

**PROSPECTUS
FOR
STENDÖRREN FASTIGHETER AB (PUBL)
UP TO SEK 1,000,000,000
SENIOR UNSECURED FLOATING RATE NOTES**

14 August 2017



**Issuing agent:
Swedbank AB (publ)**

Important Information

This prospectus (the “**Prospectus**”) has been prepared by Stendörren Fastigheter AB (publ), Reg. No. 556825-4741 (the “**Company**” or “**Stendörren**”), in relation to the application for listing of the up to SEK 1,000,000,000 senior unsecured floating notes (the “**Notes**”) on the Corporate Bond List on NASDAQ OMX Stockholm AB (“**Nasdaq Stockholm**”). ABG Sundal Collier AB and Swedbank AB (publ) has acted as financial advisors to the Company in relation to the listing of the Notes on Nasdaq Stockholm.

This Prospectus has been prepared in accordance with the rules and regulations of the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Section 25 and 26 of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus shall be read together with all documents which have been incorporated by reference (see “*Documents incorporated by reference*”) and any supplements to this Prospectus.

This Prospectus will be available at the Swedish Financial Supervisory Authority's website (www.fi.se) and the Company's website (www.stendorren.se). Paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors. Certain financial and other information set forth in this Prospectus has been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. It has been prepared solely for the purpose of listing the Notes on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to observe, such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. The Company has not undertaken to register the Notes under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Notes in the future. Furthermore, the Company has not registered the Notes under any other country's securities laws. It is the investor's obligation to ensure that the offers and sales of the Notes comply with all applicable securities laws.

The Notes may not be a suitable investment for all investors and each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risk of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact other Notes will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

THIS PROSPECTUS HAS BEEN PRODUCED IN AN ENGLISH LANGUAGE VERSION ONLY.

Forward-looking statements

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Company or its subsidiaries (the “**Group**”). The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future remits, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Company's operations. Such factors of a significant nature are mentioned in the section “*Risk Factors*” below.

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Risk Factors

Investments in notes always entail a certain degree of risk and this is also the case for an investment in the Notes. A number of factors, both within the Company's control but also factors not controllable by the Company, affect, or could affect, the Company's profit, financial position and the Notes. Described below, in no particular order of importance and without claim to be exhaustive, are the risk factors and significant circumstances considered to be material to the Company's business and future development. The risk factors currently applicable, both general risks attributable to the Company's operations and risks linked directly to the Notes in their capacity of financial instruments, are described below. The intention is to describe risks that are linked to the Company's business and thus also the Company's ability to fulfil its obligations in accordance with the Terms and Conditions and the market risks associated with the Notes.

Before making a decision about acquisition of the Notes, any potential investors should carefully consider the risk factors described below, as well as any other provided information about the Company and the Notes. In addition, an investor must, alone or together with its financial and other advisers, engage in a general evaluation of external facts, other provided information and general information about the real estate market and real estate companies from its own perspective. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to bear these risks.

Additional risk factors that are not currently known or not currently considered to be material may also affect the Company's future operations, performance, result and financial position, and thus the Company's ability to fulfil its obligations in accordance with the Terms and Conditions.

All risk factors described below may potentially adversely affect the Company's operations, financial position and result. In turn this would affect the Company's ability to fulfil its obligations in accordance with the Terms and Conditions.

The information contained in this presentation is based on estimates provided by the management of the Company. Please note that no financial or tax due diligence has been carried out for the purpose of this material and that the scope of the legal due diligence carried out for the purpose of this material has been limited.

Risks relating to the Company

Macroeconomic factors

The real estate business is to a large extent affected by macroeconomic factors such as the general economic trend, regional economic development, employment rate development, production rate of new premises, changes of infrastructure, inflation and interest rates. The development of the economy is a material factor for supply and demand on the real estate market and accordingly affects vacancy and rental rates for the Properties.

Expectations regarding inflation affect the interest rate and therefore affect the Company's net financial income. The interest cost for debts to financial institutions is one of the Company's main cost items. In the long term, changes in the interest rate have a significant effect on the Company's result and cash flow. Inflation also affects the Company's costs. In addition, changes in the interest rate and inflation also affect the yield requirements and thus the market value of the Properties.

