



**GUNNEBO**  
Industries

## **Terms and Conditions**

**Gunnebo Industrier Holding AB (publ)**

**Up to SEK 900,000,000**

**Senior Secured Callable Floating Rate Bonds**

**ISIN: SE0009888969**

**10 May 2017**

**Other than the registration of the Bonds under Swedish law, 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 this document or any other material relating to the Issuer or the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.**

**ROSCHIER**

## Table of Contents

1.	Definitions and Construction .....	1
2.	Status of the Bonds .....	12
3.	Use of Proceeds .....	13
4.	Conditions Precedent .....	14
5.	Bonds in Book-Entry Form .....	17
6.	Right to Act on Behalf of a Bondholder .....	18
7.	Payments in Respect of the Bonds .....	18
8.	Interest.....	19
9.	Redemption and Repurchase of the Bonds.....	19
10.	Transaction Security and Guarantees.....	22
11.	Priority of the Super Senior RCF.....	23
12.	Information to Bondholders .....	23
13.	Financial Undertakings .....	25
14.	General Undertakings .....	26
15.	Events of Default and Acceleration of the Bonds.....	29
16.	Distribution of Proceeds.....	32
17.	Decisions by Bondholders.....	32
18.	Bondholders' Meeting.....	35
19.	Written Procedure .....	35
20.	Amendments and Waivers .....	36
21.	Appointment and Replacement of the Agent .....	37
22.	Appointment and Replacement of the Issuing Agent.....	41
23.	No Direct Actions by Bondholders .....	41
24.	Prescription .....	41
25.	Notices .....	42
26.	Force Majeure and Limitation of Liability .....	42
27.	Governing Law and Jurisdiction .....	43

# 1. Definitions and Construction

## 1.1 Definitions

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

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

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

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all 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 (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

"**Agency Agreement**" means the agency agreement entered into on or before the First Issue Date, between the Issuer and Nordic Trustee & Agency AB (publ) in its capacity as Agent and Security Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

"**Agent**" means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Bond**" means a debt instrument (*Sw. skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*), issued by the Issuer under the Terms and Conditions.

"**Bond Issue**" means the Initial Bond Issue and any Subsequent Bond Issue.

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

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders' Meeting*).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business, other than over the Internet only, in Stockholm, Sweden.

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

"**Change of Control Event**" means the occurrence of an event or series of events whereby one or more persons, not being the Majority Shareholders, acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer (or, following an Equity Listing Event, more than 30 per cent. of the voting shares of the Issuer), or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

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

"**Completion Date**" means the date of the Agent's approval of the disbursements of the proceeds from the Escrow Account.

"**Compliance Certificate**" means a certificate, in form and substance satisfactory to the Agent (acting reasonably), signed by the Issuer certifying the Incurrence Test (including figures in respect of the relevant financial tests and the basis on which they have been calculated), and (ii) 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.

"**Delisting**" means, following an Equity Listing Event, the delisting of the shares in the Issuer from a Regulated Market.

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

- (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 and non-recurring 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) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (i) 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;
- (j) after adding any amounts claimed under loss of profit, business interruption or equivalent insurance, provided that it is reasonably likely (determined in good faith by the management of the Issuer after its best assessment) that the Group will be entitled to receive insurance proceeds under such insurance claims; and
- (k) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of members of the Group.

**"Equity Claw Back"** has the meaning given to such term in Clause 9.5(a).

**"Equity Listing Event"** means an offering of shares in the Issuer whether initial or subsequent to a public offering, resulting in shares allotted becoming quoted, listed, traded or otherwise admitted to trading on a Regulated Market.

**"Escrow Account"** means a bank account of the Issuer held with Nordea Bank AB (publ), into which the proceeds from the Initial Bonds will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Escrow Account Pledge Agreement.

**"Escrow Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Agent in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Bondholders.

**"Event of Default"** means an event or circumstance specified in any of the Clauses 15.1(*Non-payment*) to and including Clause 15.7 (*Impossibility or Illegality*).

**"Existing Financing"** means the existing external debt of approximately SEK 607 million provided by the Existing Lenders, to be fully repaid with Net Proceeds.

**"Existing Lenders"** means Nordea Bank AB (publ) and Nykredit Bank A/S.

**"Final Maturity Date"** means the date falling thirty-six (36) months after the First Issue Date.

**"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 Debt 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 the Terms and Conditions, the Security Documents, the Guarantee Agreement, the Intercreditor Agreement, the Agency Agreement, the Escrow Account Pledge Agreement and any other document designated by the Issuer and the Agent (on behalf of itself and the Bondholders) as a Finance Document.

**"Finance Lease"** means any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the accounting principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability).

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

- (a) moneys borrowed (including under any bank financing or Market Loans);
- (b) any Finance Lease;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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

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

**"First Call Date"** means the date falling twelve (12) months after the First Issue Date.

**"First Issue Date"** means 12 May 2017.

**"Force Majeure Event"** has the meaning set forth in Clause 26(a).

**"Guarantee"** means the guarantees created pursuant to the Guarantee Agreement.

**"Guarantee Agreement"** means the guarantee and adherence agreement entered into between the Issuer, the Guarantors and the Agent pursuant to which certain secured obligations will be guaranteed by the Guarantors.

