

## Terms and Conditions

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These terms and conditions (the “**Terms and Conditions**”) shall apply to any and all loans that Kungsleden AB (publ) (Reg. No. 556545-1217) (the “**Company**”) issues on the capital market under this programme (this “**MTN Programme**”) by issuing notes with a term of not less than one year, so called Medium Term Notes.

### 1. DEFINITIONS

1.1 In addition to the definitions set forth above, the following terms shall have the meaning given below.

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

“**Adjusted Loan Amount**” means the Loan Amount less the amount of all MTN owned by the Company or another Group Company, whether the Company or that Group Company is directly registered as owner of such MTN or not.

“**Agent**” means Nordic Trustee & Agency AB (publ) (Reg. No. 556882-1879), or another agent which may replace it as an agent in accordance with Clause 17 (*Replacement of Agent*).

“**Agency Agreement**” means the agreement between the Company and the Agent whereby the Agent is appointed and instructed to act as an Agent in accordance with the Loan Terms.

“**Base CPI**” means the relevant rate of inflation determined at the date specified in the Final Terms.

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

“**Calculation Agent**” means (i) if a Loan has been issued by two or more Issuing Dealers, the Issuing Dealer designated by the Company to be responsible for certain administrative tasks regarding the Loan in accordance with the Final Terms; and (ii) if a Loan has been issued by only one Issuing Dealer, the Issuing Dealer.

“**Children and Parents Code**” means the Swedish Children and Parents Code (Swe: *föräldrabalken (1949:381)*).

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

“**CPI**” means consumer price index or – if CPI has ceased to be determined or published – an equivalent index with respect to consumer prices in Sweden as determined or published by Statistics Sweden (SCB) or the body which, in SCB’s place, determines or publishes such index. In the event an index series is changed, the new index shall be recalculated to the index series on which the Base CPI is based.

“**Day Count Convention**” means, when calculating an amount for a certain reference period, the stated basis of calculation and which:

- (a) if the calculation method “**30/360**” is specified as applicable, means that the amount is to be calculated based on a year with 360 days consisting of twelve months each consisting of 30 days; and
- (b) if the calculation method “**actual/360**” is specified as applicable, means that the amount is to be calculated on the actual number of days elapsed in the relevant period divided by 360.

“**Dealers**” means Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ), Swedbank AB (publ), Arctic Securities

AS, filial Sverige and every other dealer specially authorized by Euroclear Sweden to process and register issues in the Euroclear Sweden system, that accedes to this MTN Programme in accordance with Clause 13.2, however, only as long as such institution has not retired as a dealer.

**"Debt Register"** means the register, held by Euroclear Sweden, of Noteholders in relation to a Loan.

**"EURIBOR"** means:

- (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the relevant day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Calculation Agent at its request quoted by the Reference Banks, for deposits of EUR 10,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Calculation Agent best reflects the interest rate for deposits in Euro offered for the relevant period.

**"Euro"** and **"EUR"** means the single currency of the participating member states in accordance with the European Union's framework for the Economic and Monetary Union (EMU).

**"Euroclear Sweden"** means Euroclear Sweden AB (Reg. No. 556112-8074).

**"Final CPI"** means the relevant rate of inflation determined at the date specified in the Final Terms.

**"Final Terms"** means the final terms established for a particular Loan under this MTN Programme in accordance with Appendix 1 (*Form of Final Terms*).

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

**"Group"** means the Company and its subsidiaries from time to time (where the term subsidiary has the meaning as defined in the Companies Act).

**"Group Company"** means a company which is a part of the Group.

**"Interest Rate"** means the rate of interest applicable to a Loan, as specified in the Final Terms.

**"Issuing Dealer"**, means, in accordance with the Final Terms, that or those Dealers through which a particular Loan has been issued under this MTN Programme.

**"Limitations Act"** means the Swedish Limitations Act (Swe: *preskriptionslag (1981:130)*).

**"Loan"** means every Loan, comprising of one or more MTN, issued by the Company under this MTN Programme.

**"Loan Amount"** is the aggregate Nominal Amount of MTN with regards to a particular Loan.

**"Loan Date"** means, in accordance with the Final Terms, the date from which interest (if applicable) shall begin to accrue.

**"Loan Terms"** means, for a particular Loan, these Terms and Conditions and the Final Terms for such Loan.

**"Material Group Company"** means the Company and each Group Company representing (on a consolidated basis) more than five per cent of the consolidated total assets of the Group, as set out in the most recently published audited financial statements of the Company.

**"Maturity Date"** means, in accordance with the Final Terms, the date when MTN shall be repaid.

**“MTN”** means a unilateral debt instrument in the Nominal Amount which has been registered in accordance with the Financial Instruments Accounts Act and which is part of a Loan issued by the Company under this MTN Programme.

**“Nominal Amount”** means the amount of each MTN as stated in the Final Terms (reduced by any repaid amount).

**“Noteholder”** means the person who is registered on a Securities Account as direct registered owner (Swe: *ägare*) or nominee (Swe: *förvaltare*) with respect to a MTN.

**“Noteholders’ Meeting”** means a meeting among the Noteholders held in accordance with Clause 12 (*Noteholders’ Meeting*).

**“Record Date”** means the fifth Business Day (or another Business Day which is market practice on the Swedish bond market), prior to (i) the payment date for interest or principal in accordance with the Loan Terms; or (ii) another relevant date.