Negative changes in macroeconomic factors could adversely affect the Company's operations, earnings and financial position.

Rental income and rental development

Rental income is the Company's main source of income. The Company's rental income is affected by the vacancies of the Properties, contracted rental rates and the tenants paying their rents on time. Rental rates are affected by, *inter alia*, the supply and demand on the market and the level of the market rental rates.

Increased vacancies and/or decreased rental rates will negatively affect the Company's earnings. The risk of fluctuations in vacancies increases with more single large tenants. The ten largest tenants as of 30 June 2017 accounted for approximately one third (1/3) of the total contracted rental income, of which the largest, being Coop Sverige, accounted for approximately eleven (11) per cent. The total number of leases entered into with the ten largest tenants was 11 as of 30 June 2017. There is a risk that the Company's larger tenants do not renew or extend their lease agreements upon expiry and that the Company does not find new tenants, which in the long term could lead to a decrease in rental income and an increase in vacancies. The leases entered into with the Group's ten largest tenants are of different duration. The average term of all leases was 5.1 years as of 30 June 2017, and the remaining term of the ten largest leases was 7.4 years as of 30 June 2017.

Large fluctuations in vacancies, a decrease in the market rental rates or any other loss of rental income may adversely affect the Company's financial position and results.

Geographical risks

The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within geographical markets. The Company's Properties are located in the larger Stockholm area (Sw. *Storstockholm*) and Mälaren Valley (Sw. *Mälardalen*). If the demand for premises to lease declines in that market, it could adversely affect the Company's operations, result and financial position.

Technical risks

Real estate investments involve technical risks. A technical risk can be described as the risk related to the technical operations of the Property, such as the risk of defects relating to the construction of the Property, other latent shortcomings or deficiencies, damages (for instance due to fire or other forces of nature) and environmental hazards. If any technical problems should occur, such occurrence may result in significantly increased costs for the Properties which in turn may adversely affect the Company's financial position and results.

Operating and maintenance costs

Tenants leasing industrial premises usually have a relatively extensive liability for operations and maintenance. Operating costs are mainly costs that are tariff-based, such as costs for electricity, cleaning, water and heating. When a cost increase is not compensated through regulation of the lease, or an increase in rent by renegotiation of the lease agreement, it may have a negative effect on the Company's financial position and results. In the event of vacancies, the Company's result may be affected mainly by loss of revenue.

Maintenance costs include costs that are necessary in order to maintain the standard of Properties in the long term. The occurrence of unforeseen and extensive renovation needs on Properties may have a negative effect on the Company's earnings and cash flows.

Holding company risks

The Company is a holding company and the Group's operations are mainly run through its subsidiaries. The Company is hence dependent on its subsidiaries to fulfil its obligations under the Notes. The Group intends to provide the Company with liquidity by way of intra-group loans, dividends or other transfers of value in order for the Company to fulfil its obligations under the Notes. However, if the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Company, there is a risk that the Company will not be able to fulfil its obligations under the Notes.

Dependency on members of management and other key personnel

The knowledge, experience and commitment of the Company's employees are important for the Company's future development. If the Company is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Company, it may have a negative effect on the Company's operations, financial position and results.

Transactions

The Company's Property portfolios may vary over time and acquisition and sale of additional Properties and Property owning companies are a part of the Company's and the Group's ordinary business. This may lead to attractive Properties or Property owning companies being disposed of whereas less attractive Properties or Property owning companies may be acquired, which could lead to a decrease in the market value of the Company's Property portfolios. The disposal of Properties within the Group could also have a significant negative effect on the Company's cash flow if such Properties are sold at a low price. If the Properties are sold to a lower price than expected or if the market value of the Properties decreases, this could have a negative effect on the Company's financial position and results.