**"Guarantors"** means Gunnebo Industrier Group AB, Gunnebo Industrier Aktiebolag, Gunnebo Industries Holding AS, Gunnebo Anja Industrier AS, GJC Investments Inc. and Gunnebo Industries, Inc.

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

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

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

**"Insolvent"** means, in respect of a relevant person, that it is unable or admits inability to pay its debts as they fall due, suspends or declares that it will suspend making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with all or substantially all of its known creditors (other than the Bondholders and the creditors of Senior Debt) with a view to rescheduling any of its indebtedness or is subject to involuntary winding-up, dissolution or liquidation.

**"Intercreditor Agreement"** means the intercreditor agreement entered into between, amongst other, the Issuer, the lenders under the Super Senior RCF, the agent under the Super Senior RCF, the hedging counterparties to the Super Senior Hedges and the Agent (representing the Bondholders).

**"Interest"** means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

**"Interest Payment Date"** means 12 May, 12 August, 12 November and 12 February in each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 12 August 2017 and the last Interest Payment Date shall be the Final Maturity Date (or any Redemption Date prior thereto).

**"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 STIBOR (3 months) plus the Margin.

**"Issue Date"** means the First Issue Date and any subsequent issue date on which Bonds are issued.

**"Issuer"** means Gunnebo Industrier Holding AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556759-4741.

**"Issuing Agent"** means Pareto Securities AB or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Leverage Ratio"** means the ratio of Net Interest Bearing Debt to EBITDA, calculated in accordance with Clause 13.2 (*Calculation of Leverage Ratio*).

**"Listing Failure"** means a failure to (i) list the Initial Bonds within twelve (12) months days after the First Issue Date and (ii) any Subsequent Bonds later than twenty (20) Business Days after the relevant Issue Date on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market).

**"Majority Shareholders"** means Segulah III L.P, Segulah IV L.P and/or any other fund launched as a "Segulah" fund from time to time.

**"Make Whole Amount"** means in case of a Voluntary total redemption (call option), an amount equal to:

- (a) the present value on the relevant record date of 103.00 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 less any accrued but unpaid interest up to the relevant redemption date, through and including the First Call Date (assuming that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders),

each calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond rate (i.e. comparable to the remaining duration of the Bonds until the mentioned date falling on 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.

**"Margin"** means 5.00 per cent. *per annum*.

**"Market Loans"** means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

**"Material Adverse Effect"** means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Group's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

**"Material Group Company"** means the Issuer, Gunnebo Industrier Group AB, Gunnebo Industrier Aktiebolag, Gunnebo Industries Holding AS, Gunnebo Anja Industrier AS, GJC Investments Inc., Gunnebo Industries, Inc., and any other Group Company with earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 10.00% or more of EBITDA, or has total assets representing 10.00% or more of the total assets of the Group, calculated on a consolidated basis according to the latest Group 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 Debt).

**"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, pension liabilities, Shareholder Debt, any claims subordinated pursuant to the Intercreditor Agreement 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 has requested that its 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"** means the Initial Nominal Amount of each Bond, less any amounts repaid on that Bond.

**"Original Super Senior RCF"** means the multicurrency revolving credit facility agreement between amongst others the Issuer as guarantor, Gunnebo Industrier Group AB as borrower and Pareto Bank ASA as lender and facility agent.

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

- (a) incurred under the Initial Bonds;
- (b) incurred as Financial Lease debt in a maximum amount of SEK 25,000,000;
- (c) arising under a foreign exchange transaction or a commodity transaction 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 the Terms and Conditions and/or the Super Senior RCF, but not any transaction for investment or speculative purposes;
- (d) incurred under any Super Senior Hedges;

- (e) incurred under Advance Purchase Agreement;
- (f) incurred as Shareholder Debt;
- (g) 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 of Bonds under the Terms and Conditions, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Terms and Conditions, and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date, in each case subject to the Intercreditor Agreement;
- (h) incurred under a Super Senior RCF in the maximum aggregated drawn amount of the equivalent of SEK 100,000,000;
- (i) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (j) arising as a result of a contemplated refinancing of the Bonds in full provided that such debt is held in escrow until full repayment of the Bonds;
- (k) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (l) incurred in the ordinary course of business by any Group Company under any pension and tax liabilities;
- (m) the Existing Financing until the Completion Date;
- (n) and if not permitted by any of paragraphs (a) – (m) above which does not in aggregate at any time exceed SEK 25,000,000.

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

- (a) any Security created under the Security Documents or otherwise permitted pursuant to the Intercreditor Agreement;
- (b) any lien arising by operation of law and in the ordinary course of trading (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 lease agreement entered into by a Group Company;
- (d) arising under any netting or set-off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;

- (e) provided pursuant to items (b), (c), (d), (h), (k) and (m) of the definition of Permitted Debt; and
- (f) not permitted by (a)-(f) above, in an aggregate maximum amount not, at any time, exceeding SEK 25,000,000.

**"Quarter Date"** means the last day of each quarter of the Issuer's financial year.

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

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

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

**"Reference Banks"** means Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

**"Reference Period"** means each period of twelve (12) consecutive calendar months ending on a test date.

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

**"Secured Party"** has the meaning ascribed to it in the Intercreditor Agreement.

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

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

**"Security Agent"** means Nordic Trustee & Agency AB (publ), appointed by the Secured Parties pursuant to the Intercreditor Agreement, holding the Transaction Security on behalf of the Secured Parties.