**“Reference Banks”** means Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) or such replacing banks appointed by the Calculation Agent.

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

**“Redemption Date”** means the date on which a Loan is repaid in accordance with Clause 9.2 (*Early redemption on change of control*).

**“Securities Account”** means the account maintained by Euroclear Sweden in accordance with 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.

**“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 relevant day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Calculation 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 Calculation Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

**“Stock Market (Takeover Bids) Act”** means the Swedish Stock Market (Takeover Bids) Act (Swe: *lag (2006:451) om offentliga uppköpserbudanden på aktiemarknaden*).

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

1.2 When ascertaining whether a limit or threshold expressed in Swedish Kronor has been reached or exceeded, an amount in another currency shall be counted on the basis of the rate of exchange on the previous Business Day which is published on Reuters site “SEKFIX=” (or through other such system or on another site which replaces the aforementioned system or site) or, if no such rate is published, the rate of exchange for such currency against Swedish Kronor for the mentioned date, as published by the Swedish Central Bank (Riksbanken) on its website ([www.riksbank.se](http://www.riksbank.se)).

1.3 Further definitions such as Green Loan, Interest Rate, Interest Commencement Date, Settlement Date, Base Rate, Margin, Interest Determination Date, Interest Payment Date(s), Interest Period and Currency are set out (if applicable) in the Final Terms.

- 1.4 The definitions set out in in these Terms and Conditions shall apply to the Final Terms.

## **2. ISSUE OF LOANS**

- 2.1 Under this MTN Programme the Company may issue MTN, denominated in Swedish Kronor or in Euro, with a maturity of at least one year. Under a Loan, MTN may be issued in multiple tranches without the approval of any Noteholder under the relevant Loan, provided that the terms of such tranches are identical with the exception of Settlement Date, Loan Amount, Price per MTN and Issuing Dealer.
- 2.2 By subscribing to MTN each initial Noteholder approves that its MTN shall be governed by the Loan Terms. By acquiring MTN each new Noteholder confirms such approval.
- 2.3 The Company undertakes to make payments in respect of issued MTN in accordance with the Loan Terms and to comply with the Loan Terms for MTN.
- 2.4 If the Company wishes to issue MTN under this MTN Programme the Company shall enter into a separate agreement for this purpose with one or more Dealers which shall be the Issuing Dealers for such Loan. Final Terms shall be established in relation to each particular Loan, which together with these Terms and Conditions shall constitute the full Loan Terms.

## **3. REGISTRATION OF MTN**

- 3.1 MTN shall be registered on a Securities Account on behalf of Noteholders and, accordingly, no physical MTN will be issued. Registration requests relating to MTN shall be directed to an Account Operator.
- 3.2 Those who according to assignment, pledge, the provisions of the Children and Parents Code, conditions of will or deed of gift or otherwise have acquired a right to receive payment in respect of a MTN shall procure for registration of their right to receive payment.
- 3.3 The Agent shall be entitled to obtain information from Euroclear Sweden regarding the contents of the Debt Register for purposes of carrying out their duties in accordance with these terms and conditions and if Euroclear Sweden permits, for other purposes, and shall not disclose such information to any Noteholder or third party unless necessary for such purposes. The Agent shall not be responsible for the content of such excerpt or in any other way be responsible for verifying who is a Noteholder.
- 3.4 The Company shall, if necessary for the Agent to be able to obtain information in accordance with Clause 3.3 above, issue a power of attorney for individuals employed by the Agent (as specified by the Agent) in order for these individuals to independently obtain information from the Debt Register. The Company may not revoke such power of attorney except if the Agent so instructs the Company, or gives its approval to the Company.

## **4. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 4.1 If any person other than a Noteholder wishes to exercise the Noteholder's rights under the Loan Terms or vote at a Noteholders' Meeting, that person must present the Agent with a power of

attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder.

- 4.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some, or all, of the MTN held by the Noteholder. Any such representative may act independently and may further delegate its right to represent the Noteholder.

## **5. PAYMENTS**

- 5.1 Payment in respect of MTN denominated in Swedish Kronor shall be made in Swedish Kronor and payment in respect of MTN denominated in Euro shall be made in Euro.
- 5.2 Payment in respect of MTN shall be made to the person who is registered as a Noteholder on the Record Date for the respective payment date or to such person who is registered with Euroclear Sweden on the Record Date as being entitled to receive such payment.
- 5.3 If a Noteholder has registered, through an Account Operator, that principal or interest shall be deposited into a certain bank account, such deposit shall be effected by Euroclear Sweden on the relevant payment date. In any other case, Euroclear Sweden shall transfer the amount on the respective payment date to the Noteholder to the address registered with Euroclear Sweden on the Record Date. Should Euroclear Sweden, due to a delay on behalf of the Company or due to any other obstacle, not be able to effect payments as aforesaid, the Company shall ensure that such payments are made to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 5.4 The Company is entitled to postpone its payment obligations, if the Company cannot fulfil payment obligations through Euroclear Sweden due to an obstacle for Euroclear Sweden. In the case of such postponement, interest shall accrue in accordance with Clause 7.2.
- 5.5 If payment is made in accordance with this Clause 5, the Company and Euroclear shall be deemed to have fulfilled their payment obligations, irrespective of whether such payment was made to a person not entitled to receive such amount. However, this shall not apply if the Company or Euroclear Sweden were aware that payment was made to a person not entitled to receive the payment.