All types of transactions, including acquisitions and divestments of real estate, are associated with risks and uncertainties. For example, when acquiring real estate there is uncertainty regarding future loss of tenants, potential environmental impact from activities carried out on the property as well as decisions from authorities. When acquiring real estate companies, there are risks relating to, *inter alia*, tax, environmental issues and disputes. In real estate transactions, the seller usually leaves guarantees regarding, for example, environmental risks and the validity of lease agreements. In transactions with real estate companies, it is also generally guaranteed that no tax disputes or other legal disputes exist. Certain warranties may be unlimited, such as tax warranties, which could imply warranty claims on significant amounts, even to the extent that the claim exceeds the value of the underlying property object. If any of these risks were to materialise, this could have a negative effect on the Company's operations, financial position and results.

Risks relating to acquisitions and company integration

The Group has and is continually acquiring companies, whereby the Group is exposed to the risk of unexpectedly increased transaction costs or cancelled acquisitions, which could negatively affect

the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

The Group is exposed to integration risks, related to increased merging costs, organisational costs, risks related to the inability to retain key personnel and unexpected costs related to management of new tenants, unexpected environmental clean-up costs or costs related to unexpected real estate property condition. Such increased costs could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

Risks relating to developing and renovating projects

Developing new Property as well as renovating existing Property or acquiring vacant Property involves risks such as miscalculations of customer demand leading to unsold premises, unleased premises, lower profitability for the project and undesired tied-up capital on the balance sheet. When developing new Property or renovating existing Properties, there is a risk that the Company is unable to lease vacant Properties it has acquired or that such development or renovation turns out less profitable than expected, or that premises remain unsold and the Company has undesired tied-up capital on the balance sheet, which could have a negative effect on the Company's financial position and results.

Risks relating to local plans and permits for new construction and re-construction

Property development projects (including new construction, re-construction of buildings or change of use) is subject to permits and decisions from authorities unless such are already in place. Such permits and decisions may not always be granted which can cause delays, increased costs and even jeopardise project realisation. Further, modified municipal planning may lead to local plans not being approved causing delays and increased costs pertaining to necessary restructuring of the project. If necessary permits or approvals are not obtained, cause delays, increase costs or even jeopardise the project's realisation, this could have a negative effect on the Company's financial position and results.

Changes in value of Properties

The Company's Properties are reported at fair value (Sw. *verkligt värde*) in the balance sheet and with changes in value in the profit and loss account. Different factors may cause the Company to write down the fair value of its Properties, which may adversely affect the Company's result and financial position.

Such factors could both be Property specific, such as rent levels, occupancy ratio and operative expenses, and market specific, such as macroeconomic effects, general economic trends, growth, unemployment levels, the rate of production of new premises, population growth, inflation and interest rates.

If the value of the Properties decreases, causing the Company to write down their value, it could result in a number of consequences, such as a breach of the covenants of the loans owed by the Company from time to time, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the liquidity of the Company. A material decrease of the market value of the Properties would also have a negative impact on the Company's possibilities to dispose of its Properties without incurring losses, which in turn may have a negative effect on the Company's financial position and results.

Operational risk

Operational risk is the risk of incurring losses due to inadequate procedures and/or irregularities. Inadequate internal control, lack of procedures and/or irregularities in the operational security could adversely affect the Company's operations.

Environmental risks

Property management includes environmental risks. According to Swedish legislation, the party that has conducted operations which have caused contamination is responsible for remediation of the contaminated property. If such party is not able to carry out or pay for the remediation of a contaminated property, the party who acquired the property and was aware of the contamination at the time of acquisition or ought to have detected it then shall be liable for remediation. If claims for remediation regarding any of the Properties should be put forward to the Group, this may have a negative effect on the Company's financial position and results.

Furthermore, changed laws, regulations and requirements from authorities in the environmental area could result in increased costs for the Company with respect to sanitation or remediation regarding currently held or future acquired properties, as well as increased costs for carrying out planned real estate development, both of which may have a negative effect on the Company's financial position and results.

Counterparty risk

The Company's current and potential customers may find themselves in situations, for example due to financial circumstances, where they cannot pay the agreed rent as it falls due or otherwise abstain from fulfilling their obligations. Further, new developments and renovation projects may be delayed due to suppliers not being able to deliver on time or contractors being unable to finish projects as planned. If the Company's counterparties are unable or unwilling to fulfil their obligations towards the Company, it may have a negative effect on the Company's financial position and results.