**"Security Documents"** means:

- (a) a Swedish law governed pledge agreement in respect of all the shares in Gunnebo Industrier Group AB, business identity code 556025-8625, entered into by the Issuer;

- (b) a Swedish law governed pledge agreement over all of the shares in Gunnebo Industrier Aktiebolag, business identity code 556324-9183, entered into by Gunnebo Industrier Group AB;
- (c) a Norwegian law governed pledge agreement over all of the shares in Gunnebo Industries Holding AS, business identity code 992 801 549, entered into by Gunnebo Industrier Aktiebolag;
- (d) a Norwegian law governed pledge agreement over all of the shares in Gunnebo Anja Industrier AS, business identity code 913 021 304, entered into by Gunnebo Industries Holding AS;
- (e) a pledge agreement governed by the laws of the State of Oklahoma over all of the shares in GJC Investments Inc., business identity code 26-3545244, entered into by Gunnebo Industrier Aktiebolag;
- (f) a pledge agreement governed by the laws of the State of Oklahoma over all of the shares in Gunnebo Industries, Inc., business identity code 731326522, entered into by GJC Investments Inc.; and
- (g) pledge agreements over downstream loan(s) from the Issuer to any Subsidiary to which the proceeds from the Bond Issue has been on lent, and, if applicable, further on lent from such Subsidiary to a Subsidiary, for the purpose of repayment of the Existing Financing, in the aggregate outstanding amount of no less than NOK 24,000,000 and USD 47,000,000 at any time, of which excess amounts may be amortized.

"**Senior Debt**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Senior Finance Documents**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Shareholder Debt**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Shared Security**" means the Security created under the Security Documents, being the Security over which the Secured Parties are granted first priority Security.

"**Sole Bookrunner**" means Pareto Securities AS.

"**STIBOR**" means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 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 Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

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

**"Subsidiary"** means an entity of which a person has direct or indirect control or owns directly or indirectly more than fifty (50) per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**"Super Senior Debt"** has the meaning ascribed to it in the Intercreditor Agreement.

**"Super Senior Hedges"** means hedging transactions entered into by a Group Company in respect of payments to be made under the Bonds and/or the Super Senior RCF or for hedging exposures (including hedging exposures in relation to fluctuation in currency rates) arising in the ordinary course of business, but not for speculative or investment purposes, to the extent the hedging counterparty has acceded to the Intercreditor Agreement.

**"Super Senior RCF"** means the Original Super Senior RCF (including any fees, underwriting discount premiums and other costs and expenses incurred with such financing) (as amended from time to time) or any other revolving facilities for working capital purposes or general corporate purposes used to replace the Original Super Senior RCF or any refinancing of such debt in accordance with the Intercreditor Agreement.

**"Swedish Government Bond Rate"** means the interpolated SGB rate between the SGB 12 August 2017 (series 1051) and the SGB 12 March 2019 (series 1052) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption. If a quote for any aforementioned SGB rate is unavailable on the relevant date, the Issuing Agent may select a SGB rate it deems appropriate for the purpose of the calculation set out in this definition (acting reasonably).

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

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

**"Transaction Costs"** means all fees, costs and expenses incurred by a Group Company in connection with costs in relation to acquisitions or investments, costs in relation to capital markets transactions, the Initial Bond Issue, the Original Super Senior RCF, the Super Senior Hedges, the Transaction Security and the admission to trading of the Bond.

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

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

## 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 SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) 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 SEK 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, subject to the terms of the Intercreditor Agreement.

- (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 initial nominal amount of each Initial Bond is SEK 1,000,000 (the "**Initial Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is SEK 600,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.
- (d) The Issuer may, at one or several occasions after the First Issue Date, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 900,000,000, always provided that the Incurrence Test (tested *pro forma* including such issue) is met. Any Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (e) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with (i) the Super Senior Debt pursuant to the Intercreditor Agreement, but will receive proceeds distributable to the Security Agent only after the Super Senior Debt has been repaid in full in accordance with the Intercreditor Agreement, and (ii) all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (f) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### 3. Use of Proceeds

- (a) The Net Proceeds from the Initial Bond Issue shall be applied by the Issuer towards:
  - (i) *firstly*, repayment of principal and payment of accrued but unpaid interest and other costs and fees under or in relation to the Existing Financing, and

- (ii) *secondly*, general corporate purposes of the Group.
- (b) The Net Proceeds from any Subsequent Bond Issue shall be applied by the Issuer towards general corporate purposes of the Group (including acquisitions and investments).

## **4. Conditions Precedent**

### **4.1 Conditions precedent to the First Issue Date**

The Issuer shall provide to the Agent, prior to the First Issue Date:

- (a) copies of constitutional documents of the Issuer;
- (b) copies of necessary corporate resolutions (including authorisations) from the Issuer;
- (c) a duly executed copy of the Terms and Conditions;
- (d) a duly executed copy of the Agency Agreement; and
- (e) a duly executed copy of the Escrow Account Pledge Agreement together with all documents and other evidences to be delivered pursuant to the Escrow Account Pledge Agreement.