## **6. INTEREST**

- 6.1 Interest (if any) on a particular Loan is calculated in accordance with the Final Terms.
- 6.2 The basis for interest calculation shall be stated in the Final Terms according to one of the following alternatives:

(a) Fixed Rate

If a Loan is specified as a Loan with Fixed Rate the Loan will bear interest at the Interest Rate from, but excluding, the Loan Date up to and including the Maturity Date.

Interest accrued during each Interest Period is paid in arrears on the relevant Interest Payment Date and shall be calculated using the Day Count Convention 30/360 for Loans denominated in Swedish Kronor or Euro.

(b) Floating Rate (FRN)

If a Loan is specified as a Loan with Floating Rate the Loan will bear interest at the Interest Rate from, but excluding, the Loan Date up to and including the Maturity Date. The Interest Rate for the relevant Interest Period shall be calculated by the Calculation Agent on the respective Interest Determination Date and is the sum of the Base Rate and the Margin for the relevant period. If the Interest Rate calculated is less than zero, the Interest Rate shall be deemed to be zero.

If the Interest Rate cannot be determined on the Interest Determination Date due to such obstacle as referred to in Clause 20.1, interest shall continue to accrue on the Loan at the interest rate applicable to the preceding Interest Period. As soon as the obstacle has been removed, the Calculation Agent shall calculate a new Interest Rate which shall be effective from the second Business Day following the day of the calculation until the expiration of the current Interest Period.

Interest accrued during each Interest Period will be payable in arrears on the relevant Interest Payment Date and shall be calculated using the Day Count Convention Actual/360 for Loans denominated in Swedish Kronor or Euro.

(c) Real Interest Rate

A Loan with real interest rate bears an inflation-protected interest from, but excluding, the Loan Date up to and including the Maturity Date. The Interest Rate may be fixed or floating and shall be calculated in the same manner as set forth above in Clause 6.2 (a) or (b), and is multiplied with a number which is calculated by dividing Final CPI with Base CPI. The amount of interest linked to inflation for each Interest Period shall be notified to the Noteholders, in accordance with Clause 19 (*Notices*), when the Calculation Agent has determined the amount.

If the Interest Rate cannot be determined on the Interest Determination Date due to such obstacle as referred to in Clause 20.1, interest shall continue to accrue on the Loan at the interest rate applicable to the preceding Interest Period. As soon as the obstacle has been removed, the Calculation Agent shall calculate a new Interest Rate which shall be effective from the second Business Day following the day of the calculation until the expiration of the current Interest Period.

(d) Zero Coupon

If the Loan is specified as a Zero Coupon Loan it bears no interest. Zero Coupon Loans may be issued at a discount and redeemed at an amount per MTN corresponding to the Nominal Amount or a proportion thereof.

6.3 If the Interest Payment Date for a Loan bearing a Fixed Interest Rate is not a Business Day, then interest will be paid on the next Business Day. Interest is calculated and accrued only up to and including the Interest Payment Date.

6.4 If the Interest Payment Date for a Loan bearing Floating Rate is not a Business Day, then the next Business Day shall be considered the Interest Payment Date provided that such Business Day does not occur in a new calendar month, in which case the Interest Payment Date shall be the previous Business Day.

**7. DEFAULT INTEREST**

7.1 In the event of any default in payment, default interest shall be payable on the overdue amount from its due date up to and including the date on which payment is made at a rate corresponding to the average of one week STIBOR for MTN denominated in Swedish Kronor and one week EURIBOR for MTN denominated in Euro for the duration of the delay, plus two percentage points in each case. STIBOR and EURIBOR shall for this purpose be determined on the first Business Day in each calendar week for the duration of the period of default. Default interest, in accordance with this Clause 7.1, for interest-bearing Loans shall never be paid at a lower interest rate than the interest rate applicable to the relevant Loan on its relevant due date with the addition of two percentage points. Default interest shall not be capitalised.

7.2 If the default in payment is due to an obstacle affecting a Dealer, the Calculation Agent or Euroclear Sweden, default interest shall accrue at a rate corresponding to (i) for interest-bearing Loans, the interest rate applicable to the relevant Loan on its relevant due date; or (ii) for non-interest-bearing Loans, the average of one weeks STIBOR or EURIBOR respectively for the duration of the delay

(whereby STIBOR and EURIBOR shall be determined the first Business Day of each calendar week for the duration of the period of default).

## **8. REDEMPTION AND REPURCHASE**

- 8.1 The Loan shall be redeemed on the Maturity Date at the amount per MTN stated in the Final Terms together with accrued interest (if any). If the Maturity Date is not a Business Day, redemption shall occur on first following Business Day.
- 8.2 The Final Terms may contain provisions which gives the Company a right or obligation to redeem all or part of Loan together with accrued interest (if any) prior to the Maturity Date.
- 8.3 The Company may, subject to applicable law, at any time and at any price repurchase MTN. MTN held by the Company may at the Company's discretion be retained, sold or cancelled.