In addition, counterparty risks within the Company's financial operations arise, *inter alia*, in the event of investment of excess liquidity, if derivatives are entered into and upon obtaining long-term and short-term credit agreements. If any counterparty risk arises it may have a negative effect on the Company's financial position and results.

Competition

The Company operates in a competitive industry. The Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. It may become necessary for the Group to make significant investments, restructuring operations or price reductions in order to adapt to new competition and the Group's competitors may have greater resources and capabilities to better withstand downturns in the market, compete more effectively, retain skilled personnel and react faster to changes in local markets. If the Group has to make significant investments, restructurings or price reductions due to increased competition, it may have a negative effect on the Company's financial position and results.

Risks relating to inadequate insurance

The Group has insured its operations against usual losses and/or potential liability in relation to third party claims. Certain types of losses and/or damages are generally not covered by insurance policies due to such losses being considered as impossible to insure, for example losses resulting from the act of war, terrorism, professional liability or personal liability (the latter two where damages are caused by negligence, wilful misconduct or criminal acts). Further, most of the Company's insurances (i.e. the insured amounts) are limited by specified maximum amounts per claim, series of injuries and the specified insurance periods. In the event that a loss is not covered by the Company's insurance policies or that an incurred loss exceeds the maximum amount covered by the relevant insurance policy, or upon the occurrence of consequential loss, this may have a negative effect on the Company's financial position and results.

Liquidity risk

Liquidity risk is the risk that the liquid assets of the Company are not sufficient to meet its payment obligations at the maturity date or that the Company cannot dispose of securities at a fair price. As of 30 June 2017, the Company's available liquidity amounted to approximately MSEK 38, in the form of bank deposits. Additionally, on 5 July 2017 a revolving credit facility amounting to MSEK 250 was approved by Swedbank. This facility is secured by mortgage deeds in the Company's properties. The Company will be dependent on available liquidity in order to fulfil its obligations, making investments and paying interest and amortisation costs related to its financing. If the Company does not have sufficient liquidity to fulfil its obligations this could have a negative effect on the Company's business, results of operations and financial position.

Refinancing risk

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Company or the Group falls due and needs to be refinanced. This could in turn affect the Company's and/or the Group's liquidity and consequently affect the possibility to repay debt as it falls due.

The Company's business is partly financed by externally provided capital. The bulk of the required capital for financing of both development of existing Properties and future acquisitions is and will be provided by banks, credit institutions or other lenders. As of 30 June 2017, the Group's net indebtedness amounted to MSEK 3,419, of which MSEK 1,349, corresponding to 39 per cent., will be due within two years.

During the financial crisis, the volatility and the disruptions in the financial and credit markets were great, with reduction in liquidity and higher credit risk premiums for many credit institutions. Although the turmoil in the market has ceased due to central banks' quantitative easing programs and amended regulations from agencies, there is still a great uncertainty and volatility. If the Company cannot refinance itself or only may refinance itself at much higher costs, this could have a negative effect on the Company's business, results of operations and financial position

Covenants in credit agreements

If the Group is in breach of any of its covenants (e.g. financial covenants) in its loan agreements, it could lead to loans being accelerated, leading to immediate repayment or the creditor taking possession of security. Such breach could adversely affect the Company's business, results of operations and financial position.

Interest-rate risk

Other than equity, the Group's operations are mainly financed by loans from credit institutions. Interest expenses are therefore one of the Group's main cost items. The Group's total interest costs for the financial year of 2016 amounted to MSEK 109 and as of 30 June 2017, the Group's average interest rate level was 2.43 per cent, corresponding to an annualised interest cost of MSEK 83. Interest rate risk is described as the risk that changes in interest rates affect the Group's interest expense. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Company's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and The Swedish National Bank's (Sw. *Riksbanken*) repurchase rate (Sw. *reporäntan*).