### **4.2 The Escrow Account**

The Net Proceeds from the Initial Bonds shall be transferred by the Issuing Agent to the Escrow Account. The Escrow Account will be blocked and pledged by the Issuer in favour of the Bondholders (represented by the Agent) under the Escrow Account Pledge Agreement. The pledge over the Escrow Account shall be released when the conditions precedent for disbursement have been fulfilled pursuant to Clause 4.3 below.

### **4.3 Disbursement of the Net Proceeds from the Initial Bonds**

- (a) The Agent's approval of disbursement from the Escrow Account is subject to the following having been received by the Agent:
  - (i) a copy of the executed Original Super Senior RCF;
  - (ii) a copy of the executed Intercreditor Agreement;
  - (iii) a copy of the executed Security Documents;
  - (iv) evidence that documents and other evidences to be delivered pursuant to the Security Documents have been delivered or will be delivered as soon as practicably possible following repayment of the Existing Financing;
  - (v) a copy of the executed Guarantee Agreement;

- (vi) corporate documents of Gunnebo Industrier Group AB and Gunnebo Industrier Aktiebolag (each, a "**Swedish Guarantor**):
  - (A) copies of constitutional documents of each Swedish Guarantor; and
  - (B) copies of necessary corporate resolutions (including authorisations) from each Swedish Guarantor.
  
- (vii) corporate documents of Gunnebo Industries Holding AS and Gunnebo Anja Industrier AS (each, a "**Norwegian Guarantor**):
  - (A) a copy of the articles of association (without any restrictions on the transferability of the shares) of each Norwegian Guarantor;
  - (B) a certificate of registration from the Norwegian companies register of each Norwegian Guarantor;
  - (C) a copy of a resolution of the board of directors of each Norwegian Guarantor:
    - (a) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
    - (b) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
    - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
  - (D) to the extent that any changes will be or has been made to the composition of the board of director's (and provided that such changes has not been registered with the Norwegian companies register) of a Norwegian Guarantor, a copy of the minutes of the extraordinary general meeting evidencing that such changes have become effective; and
  - (E) a copy the minutes of the extra ordinary general meeting of Gunnebo Industries Holding AS' evidencing that the intra group loan to be granted by Gunnebo Industrier AB to Gunnebo Industries Holding AS has been approved in accordance with the provisions of § 3-8 of the Norwegian Private Limited Liability Companies Act.
  
- (viii) corporate documents of GJC Investments Inc. and Gunnebo Industries, Inc. (each, a "**US Guarantor**"):

- (A) copies of the articles or certificate of incorporation of each US Guarantor certified by the Oklahoma Secretary of State;
  - (B) copies of the bylaws or other internal governance documents of each US Guarantor certified pursuant to an Officers' Certificate;
  - (C) good standing certificate with respect to GJC Investments Inc. issued by the Oklahoma Secretary of State;
  - (D) good standing certificate with respect to Gunnebo Industries, Inc. issued by the secretary of state (or equivalent official) of Pennsylvania (such certificate may show the former corporate name "Gunnebo Johnson Corporation, Inc.");
  - (E) good standing certificate with respect to Gunnebo Industries, Inc. issued by the secretary of state (or equivalent official) of Texas;
  - (F) copies of the resolutions adopted by the Board of Directors of each US Guarantor authorising the execution, delivery and performance of each Finance Document to which such US Guarantor is a party, certified pursuant to an Officers' Certificate; and
  - (G) an incumbency certificate pursuant to an Officers' Certificate of each US Guarantor certifying as to the names, titles and signatures of the officers authorised to execute and deliver on behalf of such US Guarantor the Finance Documents to which it is a party.
- (ix) an irrevocable payment instruction from the Issuer to include the amount required to repay the Existing Financing (including all accrued but unpaid interest, break costs and other fees) on the Completion Date, (the "**Existing Financing Repayment Instructions**");
  - (x) a delivery undertaking from the Existing Lenders (represented by the security agent under the Existing Financing), whereby the Existing Lenders undertakes to immediately release and deliver to the Agent any documents relating to the security securing the Existing Financing (which shall be granted as Transaction Security) and to take such further actions as may be reasonably necessary in order to give effect to such release upon receipt of the amount set out in paragraph (ix) above;
  - (xi) agreed form Compliance Certificate;
  - (xii) a legal opinion regarding Norwegian law relating to any Finance Document;
  - (xiii) a legal opinion regarding the law of the State of Oklahoma relating to any Finance Document; and

- (xiv) such other documents and information as is agreed between the Agent and the Issuer.
- (b) The Agent does not have any obligation to review the documents and evidence referred to in Clause 4.3(a) above from a legal or commercial perspective of the Bondholders. The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete and the Trustee does not have to verify or assess the contents of any such documentation.
- (c) When the Agent is satisfied that it has received the conditions precedent for disbursement set out in Clause 4.3(a), the Agent shall immediately instruct the bank (with which the Issuer holds the Escrow Account) to promptly transfer the funds from the Escrow Account in accordance with the Existing Financing Repayment Instructions. The Agent shall thereafter or in connection therewith release the pledge over the Escrow Account.
- (d) If the conditions precedent for disbursement set out in Clause 4.3(a) have not been fulfilled on or before sixty (60) calendar days following the First Issue Date, the Issuer shall redeem all Bonds at a price equal to one hundred (100) per cent. of the Nominal Amount together with any accrued but unpaid interest. The Agent may partly fund the redemption with the amounts standing to the credit on the Escrow Account.

