the Bonds, once listed on NASDAQ Stockholm, continue being listed on NASDAQ Stockholm for as long as any Bond is outstanding (however, taking into account the rules and regulations of NASDAQ Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).
- (b) Upon any Subsequent Bond Issue, the Issuer shall promptly, but not later than ten (10) Business Days after the relevant Issue Date, procure that the volume of Bonds listed is increased accordingly.

### 14.4 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group (following the acquisition of the Target) if such substantial change would have a Material Adverse Effect.

#### **14.5 Financial Indebtedness**

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

#### **14.6 Disposal of Assets**

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations (other than the divestment of Yggdrasil provided that the Issuer complies with 9.8 (*Mandatory Prepayment due to Yggdrasil Divestment*)) to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

#### **14.7 Negative Pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Group Companies have a right to (i) provide, prolong and renew any Permitted Security, and (ii) retain, but not prolong or renew, any existing security in relation to indebtedness held by an entity acquired, unless it constitutes Permitted Debt.

#### **14.8 Clean down**

The Issuer shall procure that during each calendar year there shall be a period of three (3) consecutive days during which the aggregate amount outstanding under all Overdraft Facilities, less cash and cash equivalents of the Group, amounts to zero (0) or less. Not less than six (6) months shall elapse between two such periods.

#### **14.9 Dealings with Related Parties**

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

#### **14.10 Up-streaming requirements**

The Issuer shall procure that, to the extent possible and permitted by law and regulations, sufficient amounts are distributed to the Issuer from the Target to enabling the Issuer to meet its payment obligations under the Finance Documents from time to time.

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

Each of the events or circumstances set out in this Clause 15 (other than Clause 15.10 (*Acceleration of the Bonds*)) is an Event of Default.

### 15.1 Non-Payment

The Issuer fails to pay an amount on the due date in accordance with the Finance Documents, unless the non-payment:

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

### 15.2 Other Obligations

The Issuer does not comply with its obligations under the Finance Documents, in any other way than as set out under Clause 15.1 (*Non-Payment*) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within ten (10) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds due and payable without such prior written request).

### 15.3 Cross-Acceleration

Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 15.3 (*Cross-Acceleration*) if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 1,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

### 15.4 Insolvency

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

### 15.5 Insolvency Proceedings

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

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; and

- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.

## **15.6 Mergers and Demergers**

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

## **15.7 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 1,000,000 and is not discharged within 60 days.

## **15.8 Impossibility or Illegality**

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

## **15.9 Continuation of the Business**

The Issuer or any other Material Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

## **15.10 Acceleration of the Bonds**

- (a) If an Event of Default has occurred, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Redemption Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may 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.
- (c) If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

- (d) In the event of an acceleration of the Bonds in accordance with this Clause 15.10, the Issuer shall redeem all Bonds with an amount per Bond together with a premium on the due and payable amount as set out in the Call Option Amount for the relevant period and, shall for the non-call period (until the First Call Date) be the Make Whole Amount.

## 16. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 15 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
  - (i) *first*, in or towards payment of the Agent under the Trustee Agreement, including all costs and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
  - (ii) *secondly*, in or towards payment pro rata of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (iii) *thirdly*, in or towards payment pro rata of any unpaid principal under the Bonds; and
  - (iv) *fourthly*, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security shall constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.

## 17. Bondholders' Committee

- (a) The Bondholders may appoint a committee (a "Bondholders' Committee") to represent the interests of the Bondholders. A Bondholders' Committee shall consist of no less than three (3) natural persons. All members of a Bondholders' Committee shall be elected at a Bondholders' Meeting.
- (b) Each Bondholder is entitled to nominate candidates to the Bondholders' Committee by notice to Agent no later than two (2) Business Days prior to the Bondholders' Meeting. At the Bondholders Meeting all candidates so nominated shall be presented to the Bondholders. Each Bondholder that is entitled to vote shall for such election have the same number of votes to cast for each Bond as



the total number of persons to be elected. A Bondholder may cast its votes for one or several of the candidates. The candidates that receive the most votes shall be elected to the Bondholders' Committee.

- (c) A Bondholders' Committee may enter into discussions with the Issuer and other creditors of the Issuer and by majority decision among its members (i) adopt such procedural rules as it considers appropriate and (ii) prepare proposals and recommendations to the Bondholders. A Bondholders' Committee may not bind the Bondholders to any agreement or decision. The Agent shall provide reasonable assistance to the Bondholders' Committee and participate in its meetings.
- (d) The Bondholders' Committee may agree with the Issuer not to disclose information received from the Issuer provided that it, in the reasonable opinion of the Bondholders' Committee, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the Bondholders' Committee.
- (e) The Bondholders' Committee and the Issuer may agree that the Issuer shall pay certain costs and expenses incurred by the Bondholders' Committee. Otherwise the Bondholders' Committee is not entitled to be reimbursed for any costs or expenses.