All of the Group's credit agreements include floating interest rates. The Group has adopted a policy to have interest rate swaps or similar interest rate fixation arrangements covering between 40 and 70 per cent. of its total outstanding loans. The interest rate derivatives are reported at fair value in the balance sheet and with changes in value in the profit and loss account. The Group's interest rate fixation arrangements currently comprise of interest rate caps with an average term of 5 years and an average interest rate cap of 2.33 per cent. The derivatives constitute a hedging against higher interest rates, but this also implies that the market value of the Group's interest rate derivatives decreases if the market interest rates decrease, which in turn has a negative impact on the Company's financial position and result.

In certain cases, the Group has entered into loan agreements providing for an interest rate floor, which means that the 3-months STIBOR rate cannot be negative. The consequence of these provisions is that the Group will be unable to absorb in full a negative 3-months STIBOR rate.

Reputational risk

The Company is dependent on its good reputation. The Company's reputation is particularly important in relation to new and current tenants. As an example, operative problems or maintenance problems could damage the Company's reputation, which could lead to difficulties obtaining new or keeping current tenants. Damage to the Company's reputation could lead to loss of income or loss of growth potential, which may have a negative effect on the Company's business, results of operations and financial position.

New or amended legislation

The Company's business is regulated by and must be conducted in accordance with several laws and regulations, (*inter alia* the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), the Swedish Land Code (Sw. *Jordabalken (1970:994)*), the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*) and the Swedish Planning and Building Act (Sw. *plan- och bygglagen (2010:900)*), detailed development plans, building standards and security regulations, and there is a risk that the Company's interpretation of applicable laws and regulations may be incorrect or may change in the future.

New legislation or regulations or changes regarding the application of existing legislation or regulations, regarding for example building permits or other matters applicable to the Group's operations or its clients or the Notes, may adversely affect the Company's business, possibly with retroactive effect.

Taxation risks

No tax due diligence has been conducted in respect of the Group. In the event that the historical tax position would be challenged this could lead to additional tax costs for the Group should the tax risk not be covered by the guarantees provided in the share purchase agreements entered into. The value of the guarantees provided in the share purchase agreements is also dependent on the financial position of the sellers.

In the event that the Company's interpretation of tax laws, treaties and regulations or their applicability is incorrect, if a governmental authority successfully makes negative tax adjustments with regard to an entity of the Company or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Company's past or current tax positions may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could have a negative impact on the Company's business, results of operations and financial position.

Since the laws, treaties and other regulations on taxation, as well as other financial charges, have historically been subject to frequent changes, further changes are expected in the future, possibly with a retroactive effect. A change in the current tax legislation resulting in increased property tax or reduced possibilities for interest deductions would result in the Group facing an increased tax burden which could affect the Company's result and financial position. For example, in July 2016, the EU Council adopted a directive consisting of binding minimum standards against tax avoidance to be implemented by the member states no later than 31 December 2018. Under the directive, deductions for a taxpayer's net financial costs should, as a general rule, be limited to 30 per cent. of EBITDA, with an option for the member states to introduce certain exceptions. The Swedish Government is currently preparing a new proposal regarding interest deduction limitation rules. Sweden is expected to implement the EU Council Directive. If the Company's net financial costs, following the implementation of legislation based on the EU Council's Directive, represent a substantial portion in relation to its EBIT/EBITDA, or if any other additional restriction on the deductibility of interest is introduced, the Company's tax burden could increase and this could have a negative impact on the Company's business, results of operations and financial position.

On 30 March 2017, a committee proposal was submitted to the Swedish Government on certain issues within the real estate and stamp duty area. The main proposal aims at ensuring that the tax consequences of an indirect sale of real estate (through the sale of the shares in the company that owns the real estate) to the greatest extent possible correspond to those arising from direct sale of the same real estate. The proposal has been criticised and at the time of this Prospectus it is unclear to what extent it will result in new legislation. The proposal has, however, been sent to consultation bodies for statements. The statements are due back on 14 August 2017. If the proposal comes into force, it could have negative impact on the Company's business, results of operations and financial position.

Disputes and litigation

The Company faces the risk of litigation and other proceedings in relation to its business. The outcome of any litigation may expose the Company to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Company's reputation may be impacted in a way which adversely affects its results of operations and financial position.