## 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 an Account Operator.
- (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 when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (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.

## **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, or any amount due in respect of a repurchase of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, 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.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (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(d) 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, unless the Issuer or the CSD (as applicable) was aware that the payment was being 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 relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date
- (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) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, 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 and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold by the Issuer but may not be cancelled.

### **9.3 Voluntary prepayment**

- (a) The Issuer may on one occasion each calendar year, make partial repayments of Bonds in an amount corresponding to a maximum of ten (10) per cent of the aggregate Initial Nominal Amount. Any such partial repayment shall reduce the

outstanding Nominal Amount of each Bond *pro rata* (rounded down to the nearest SEK 1). The prepayment price for each Bond shall be a premium on the repaid amount as set forth in the Call Option Amount for the relevant period and, shall for the non-call period (until the First Call Date) be the price set out in paragraph (b) of the Call Option Amount definition below together with accrued but unpaid interest.

- (b) Partial repayment in accordance with paragraph (a) above shall be made by the Issuer giving not less than twenty (20) Business Days' notice to the Bondholders and the Agent and the repayment shall be made on the immediately following Interest Payment Date (after the notice period has elapsed).

#### 9.4 Voluntary total redemption (call option)

The Issuer may redeem all, but not some only, of the outstanding Bonds in full:

- (a) any time prior to the First Call Date, at an amount per Bond equal to the Make Whole Amount together with accrued but unpaid interest;
- (b) any time from and including the First Call Date to, but excluding, the first Business Day falling eighteen (18) months after the First Issue Date at an amount per Bond equal to 103.00 per cent. of the Nominal Amount, together with accrued but unpaid interest;
- (c) any time from and including the first Business Day falling eighteen (18) months after the First Issue Date to, but excluding, the first Business Day falling twenty-four (24) months after the First Issue Date at an amount per Bond equal to 102.50 per cent. of the Nominal Amount, together with accrued but unpaid interest;
- (d) any time from and including the first Business Day falling twenty-four (24) months after the First Issue Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date at an amount per Bond equal to 101.25 per cent. of the Nominal Amount, together with accrued but unpaid interest; or
- (e) any time from and including the first Business Day falling thirty (30) months after the First Issue Date to, but excluding, Final Maturity Date at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid interest.

#### 9.5 Equity Claw Back (call option)

- (a) Provided that the Bonds have been and remain listed at a Regulated Market, the Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 40.00 per cent. of the total outstanding Nominal Amount (provided that at least 60.00 per cent. of the total Initial Bond Issue remains outstanding after such repayment), in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata* ("**Equity Claw Back**").

- (b) The Equity Claw Back must occur on an Interest Payment Date within 180 days after such initial public offering and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering).
- (c) The repayment per Bond shall equal the repaid percentage of the outstanding Nominal Amount (rounded down to the nearest SEK 1) plus (i) a premium on the repaid amount as set forth in the call option amount for the relevant period set out in in Clause 9.4 (*Voluntary total redemption (call option)*) and, shall for the period from and including the Issue Date to, but excluding, the First Call Date be the price set out in Clause 9.4(b) and (ii) accrued but unpaid interest on the repaid amount.

## **9.6 Redemption notice**

Redemption in accordance with Clauses 9.3, 9.4 and 9.5 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 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.

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

- (a) Upon a Change of Control Event, Listing Failure or Delisting 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 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, Listing Failure or Delisting pursuant to Clause 12.1(c) (after which time period such right shall lapse).
- (b) The notice from the Issuer pursuant to Clause 12.1(c) shall specify the Record Date and the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 12.1(c). The Redemption Date must fall no later than sixty (60) Business Days after the end of the period referred to in Clause 9.7(a).
- (c) The Issuer intends to list (i) the Initial Bonds within twelve (12) months and (ii) any Subsequent Bonds not later than twenty (20) Business Days after the relevant Issue Date on a Regulated Market, and failure to list shall constitute a Listing Failure.

- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.7 may at the Issuer's discretion be retained, sold or cancelled.

## 9.8 General

- (a) 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, 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 by virtue of the conflict.

## 10. Transaction Security and Guarantees

- (a) Subject to the Intercreditor Agreement and applicable limitation language, as continuing Security for the due and punctual fulfilment of the payment obligations under the Senior Finance Documents, the Issuer and the relevant Group Companies grants on the First Issue Date the Transaction Security to the Bondholders (as represented by the Agent), the Agent and the other Secured Parties.
- (b) Subject to the Intercreditor Agreement and applicable limitation language, each Guarantor will, as principal obligor (*Sw. proprieborgen*), pursuant to a Guarantee Agreement guarantee the punctual fulfilment by the Issuer of the payment obligations under the Senior Finance Documents.
- (c) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee Agreement and the Intercreditor Agreement.
- (d) Unless and until the Security Agent has received instructions from the Instructing Party (as defined in the Intercreditor Agreement) to the contrary, the Security Agent may (without first having to obtain the Bondholders' consent), be entitled (but not obliged) to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling the Bondholders', the creditors' under the Super Senior RCF, the counterparties' under the Super Senior Hedges or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Security Documents, the Intercreditor Agreement and the Terms and Conditions and provided that such agreements or actions are not detrimental to the interests of the Bondholders.
- (e) Subject to the Intercreditor Agreement, the Security Agent may release Transaction Security and Guarantees in accordance with the terms of the Security Documents, the Guarantee Agreement and the Intercreditor Agreement. For the avoidance of doubt, any Transaction Security or Guarantee will always be released in such way which does not affect the sharing between the Bondholders, the Super Senior RCF providers and the Super Senior Hedge providers of the remaining Transaction Security and Guarantees and/or the

ranking and priority of the Bondholders, the Super Senior RCF providers and the Super Senior Hedge providers as specified in the Intercreditor Agreement.