## **9. EARLY REDEMPTION ON CHANGE OF CONTROL**

- 9.1 Each Noteholder has the right to request that its MTN under a Loan be redeemed prior to its stated Maturity Date:
- (a) in the event or series of events resulting in that a natural or legal person, alone or together with a person closely associated in accordance with the Stock Market (Takeover Bids) Act
    - (i) control more than 50 per cent of the total outstanding shares or votes in the Company; or
    - (ii) through agreement, or in any other way, alone (or together with such closely associated person as stated above) have the power to appoint a majority of the members of the Board of Directors of the Company; or
  - (b) the shares in the Company cease to be listed for trading on a Regulated Market.
- 9.2 The Company is obliged to, as soon as it becomes aware of a change of control pursuant to Clause 9.1 above, notify the Noteholders and the Agent in accordance with Clause 19 (*Notices*). The notice shall contain information on (i) how a Noteholder that wishes to exercise its right of redemption pursuant to this Clause 9 shall proceed; and (ii) the Redemption Date. Within 10 Business Days after having received such notice, a Noteholder that wishes to redeem MTN shall give notice to the Company.
- 9.3 The Redemption Date shall fall no earlier than 30 Business Days and no later than 40 Business Days after notice of the change of control has been submitted to the Noteholders in accordance with Clause 9.2, however, if the Redemption Date is not a Business Day the Redemption Date shall be the following Business Day.
- 9.4 If there is a right of redemption, the Company shall redeem the relevant MTN on the Redemption Date at the price per MTN that would have been paid on the Maturity Date together with accrued interest (if any). For MTN which is a Zero Coupon Loan the amount per MTN shall be calculated in accordance with Clause 11.8.

## **10. GENERAL UNDERTAKINGS**

The Company undertakes, as long as any Loan is outstanding, to comply with the undertakings set out in this Clause 10.

### **10.1 Status of the Loan**

The Company shall ensure that its payment obligations under the Loan rank at least *pari passu* with its other unsubordinated and unsecured payment obligations, except for those obligations which are mandatorily preferred by law.

### **10.2 Assets of the Company**

The Company shall not dispose of all or substantially all of the fixed assets of the Group if such disposal would adversely affect the Company's ability to fulfil its payment obligations to the Noteholders.

### **10.3 Admission to trading on a Regulated Market**

The Company undertakes to apply for admission on the relevant Regulated Market for Loans, which according to the Final terms shall be admitted to trading on a Regulated Market, and to take any measures that may be required to maintain the admission as long as the relevant Loan is outstanding, however, not longer than what is possible pursuant to applicable laws and regulations.

### **10.4 Availability of Loan Terms**

Terms and Conditions and the Final Terms for all outstanding Loans shall be available on the Company's website and shall, without prior request, be provided to the Agent by the Company.

## **11. EVENTS OF DEFAULT**

### **11.1 The Agent shall (i) following a written demand from Noteholders representing at least one-tenth of the Adjusted Loan Amount of the relevant Loan, or (ii) if decided on a Noteholders' Meeting by Noteholders of the relevant Loan, declare in written form, the relevant Loan together with interest (if any) due for payment immediately or at the date determined by the Agent or Noteholders' Meeting (if applicable), if:**

- (a) the Company does not in due time pay principal or interest attributable to the Loan, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within three Business Days; or
- (b) the Company does not fulfil its obligations in accordance with the Loan Terms relating to the relevant Loan, other than those stated above in (a) (and excluding its obligations under the Green Terms), provided that:
  - (i) remedy is possible; and
  - (ii) the Agent has requested in writing that the Company shall remedy the non-compliance and that such remedy has not taken place within 15 Business Days after the request; or
- (c) (i) a Group Company does not, with respect to any other loan, fulfil its payment obligations in due time or during any applicable grace period, and the loan therefore has been accelerated, or could have been accelerated (or, if there are no provisions regarding acceleration or the missed payment should have been the final payment, the delay lasts more than 15 Business Days), provided that the outstanding debt under the relevant loan



amounts to at least SEK 50,000,000; or (ii) any other loan to a Group Company is declared due as a result of an event of default (however described), provided that the aggregate amount of debt due under such loan is at least SEK 50,000,000; or

- (d) a Group Company, within 15 Business Day of receiving a rightful claim, does not fulfil a guarantee liability or guarantee that the Group Company has issued for an obligation of another party, provided that the aggregate amount of the claims which have not been fulfilled is at least SEK 50,000,000; or
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset with a value exceeding SEK 50,000,00 of a Group Company and is not discharged within 30 Business Days; or
- (f) a Material Group Company suspends its payments; or
- (g) a Material Group Company applies for, or approves an application for, company reconstruction or similar proceedings; or
- (h) a Material Group Company enters into bankruptcy; or
- (i) a decision is made that the Company shall go into liquidation or that a Material Group Company shall be placed in compulsory liquidation; or
- (j) the Board of Directors of the Company establishes a merger plan according to which the Company shall enter into a merger where the Company is not the surviving entity.

The term “loan” above in paragraph (c) above includes credits on overdraft accounts and amounts which have not been received as loans, but which are to be paid on the basis of a debt security which is clearly intended for public trading.