Risks relating to the Notes

Credit risks

Investors in the Notes are exposed to credit risk in relation to the Company. An investor's possibility to obtain payment in accordance with the Terms and Conditions is therefore dependent on the Company's ability to meet its payment obligations. The Company's financial position is affected by a number of factors, such as tenants being unable to fulfil their obligations to pay rent. An increase in credit risk may also cause the market to price the Notes with a higher risk premium, which could adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorating financial position may cause the Company's credit rating to decrease, which could negatively affect the possibility for the Company to refinance the Notes at maturity.

Currency risks

The Company will pay interest and the principal amount of the Notes in SEK (the lawful currency in Sweden). This will incur currency exchange risks if the investor's operations are mainly conducted in a different currency. A currency exchange risk involves a risk for significant currency exchange rate movements, including devaluation and revaluation, as well as the risk for implementation or amendments to existing currency regulations. A strengthening of the investor's base currency compared to the currency in which the placement is denominated decreases the value of the placement for the investor. Governments and authorities can implement currency controls or currency regulations that will have an impact on the currency exchange rate. The result could be that a Noteholder receives a lower rate of return, final payment or nominal amount than expected.

Refinancing risk

The Company may eventually be required to refinance certain or all of its outstanding debt, including the Notes. The ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. The Company's access to financing sources may not be available on favourable terms, or at all. The Company's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Noteholder's recovery under the Notes.

Interest-rate risks

The value of the Notes will depend on several factors. As the Notes will carry a floating interest rate, one of the most significant factors for their value will be the level of the market interest rates. Investments in the Notes involve a risk that the market value of the Notes may be adversely affected by changes in market interest rates.

Bankruptcy and similar events and risk of priority

The Company has, as part of its financing, incurred debts to credit institutions. Certain real estate and share certificates in the Company's real estate owning subsidiaries have in connection therewith been pledged as security. Such secured loans normally constitute a preferential claim on the Company. The Company intends to continue seeking appropriate and profitable financing in which case further pledges, as part of such new loans, may be provided.

The Notes are unsecured obligations of the Company. The Noteholders will normally receive payment after any prioritised creditors in the event of the Company's liquidation, company

reorganisation or bankruptcy. Every investor should be aware that by investing in the Notes, it risks losing the entire, or parts of, its investment in the event of the Company's liquidation, bankruptcy or company reorganisation.

There is no restriction under the terms and conditions for the subsidiaries of the Company to incur debt. If the subsidiaries incur debt, the right to payment under the Notes will be structurally subordinated to the right of payment relating to debt incurred by subsidiaries of the Company.

Voluntary early redemption

In certain cases, the Company has pursuant to the Terms and Conditions a right to redeem the Notes prior to the Maturity Date. The Company has reserved the possibility to, under certain circumstances, redeem all outstanding Notes during the period from the date falling ninety (90) days before the Final Maturity Date.

The Company's right to redeem Notes early could affect the market value of the Notes. During a period when the Company is entitled to voluntarily redeem the Notes, the market value of the Notes will most likely not be significantly higher than the redemption price set out in the Terms and Conditions. Such effects could also arise prior to the actual redemption period.

The Company could exercise its right to early redemption of the Notes when the market value of the Notes is higher than the relevant redemption price, which could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Notes. The investor should thus contemplate the risks involved in a voluntary early redemption or for that matter, the absence of an expected voluntary redemption, in light of alternative investment options available.

Mandatory early redemption

The Notes are subject to prepayment at the option of each noteholder (put options) in certain circumstances. Upon the occurrence of certain events, the Company is obliged under the Terms and Conditions to mandatorily redeem the Notes at a price and on the terms set out in the Terms and Conditions. If this occurs, the Company will be exposed to an increased liquidity risk, i.e. the risk that the Company cannot fulfil its financial obligations due to a shortage of available cash or cash equivalent assets and that such financial obligations can only be fulfilled at a high financing cost or, in a worst case scenario, not at all.

Secondary market and liquidity risk

The Company cannot assure that a liquid trading of the Notes will occur and be maintained. The Company will apply for listing of the Notes at Nasdaq Stockholm, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market after the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) approves a prospectus for this purpose. However, there is a risk that the Notes will not be approved for trading. If the Company fails to procure listing in time, investors holding Notes on an investment savings account (Sw. *ISK or IS-konto*) will no longer be able to hold the Notes on such account, thus affecting such investor's tax situation.