## **18. Decisions by Bondholders**

- (a) Any decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least 10.00 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. Notwithstanding the foregoing, the appointment of a Bondholders' Committee shall always be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 18(c)

being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be.

- (e) Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 19(a) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 20(a), in both cases with a copy to the Agent. After a request from the Bondholders pursuant to Clause 22.4(c), the Issuer shall no later than ten (10) 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 19(a). The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- (f) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 20(b), 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.
- (g) The following matters shall require the consent of Bondholders representing at least 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 20(b):
  - (i) waive a breach of or amend an undertaking set out in Clause 14 (*General Undertakings*);
  - (ii) releasing or materially changing the Transaction Security;
  - (iii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - (iv) amend any payment day for principal or interest amount or waive any breach of a payment undertaking,

- (v) amend the provisions regarding the majority requirements under these Terms and Conditions; or
  - (vi) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 18 (*Decisions by Bondholders*).
- (h) Any matter not covered by Clause 18(g) shall require the consent of Bondholders representing more than 50.00 per cent. of the aggregate Outstanding 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 20(b). 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 21(a)(i) or 21(a)(ii)) or the enforcement of any Transaction Security.
- (i) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 20.00 per cent. of the aggregate Outstanding Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (j) 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 19(a)) or initiate a second Written Procedure (in accordance with Clause 20(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purpose of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 18(h), the date of request of the second Bondholders' Meeting pursuant to Clause 19(a) or second Written Procedure pursuant to Clause 20(a), as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 18(i) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (k) 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 applicable.
- (l) 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.

- (m) 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.
- (n) 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.
- (o) 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.
- (p) If a decision is to 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 its 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 for determining whether a Bond is owned by a Group Company.
- (q) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **19. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Bondholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- (b) The notice pursuant to Clause 19(a) include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) the day on which a person must be Bondholder in order to exercise Bondholders' rights at the Bondholders' Meeting, 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.

- (c) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- (d) 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.

## **20. Written Procedure**

- (a) The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid 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 person who is registered as a Bondholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- (b) A communication pursuant to Clause 20(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 20(a)). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- (c) When consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 18(e) and 18(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18(e) or 18(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **21. Amendments and Waivers**

- (a) 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:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders as a Group, or is made solely for the purpose of rectifying obvious errors and mistakes;

- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*).
- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 21(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 12.3 (*Information among the Bondholders*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **22. Appointment and Replacement of the Agent**

### **22.1 Appointment of the Agent**

- (a) 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.
- (b) By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf as set out in Clause 22.1(a) above.
- (c) 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.
- (d) 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.
- (e) 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 Trustee Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- (f) The Agent shall, as applicable, 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.
- (g) The Agent may only act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies where these issues are ranked *pari passu* and do not otherwise entail any obvious conflicts of interest for the Agent.

## 22.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, holding the Transaction Security pursuant to the Security Document on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders.
- (b) 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.
- (c) The Agent is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care.
- (d) 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.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distributions of Proceeds*).
- (f) 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.
- (g) 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 indemnities (or adequate Security has been provided therefore) as it may reasonably require.

### **22.3 Limited liability for the Agent**

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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 18 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 15.10(a).
- (e) 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.

### **22.4 Replacement of the Agent**

- (a) Subject to Clause 22.4(f), 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.
- (b) Subject to Clause 22.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect 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.
- (c) A Bondholder (or Bondholders) representing at least 10.00 per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a 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.

- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) In the event that there is a change of the Agent in accordance with this Clause 22.4, 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 Trustee Agreement.

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

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

- (c) The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under these Terms and Conditions.

## 24. Appointment and Replacement of the CSD

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- (b) 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. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*).

## 25. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security 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 obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- (b) Clause 25(a) shall not apply if the Agent has been instructed by the Bondholders to take certain actions but is legally unable to take such actions.

## 26. Prescription

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

date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## 27. Notices

- (a) Subject to Clause 27(d), any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch;
  - (ii) if to the Issuer, to the following address:  
Cherry AB (publ)  
Blekhölmstorget 30  
111 64 Stockholm  
Sweden
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders.
- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 27(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 27(a).
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

## 28. Force Majeure and Limitation of Liability

- (a) 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, natural disaster,

insurrection, civil commotion, terrorism 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.

- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 29. Governing Law and Jurisdiction

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

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

Place: Stockholm, Sweden

Date: 6 July 2016

For and behalf of

**Cherry AB (publ)**

as Issuer



Title: CEO

Name: FREDRIK BURVALL ROLF ÅKERLIND

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

Place: Stockholm, Sweden

Date: 6 July 2016

**Nordic Trustee & Agency AB (publ)**

as Agent



Name:

**Anders Karlsson**

by POA