- 11.2 Noteholders shall, as soon as possible after a request in accordance with Clause 11.1 is made, submit evidence to the Agent showing that the Noteholder was a Noteholder on the relevant Business Day that the request was made. A request under Clause 11.1 may only be submitted by a Noteholder who alone represents a tenth of the Adjusted Loan Amount or by Noteholders who together represent a tenth of the Adjusted Loan Amount on the relevant Business Day.
- 11.3 The Agent may not declare the relevant Loan together with interest (if any) due for payment in accordance with Clause 11.1 by a reference to circumstances constituting an event of default if a Noteholders’ Meeting has resolved to waive such circumstances or it has been decided by the Noteholders’ Meeting that the relevant circumstances shall not give rise to an acceleration pursuant to Clause 11.1.
- 11.4 The Company shall immediately inform the Agent if any default listed in Clause 11.1 is outstanding. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstances exist, provided that the Agent does not have actual knowledge to the contrary. The Agent is not obliged to monitor whether a default or an event of default pursuant to Clause 11.1 is outstanding.
- 11.5 The Company shall, at the times considered necessary by the Agent, provide the Agent with a certificate regarding the circumstances set out in Clause 11.1. The Company shall further provide the Agent with any information that the Agent may request regarding the circumstances in Clause 11.1 and, on the request of the Agent, provide the Agent with documentation which may be of importance in this respect.
- 11.6 The Agent shall, if the Agent has been informed by the Company or if it’s otherwise clear to the Agent that an event of default under Clause 11.1 is outstanding, within ten Business Days notify the Noteholders and seek the Noteholders instruction of whether a Loan shall be declared due for

payment by convening a Noteholders' Meeting in accordance with Clause 12 (*Noteholders' Meeting*). The Agent shall, however, always be entitled to take the time necessary to determine whether a certain event constitutes an event of default or not.

11.7 If an event of default, according to the Agent's determination, has ceased prior to acceleration of the Loan in accordance with Clause 11.1, or if the Agent determines that a decision of the Noteholders to accelerate the Loan has not been correctly made, the Agent is not obliged to carry out an acceleration of the Loan, unless the Noteholders provide a written guarantee to indemnify the Agent and provide the Agent with collateral acceptable to the Agent.

11.8 In case of a redemption of Loans following acceleration in accordance with Clause 11.1:

- (a) interest-bearing Loans shall be redeemed at an amount per MTN that would have been redeemed on the Maturity Date together with accrued interest until and including the date of redemption; and
- (b) non-interest-bearing Loans shall be redeemed at an amount per MTN determined by the following formula per the date of acceleration of the Loan:

$$\frac{\text{Nominal Amount}}{(1 + r)^t}$$

r = the ask rate quoted by the Calculation Agent for Swedish Government Bonds with an outstanding term to maturity corresponding to the remaining term of the relevant Loan. In the absence of such ask rate, the bid rate shall instead be used, as reduced by a market bid/ask spread, expressed in percentage points. The calculation shall be based on the closing quotation.

t = the remaining term for the relevant Loan, expressed in the Day Count Convention Actual/360 for MTN denominated in Swedish Kronor or Euro.

## 12. NOTEHOLDERS' MEETING

12.1 The Agent is entitled to, and shall at the request of the Company, the Calculation Agent or Noteholders who at the time of the request represent at least one-tenth of the Adjusted Loan Amount under the relevant Loan (such request may only be made by Noteholders who are registered in the Debt Register on the next Business Day after the day the request was received by the Agent and must, if made by several Noteholders who alone represents less than ten per cent of the Adjusted Loan Amount, be done together), convene a Noteholders' Meeting for the Noteholders under the relevant Loan.

12.2 The Agent shall convene a Noteholders' Meeting by written notice to each Noteholder and the Company, within five Business Days from the date when a complete request was received from the Company or Noteholders in accordance with Clause 12.1 (or such later date as necessary for technical or administrative reasons). The Agent shall also, without delay, inform each Issuing Dealer and the Calculation Agent in writing about this notice.

12.3 The Agent may refrain from convening a Noteholders' Meeting if (i) the proposed resolution must be approved by a person, in addition to the Noteholders, and this person has notified the Agent that such approval will not be given; or (ii) the proposed resolution is not compatible with applicable law.

12.4 The notice sent by the Agent in accordance with Clause 12.2, shall contain (i) the time and place of the meeting; (ii) an agenda listing the matters to be addressed at the meeting (including a detailed summary of each proposed decision); (iii) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting (the "**Voting Record Date**") and (iv) a proxy form. A decision may not be made at the meeting in respect of any matter that is not listed in the notice. The notice shall, if Noteholders are required to announce their intention to participate in the Noteholders' Meeting, contain information of such requirement.