## 11. Priority of the Super Senior RCF

The relationship between the Bondholders and the creditors in respect of the Super Senior RCF and the Super Senior Hedges will be governed by the Intercreditor Agreement, which, among other things, will implement the following principles:

(a) *Priority of the Super Senior RCF in case of insolvency*

In the case of insolvency of the Issuer, the Financial Indebtedness incurred by the Issuer under the Bonds will be subordinated to the Financial Indebtedness owed by the Issuer under the Super Senior RCF and the Super Senior Hedges.

(b) *Priority of the Super Senior RCF with respect to Shared Security*

In case of enforcement of the Shared Security, any enforcement proceeds will first be applied towards repayment of the Financial Indebtedness incurred by the Issuer under the Super Senior RCF and the Super Senior Hedges and secondly towards redemption of the Bonds.

(c) *Consultation period before enforcement of Shared Security*

If Conflicting Enforcement Instructions (as defined in the Intercreditor Agreement) are provided by the Agent or the agent under the Super Senior RCF the Agent and the agent under the Super Senior RCF must enter into consultations for a period of maximum thirty (30) calendar days as set out in the Intercreditor Agreement (unless such consultation is waived by the Agent and the agent under the Super Senior RCF).

## 12. Information to Bondholders

### 12.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language 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 prepared in accordance with the Accounting Principles;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group (the first report covering the period ending on the last day of the calendar quarter in which the First Issue Date occurs) prepared in accordance with the Accounting Principles; and

- (iii) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) The Issuer shall in each quarterly interim report delivered, disclose the amount of Bonds issued by the Issuer during the financial quarter pertaining to such report, provided that no such information shall be necessary if no Bonds have been issued during the relevant financial quarter.
- (c) The Issuer shall immediately notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, Listing Failure or Delisting and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 12.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) The Issuer shall submit a Compliance Certificate to the Agent in connection with the testing of the Incurrence Test.
- (f) The Issuer shall immediately notify the Agent upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of 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.
- (g) 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.
- (h) When and for as long as the Bonds are listed, the financial reports mentioned in paragraph 12.1(a) above shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of NASDAQ Stockholm (as amended from time to time) and the Swedish Securities Market Act.

## 12.2 Information from the Agent

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

## 12.3 Publication of Finance Documents

- (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 Issuer and the Agent.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

## 13. Financial Undertakings

### 13.1 Incurrence Test

The Incurrence Test is met if

- (a) the Leverage Ratio is not greater than:
  - (i) 5.00, if tested during the period from the First Issue Date to, and including, the date falling 12 months after the First Issue Date;
  - (ii) 4.50, if tested during the period from the date falling 12 months after the First Issue Date to, and including, the date falling 24 months after the First Issue Date; and
  - (iii) 4.00, if tested during the period from the date falling 24 months after the First Issue Date to, and including, the Final Maturity Date; and
- (b) no Event of Default is continuing or would occur upon the incurrence or the Restricted Payment (as applicable).

### 13.2 Calculation of Leverage Ratio

Leverage Ratio shall be calculated as follows:

- (a) The calculation shall be made as per a testing date determined by the Issuer, falling no more than two months prior to the incurrence of the new Financial Indebtedness or the making of a Restricted Payment.
- (b) The amount of Net Interest Bearing Debt shall be measured on the relevant testing date, but include any new Financial Indebtedness, but exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred, (however, any cash balance resulting from the

incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

### 13.3 Adjustments to EBITDA

The figures for EBITDA 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:

- (a) entities acquired or disposed:
  - (i) during a test period; or
  - (ii) after the end of the test period but before the relevant testing date,
 will be included or excluded (as applicable) *pro forma* for the entire test period; and
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire 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

The Issuer shall not, and shall procure that no other Group Company will:

- (a) pay any dividends on shares;
  - (b) repurchase any of its own shares;
  - (c) redeem its share capital or other restricted equity (*Sw. bundet eget kapital*) with repayment to shareholders;
  - (d) grant any loans (other than to the Issuer or a Subsidiary of the Issuer or in the ordinary course of trading);
  - (e) make any payments in relation to the Shareholder Debt; or
  - (f) make other distributions or transfers of value (*Sw. värdeöverföringar*) within the meaning of the Swedish Companies Act to its direct or indirect shareholders,
- (items 14.2(a) - 14.2(f) above are together and individually referred to as a "**Restricted Payment**"), provided however

- (i) that any such Restricted Payment can be made, if made to the Issuer or a wholly-owned Subsidiary of the Issuer or, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; and/or
- (ii) following an Equity Listing Event and following an Equity Claw Back of 40.00 per cent. of the total outstanding Nominal Amount, a Restricted Payment may be made by the Issuer, if at the time of the payment:
  - (A) the Incurrence Test is fulfilled (calculated on a proforma basis including the relevant Restricted Payment); and
  - (B) 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 50.00 per cent. of the Group's consolidated net profit for the previous fiscal year reduced by the amount of any distribution to any minority shareholder.

### **14.3 Change of business**

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on as of the Completion Date if such change would have a Material Adverse Effect

### **14.4 Financial Indebtedness**

The Issuer shall not (and shall procure that no other Group Company will) incur, prolong, renew or extend any additional Financial Indebtedness, except any Financial Indebtedness that constitutes Permitted Debt.

### **14.5 Dealings at arm's length terms**

The Issuer shall, and shall procure that each other Group Company, conduct all dealings with persons, other than Group Companies, at arm's length terms.

### **14.6 Disposal of Assets**

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of the shares in any Subsidiary, or substantially all the business or assets of a Subsidiary, other than:

- (a) permitted under the terms of the Intercreditor Agreement;
- (b) disposals made by a Group Company to another Group Company (except for the Issuer), provided that:
  - (i) the disposal is made subject to any Transaction Security provided;
  - (ii) the disposal is made to either (A) a Group Company over which a first ranking share pledge is provided to the Secured Parties, or (B) an

indirect Subsidiary of the Issuer, provided that all shares of the direct holding company of such Subsidiary are subject to a first ranking share pledge to the Secured Parties; and

- (iii) the relevant disposal does not involve shares in any Group Company.
- (c) disposals made of obsolete or redundant assets; or
- (d) any disposals, provided that:
  - (i) the net proceeds from such disposal are reinvested in the same line of business within 12 months, or agreed to be so within 12 months and reinvested within 180 days from the end of the 12 month period, from the disposal and that the shares of the Group Company owning the assets arising from any such reinvestment are pledged in favour of the bondholders and that any Intercompany Loan made with reinvestment proceeds to such Group Company is pledged in favour of the Secured Parties, or
  - (ii) an amount equivalent to the net disposal proceeds is applied towards prepayment on outstanding Bonds pro rata (rounded down to the nearest SEK 1) free of any penalties or premiums.

#### **14.7 Negative Pledge**

The Issuer shall not, and shall procure that no other Group Company, create or allow to subsist any Security over any of its assets to secure Financial Indebtedness, other than any Permitted Security.

#### **14.8 *Pari Passu* Ranking**

- (a) The Issuer shall ensure that its payment obligations under the Bonds at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.
- (b) The Super Senior RCF and the Super Senior Hedges ranks with priority to the Bonds in accordance with the Intercreditor Agreement.

#### **14.9 Mergers and demergers**

- (a) Subject to the terms of the Intercreditor Agreement, the Issuer shall not and shall procure that no Material Group Company demerge or merge with an entity not being a Group Company if such merger or demerger is likely to have a Material Adverse Effect or if such merger or demerger would be prohibited as an acquisition or a disposal hereunder. A merger or demerger involving the Issuer, where the Issuer is not the surviving entity, is not permitted.
- (b) No merger or demerger is permitted of entities whose shares have been pledged other than in accordance with the terms of the Intercreditor Agreement.

#### **14.10 Compliance with laws:**

The Issuer shall, and shall make sure that the Group Companies:

- (a) comply in all material respects with all laws and regulations applicable from time to time to it; and
- (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

#### **14.11 Maintenance of environmental permits**

The Issuer shall ensure that each Group Company in all material respects obtains, maintains and ensures compliance with all environmental permits or authorisations applicable from time to time and required for the Group's business where failure to do so would have a Material Adverse Effect.

#### **14.12 Cash transfer restrictions**

No transfer of cash or cash equivalent assets shall be permitted from any Group Company to the Issuer unless such transfer is made for the purpose of satisfying an obligation of the Issuer, which is due within six (6) months from such transfer.

#### **14.13 Set-off of loans between Group Companies**

The Issuer shall, on a best effort basis, procure that loans from a Group Company to the Issuer are set-off against dividends as soon as possible.

#### **14.14 Holding Company status**

The Issuer shall not trade, carry on any business, own any assets or incur any liabilities except for (i) the provision of administrative services (excluding treasury services) to other members of the Group of a type customarily provided by a holding company to its Subsidiaries, (ii) ownership of shares in its Subsidiaries (but only if those shares are subject to the Transaction Security), intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and Cash equivalent investments, (iii) any professional fees and administration costs in the ordinary course of business as a holding company, and (iv) as provided by the Senior Finance Documents.

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

Each of the events or circumstances set out in this Clause 15 (other than Clause 15.9 (*Acceleration of the Bonds*)) is an event of default.

#### **15.1 Non-payment**

The Issuer or a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless the non-payment:

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

## 15.2 Other Obligations

A party (other than the Agent) does not comply with its obligations under the Finance Documents, in any other way than as set out in Clause 15.1 (*Non-payment*) above, unless the non-compliance:

- (a) is capable of remedy; and
- (b) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the relevant Group Company becoming aware of the noncompliance.

## 15.3 Cross-acceleration

Any Financial Indebtedness of a Material Group Company is not paid within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) and any step is taken to accelerate the Financial Indebtedness, provided that no Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness is less than SEK 30,000,000.