- 12.5 The Noteholders' Meeting shall not be held earlier than 15 Business Days and no later than 30 Business Days after the notice. Noteholders' Meetings for several Loans under the MTN Programme may be held on the same occasion.
- 12.6 The Agent may, without deviating from the provisions in these Terms and Conditions and as it deems appropriate, stipulate further provisions regarding the convening and holding of the Noteholders' Meeting. Such provisions may include provisions enabling Noteholders to vote without attending the meeting in person.
- 12.7 Only a person who is, or has been issued a power of attorney in accordance with Clause 4 (*Right to act on behalf of a Noteholder*) by someone who is a Noteholder on the Record Date for the Noteholders' Meeting may exercise voting rights at such Noteholders' Meeting, provided that the relevant MTN is covered by the Adjusted Loan Amount. The Agent has the right to attend, and shall make sure that an extract from the Debt Register at the Record Date for the Noteholders' Meeting is available at, the Noteholders' Meeting.
- 12.8 The Noteholders and the Agent, and their respective counsel or representatives, are entitled to attend a Noteholders' Meeting. The Noteholders' Meeting may resolve that other persons may attend. Representatives shall submit a power of attorney to be approved by the chairman of the Noteholders' Meeting. The Noteholders' Meeting shall commence with the appointment of a chairman, recording clerk and attestor(s). The chairman shall prepare a list of Noteholders that are present with the right to vote at the meeting, with information on the proportion of the Adjusted Loan amount that is held by each respective Noteholder (the "**Voting Register**"). The Voting Register shall thereafter be approved by the Noteholders' Meeting. When applying these provisions Noteholders who have cast their vote via electronic voting, ballot paper or equivalent shall be deemed present at the Noteholders' Meeting. Only those who, on the Voting Record Date of the Noteholders' Meeting, were Noteholders, or representatives for such Noteholders, and who are covered by the Adjusted Loan Amount, are entitled to vote and shall be included in the Voting Register. The Company shall be granted access to relevant voting calculations and the basis for these. The minutes shall be completed as soon as possible and be made available to Noteholders, the Company and the Agent.
- 12.9 Decisions on the following matters require the approval of Noteholders representing at least 80 per cent of the part of the Adjusted Loan Amount for which Noteholders vote under the relevant Loan at the Noteholders' Meeting:
- (a) changing of the Maturity Date, reduction of the Nominal Amount, changing of terms relating to interest or the amount that is to be repaid (other than in accordance with the Loan Terms) and changing of the relevant Currency for the Loan;
  - (b) substitution of debtor;
  - (c) amending the provisions for the Noteholders' Meeting in this Clause 12; and
  - (d) mandatory exchange of MTN into another security.
- 12.10 Matters which are not covered by Clause 12.9 requires the approval of Noteholders representing more than 50 per cent of the portion of the Adjusted Loan Amount for which Noteholders vote under the relevant Loan at the Noteholders' Meeting. This includes, but is not limited to, amendments and waivers of rights with relation to the Loan Terms which do not require a greater majority (other than changes in accordance with Clause 13 (*Amendments of terms etc.*) and acceleration of Loans.
- 12.11 Quorum at a Noteholders' Meeting requires the presence of Noteholders, in person or via telephone (or by a representative with a power of attorney), representing at least 50 per cent of the Adjusted Loan Amount for matters listed in Clause 12.9 and for any other matter 20 per cent of the Adjusted Loan Amount.

- 12.12 If the Noteholders' Meeting has not met the necessary quorum requirements, the Agent shall convene a new Noteholders' Meeting (in accordance with Clause 12.2) provided that the relevant proposal has not been withdrawn by the initiator of the Noteholders' Meeting. The quorum requirement in Clause 12.11 is not applicable for such new Noteholders' Meeting. If the Noteholders' Meeting has met the quorum requirement for certain, but not all, matters which are to be resolved on in the meeting, decisions shall be made on those matters for which a quorum is present and any other matter is to be referred to a new Noteholders' Meeting.
- 12.13 A decision at a Noteholders' Meeting which extends new obligations to or limits the rights of the Company, the Agent, the Calculation Agent, the Dealers or the Issuing Dealer under the Terms and Conditions requires the approval of the relevant party.
- 12.14 A Noteholder which holds more than one MTN does not need to vote for all, or vote in the same way for all MTN held.
- 12.15 The Company may not, directly or indirectly, pay or contribute to the payment of any compensation to any Noteholder for its approval under the Loan Terms unless such compensation is offered to all Noteholders at the relevant Noteholders' Meeting.
- 12.16 A decision made at a Noteholders' Meeting shall be binding on all Noteholders under the relevant Loan, whether or not they were present at the Noteholders' Meeting. Noteholders that did not vote in favour of a decision shall not be held liable for any damage that the decision may cause another Noteholder.
- 12.17 The Company shall, in accordance with the Agency Agreement, reimburse the Agent for costs incurred by it in connection with the Noteholders' Meeting including reasonable compensation for the Agent.
- 12.18 The Company shall, without delay, at the request of the Agent, provide the Agent with a certificate which states the Nominal Amount for MTN which is owned by Group Companies on the relevant Voting Record Date before a Noteholders' Meeting, regardless if such Group Company is directly registered as owner of MTN. The Agent shall not be held responsible for the contents of such certificate or otherwise be responsible for determining if a MTN is owned by a Group Company.
- 12.19 Noteholders under the relevant Loan shall, without delay, be notified of decisions made at a Noteholders' Meeting through press release, on the Company's website and in accordance with Clause 19 (*Notices*). The Agent shall, on the request of a Noteholders or a Dealer, provide them with the minutes from the relevant Noteholders' Meeting. Failure to notify the Noteholders as stated above in this Clause 12.19 does not affect the validity of the decision.

### **13. AMENDMENT OF TERMS ETC.**

- 13.1 The Company, the Issuing Dealers and the Agent (on behalf of the Noteholders) are entitled to agree upon:
- (a) adjustment of clear and obvious errors in the Loan Terms;
  - (b) changes and amendments to the Loan Terms as required by law, court order or official decision.
- 13.2 Appointment of a Dealer may be made through an agreement between the Company, the relevant dealer and the Dealers. A Dealer may retire as a Dealer, however, a Calculation Agent under a particular Loan may only retire as such if a new Calculation Agent is simultaneously appointed in its place.

- 13.3 The Company may, if resolved upon at a Noteholders' Meeting in accordance with Clause 12 (*Noteholders' Meeting*), make amendments to the Loan Terms in instances other than those set out in Clause 13.1.
- 13.4 A decision made on a Noteholders' Meeting to amend or waive any Loan Term may include only the substance of the amendment and need not contain the specific form of the amendment.
- 13.5 A decision regarding an amendment to the Loan Terms shall also contain a decision regarding when the amendment shall enter into force and if relevant, any conditions for the amendment to enter into force.
- 13.6 Information regarding a decision to amend or waive any terms and conditions of a Loan in accordance with this Clause 13, shall be submitted to the Noteholders in accordance with Clause 19 (*Notices*) and published in accordance with Clause 10.4 (*Availability of Loan Terms*). The decision shall also be published on the Agent's website.

#### **14. DISTRIBUTION OF PROCEEDS**

- 14.1 All payments made after an acceleration in accordance with Clause 11 (*Events of Default*), by the Company in accordance with the Loan Terms shall be distributed in the following order:
- (a) firstly; for payment of outstanding fees, costs, expenses and losses (plus interest) incurred by the Agent, or a person on its behalf, in relation to the Agency Agreement, following an acceleration in accordance with Clause 11 (*Events of Default*), in relation to a Noteholders' Meeting or otherwise due to the Agent having fulfilled its obligations or exercised its right in accordance with the Loan Terms;
  - (b) secondly; for payment pro rata to the Noteholders of accrued, but unpaid, interest in relation to MTN;
  - (c) thirdly; for payment pro rata to the Noteholders of outstanding principal in relation to MTN;
  - (d) fourthly; for pro rata payment of other costs and amounts which are outstanding under the Loan Terms; and
  - (e) fifthly; for payment of the surplus (if any) to the Company or other entitled person.

#### **15. AGENT'S RIGHT TO REPRESENT THE NOTEHOLDERS**

- 15.1 By subscribing for or acquiring an MTN, each Noteholder authorises the Agent to represent the Noteholder in all matters related to MTN. The Agent, thus, has the right, without power of attorney or consent from the Noteholders, and without prior notice, to represent the Noteholders in and out of court and in relation to enforcement authorities, in all situations or matters relating to the Loan Terms and the Loan.
- 15.2 Each Noteholder shall, at the request of the Agent or an Issuing Dealer, issue the necessary power of attorney to the Agent or the person the Agent puts in its place. The Agent is not obligated to represent a Noteholder which does not comply with such request.
- 15.3 The Company 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 Loan Terms.
- 15.4 Noteholders are not entitled to, in any other way than explicitly stated in the Loan Terms, take any action to demand payment under the Loan, or take action to liquidate, apply for bankruptcy or other action of equal measure in relation to the Company, nor to take any legal action such as to bring action before a court or authority with regards to the Loan, in any case other than if (i) the Agent

does not have the right to litigate on behalf of the Noteholders in any legal proceeding; (ii) if the Agent, in accordance with the Loan Terms, has been instructed by the Noteholders to take certain action which it has not taken within reasonable time (provided that the failure to take such action is not caused by the Noteholder's failure to, on request, issue the necessary power of attorney in accordance with Clause 15.2); or (iii) in the case of an individual Noteholder's claim in accordance with Clause 9 (*Early redemption on change of control*).

15.5 The Agent shall not be accountable towards any Noteholder with the respect to any amount received on its own behalf.

15.6 The Agent is entitled to rely on any guarantee, notice or document which the Agent deems to be genuine, correct and sufficiently authorised and every assurance made by a member of the Board of Directors, signatory or employee of the Company with respect to any question which may reasonably be assumed to be within the respective person's knowledge or control to verify.

## **16. DUTIES OF THE AGENT**

16.1 The Agent shall represent the Noteholders in accordance with the Loan Terms and shall, as long as any MTN is outstanding, act, exclusively, in the interest of the Noteholders and is not obligated to observe any other interest or act in accordance with instructions from any other party, unless expressly stated in the Loan Terms.

16.2 The Agent is not responsible for the content, due execution, legal validity or enforceability of the Loan Terms or any other document.

16.3 The Agent shall publish the latest version of the Terms and Conditions and Final Terms for each MTN on its website.

16.4 The Agent shall have the necessary skills and experience, organization and available resources for the performance of its duties, and shall have relevant insurance against civil liability. The Agent shall be able to carry out its duties promptly and in a professional manner, and may, on behalf of the Noteholders, take the measures, including entering into binding agreements, that the Agent deems necessary to maintain, protect and enforce the rights under the Loan Terms. 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 Loan Terms.

16.5 The Agent's duties under the Loan Terms are administrative in nature and the Agent acts only in accordance with the Loan Terms or in accordance with instructions from the Noteholders unless otherwise stated in the Loan Terms. When acting in accordance with the Loan Terms, the Agent is always acting with binding effect on behalf of the Noteholders. However, the Agent is not an advisor (legal, financial or other) to the Noteholders or any other person and, thus, any advice, assessment or interpretation given by it is not binding for the Noteholders.

16.6 The Agent is always entitled to, at the expense of the Company, engage external advisors or experts to the extent that it is necessary for the Agent to carry out its duties in accordance with the Loan Terms and/or related documents. The Company will reimburse the Agent for all costs for external advisors or experts engaged (i) after an occurrence of an event of default; or (ii) for the purpose of reviewing (A) a circumstance that the Agent reasonably believes could be an event of default, (B) a circumstance relating to the Company which the Agent believes may be detrimental to the interest of the Noteholders; or (iii) as otherwise agreed between the Agent and the Company.