## 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 actions, legal proceedings or other procedures are taken (other than (A) proceedings which are vexatious or frivolous or are being disputed in good faith and are discharged within sixty (60) calendar days, (B) proceedings or petitions concerning a claim which is less than SEK 20,000,000 and (C), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, reorganisation (Sw. *företagsrekonstruktion*) or similar (by way of voluntary arrangement or otherwise) of any Material Group Company; and
- (b) the appointment of a liquidator, administrator, or other similar officer in respect of any Material Group Company or any of its assets or any analogous procedure.

## 15.6 Creditors' Process

Any 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 equal to or exceeding SEK 20,000,000 and is not discharged within sixty (60) calendar days.

## 15.7 Impossibility or Illegality

It becomes impossible or unlawful for the Issuer or any other Group Company to fulfil or perform any of the provisions of the Finance Documents or the Security created or expressed to be created thereby is varied or ceases to be effective and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders.

## 15.8 Continuation of the Business

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

## 15.9 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreement, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 15.9(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) 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.

- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 15.9, the Issuer shall, subject to the Intercreditor Agreement, redeem all Bonds at an amount equal to the redemption amount specified in Clause 9.4, as applicable considering when the acceleration occurs.

## 16. Distribution of Proceeds

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 or Guarantees shall be distributed in accordance with the terms of the Intercreditor Agreement.

## 17. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (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) 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 Business Day specified in the notice pursuant to Clause 18(c), in respect of a Bondholders' Meeting, or
- (ii) on the Business Day specified in the communication pursuant to Clause 19(c), 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.

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c):
  - (i) waive a breach of or amend an undertaking set out in Clause 14 (*General Undertakings*);
  - (ii) release the security or guarantee provided under the Security Documents or the Guarantee Agreement (except in accordance with the Senior Finance Documents);
  - (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, or
  - (v) amend the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 17(e) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c). 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 20(a)(i) or 20(a)(iii)), an acceleration of the Bonds or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17(e), and otherwise twenty (20) per cent. of the Adjusted 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.
- (h) 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 18(a)) or initiate a second Written Procedure (in accordance with Clause 19(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. The quorum requirement in Clause 17(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) All reasonable 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.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company.
- (o) 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.

## **18. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 18(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.5(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18(a).
- (c) The notice pursuant to Clause 18(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) agenda for the meeting (including each request for a decision by the Bondholders) and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) 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.

## **19. Written Procedure**

- (a) The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 19(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 fifteen (15) Business Days from the communication pursuant to Clause 19(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17(e) and 17(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17(e) or 17(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 20. 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 (subject to the terms of the Intercreditor Agreement), provided that:
  - (i) in the opinion of the Agent and/or as confirmed by a reputable external expert engaged by the Agent (if the Agent reasonably considers it necessary to engage such expert), such amendment or waiver is not detrimental to the interest of the Bondholders as a group;
  - (ii) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
  - (iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (iv) such amendment will not negatively affect the Bondholders or the Agent and is necessary for the purpose of the listing of the Bonds; or
  - (v) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20(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 on the website of the Agent in the manner stipulated in Clause 12.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- (d) 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.

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

### **21.1 General**

Any reference to the Agent in this Section 21 shall also include a reference to the Security Agent to the extent applicable and subject to the terms of the Intercreditor Agreement.

### **21.2 Appointment of 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 any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and Guarantees.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 21.2(a).
- (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 Agency 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 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.

### 21.3 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security and Guarantees pursuant to the Security Documents and Guarantee Agreement on behalf of the Bondholders (in its capacity as Security Agent) and, where relevant, enforcing the Transaction Security and/or Guarantees on behalf of the Bondholders (in its capacity as Security Agent). The Agent is not responsible for the content, valid execution, legal validity, perfection or enforceability of the Finance Documents.
- (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's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.
- (d) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (f) 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.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Issuer and the Agent. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for

the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of Proceeds*).

- (h) 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.
- (i) 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, or the Bondholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.3(i).

#### **21.4 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 addressed to 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 or the Issuer for damage caused by the Agent when acting in accordance with instructions of the Bondholders given to the Agent in accordance with the Terms and Conditions.

- (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.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

## **21.5 Replacement of the Agent**

- (a) Subject to Clause 21.5(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 21.5(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (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 21.5, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22. 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 Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **23. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Subject to the terms of the Intercreditor Agreement, Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions.

## **24. 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.

## 25. Notices

- (a) 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, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
  - (ii) if to the Issuer, to the following address
    - (A) the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch; or
    - (B) if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time.
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent it is possible to deliver by way of courier to the addresses registered with the CSD) 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 25(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 25(a) or, in case of email, when received in readable form by the email recipient.

## 26. 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 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 the Finance Documents, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27. Governing Law and Jurisdiction**

- (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

Date: 10 May 2017

**Gunnebo Industrier Holding AB (publ)**

as Issuer



Name: Claude Unge

by proxy

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

Place: Stockholm

Date: 10 May 2017

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

as Agent

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

Place: Stockholm

Date: 10 May 2017

**Gunnebo Industrier Holding AB (publ)**

as Issuer

---

Name:

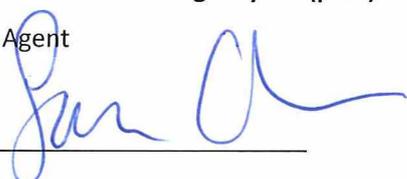
We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place: Stockholm

Date: 10 May 2017

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

as Agent



---

Name:

**Sara Olsson**