16.7 If, in the Agent's reasonable opinion, the cost, loss or liability which it may incur (including fees to the Agent) in relation to complying with instructions from the Noteholders, or taking any action at its own initiative, will not be covered by the Company, 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.

- 16.8 The Agent is not obliged to do, or omit to do, anything if it would, or might in the Agent's reasonable opinion, constitute a breach of any law or regulation or any duty of confidentiality.
- 16.9 The Agent is not obliged to continuously monitor the Company's financial position or fulfilment of its obligations under the Loan Terms unless expressly stated in the Loan Terms.
- 16.10 The Agent is entitled to rely on statements and certificates from the Company as evidence of factual situations regarding the Company, unless the Agent becomes aware that such facts are incorrect.
- 16.11 Any funds received by the Agent in relation to MTN shall be kept as separate funds (Sw: *redovisningsmedel*) and, without undue delay, be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 16.12 The Agent shall be entitled to disclose information to the Noteholders regarding events and circumstances which directly or indirectly relate to the Company or the Loans. However, the Agent is entitled, if it deems it beneficial for the Noteholders, to omit or await the disclosure of such information, except when relating to the events of default as set out in Clause 11.1.

## **17. REPLACEMENT OF AGENT**

- 17.1 The Noteholders may, by a decision made on a Noteholders' Meeting, replace the Agent. The Company and Agent shall ensure that a replacing agent enters into an agency agreement with the Company without delay, but no later than 30 days after the Noteholders' decision. Such new agency agreement shall be at market terms primarily through a substitution of the agent in the existing Agency Agreement. Only when such agreement is entered into, the duties of the retiring Agent will cease and the duties of the new Agent will commence.
- 17.2 The Agent may resign by giving notice to the Company and Noteholders, in which case a new Agent shall be appointed at a Noteholders' Meeting.
- 17.3 In the event that there is a change of Agent in accordance with this Clause 17, the Company and the Agent shall immediately take all necessary actions to ensure that the assignment and duties of the retiring Agent are transferred.
- 17.4 A succession of Agents does not affect the retiring Agent's rights and obligations towards the Company and/or Noteholders attributable to actions it took or failed to take whilst acting as Agent, unless otherwise agreed upon between the retiring Agent and the new Agent. A transfer of obligations may only be made if security is provided by the retiring Agent in favour of the Company and the Noteholders.

## **18. TIME BARRING OF CLAIMS**

- 18.1 The right to receive repayment of principal shall be subject to time bar and become void ten years from the Maturity Date. The right to receive payment of interest shall be subject to time bar and become void three years from the relevant Interest Payment Date. The Company is entitled to any funds set aside for payments in respect of claims which have become void due to time bar.
- 18.2 If a period of limitation is duly interrupted (Swe: *preskriptionsavbrott*), a new limitation period of ten years with respect to the right to receive repayment of the principal, and of three years with respect to the right to receive payment of 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 Limitations Act.

## **19. NOTICES**

19.1 Any notice or other communication to be made under or in connection with the Loan Terms:

- (a) if to the Agent, an Issuing Dealer or the Calculation Agent shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Company, to the email address notified by the recipient to the Company from time to time;
- (b) if to the Company, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Company to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with Euroclear Sweden, on the Business Day prior to dispatch, and by either courier delivery (if practicably possible) or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Company and the Agent.

19.2 Any notice or other communication made by one person to another under or in connection with the Loan Terms shall be sent by way of courier, personal delivery or letter, or, if between the Company and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 19.1 in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 19.1 or, in case of email, when received in readable form by the email recipient.

19.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## **20. FORCE MAJEURE AND LIMITATION OF LIABILITY**

20.1 Neither the Agent nor the Issuing Dealers or the Calculation Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the person itself takes such measures, or is subject to such measures.

20.2 None of the Calculation Agent, the Agent or an Issuing Dealer shall have any liability to the Noteholders if it has observed reasonable care. The Agent shall be considered to have observed reasonable care if it has acted in accordance with advice from or opinions of reputable external experts provided 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 Noteholders to delay the action in order to first obtain instructions from the Noteholders. The Calculation Agent, the Agent or the Issuing Dealer shall never be responsible for indirect damage.

20.3 Should a Force Majeure Event arise which prevents the Agent, an Issuing Dealer or the Calculation Agent from taking any action required to comply with the Loan Terms, such action may be postponed until the obstacle has been removed.

20.4 The provisions in this Clause 20 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which shall take precedence.

20.5 The Agent shall not be held liable towards the Company or Noteholders (or another party) for action taken (or failure to take action) in accordance with decision made, or instruction given, by the



Noteholders in accordance with the Loan Terms. The Agent is not liable for information provided to Noteholders on the behalf of the Company or anyone else.

**21. GOVERNING LAW AND JURISDICTION**

21.1 The Loan Terms are governed by the laws of Sweden.

21.2 Disputes shall be settled in the courts of Sweden. The Stockholm District Court shall be court of first instance.

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It is hereby confirmed that the above Terms and Conditions are binding on us.

Stockholm, 22 September 2017

Kungsleden AB (publ)