Even if the Notes are admitted to trading on a regulated market such as Nasdaq Stockholm, there may be a lack of demand for, and trade in, the Notes. This can result in investors being unable to sell their Notes at a desired time or to a return which is comparable to similar investments that have

an existing and functioning secondary market. This lack of an efficient market place and a liquid secondary market may adversely affect the market value of the Notes.

Euroclear Sweden

The Notes are connected to Euroclear Sweden's account-based system, which means that no physical Notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of the principal amount of the Notes, will be performed within Euroclear Sweden's account-based system. The investors are therefore dependent on the functionality of Euroclear Sweden's account-based system. If, due to any obstacle for Euroclear Sweden, the Company cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Consequently, there is a risk that Noteholders receive payment under the Notes later than expected.

Meeting of Noteholders

The Terms and Conditions include certain conditions regarding the meeting of Noteholders. Such meetings may be held in order to resolve matters relating to, for example, the Noteholders' interests under the Notes. The Terms and Conditions allow for stated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting in question or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' meeting. Consequently, there is a risk that a Noteholder is bound by resolutions which negatively affect the value of the Notes even if the certain Noteholder did not vote in favour of such resolutions or did not participate in the meeting of Noteholders.

Noteholders representation

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. Consequently, a Noteholder is not entitled to bring any actions against the Company relating to the Notes, unless such actions are supported by the required majority pursuant to the Terms and Conditions. However, this does not rule out the possibility that a Noteholder, in certain situations, could bring their own action against the Company, which may affect an acceleration of the Notes or other actions against the Company negatively. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit written powers of attorney for legal proceedings. If such power of attorney should not be submitted by all Noteholders, the enforcement of the Notes could be adversely affected. Under the Terms and Conditions, the Agent has the right in some cases to make decisions and take measures that bind all Noteholders.

Restrictions on the transferability of the Notes

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a Noteholder may not offer or sell the Notes in the United States. The Company has not undertaken to register the Notes under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Notes in the future. Furthermore, the Company has not registered the Notes under any other country's securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Notes. It is the Noteholder's obligation to ensure that the offers and sales of the Notes comply with all applicable securities laws. Due to these restrictions, there is a risk that a Noteholder cannot sell its Notes as desired.

Conflicts of interest of the Arrangers

ABG Sundal Collier AB and Swedbank AB (publ) (the “**Arrangers**”) may have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and/or the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Arrangers having previously engaged, or in relation to future engagements, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Ability to comply with the Terms and Conditions

The Company is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Notes. Events beyond the Company’s control, including changes in the economic and business conditions in which the Company operates, may affect the Company’s ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Notes, resulting in the Company having to repay the Noteholders. There is a risk that the Company will not have sufficient funds to make the required redemption of Notes at the time of the repayment.

Changes in legislation

The Terms and Conditions are based on Swedish law applicable at the date hereof. There is a risk that future amendments of legislation or new legislation or administrative practice, for example as described above in the risk factor “*New or amended legislation*”, could adversely affect the Company’s operations, result and financial position. This may in turn affect the Company’s ability to make payments under the Notes.

Statement of Responsibility

The Company issued the Notes on 5 July 2017, as resolved on the meeting of the Board of Directors held on 4 July 2017. This Prospectus has been prepared in relation with the Company applying for admission of trading of the Notes on Nasdaq Stockholm and in accordance with the Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act.

The Company is responsible for the information set out in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the actual conditions and contains no omissions likely to affect its import. The information in the Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

The board of directors is responsible for the information set out in this Prospectus only under the conditions and to the extent set forth under Swedish law. The Board of Directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the Board of Directors' knowledge, in accordance with the actual conditions and contains no omissions likely to affect its import.

Stockholm, 14 August 2017

Stendörren Fastigheter AB (publ)

The Board of Directors

The Notes in Brief

This section contains a general description of the Notes. It does not claim to be comprehensive or cover all details of the Notes. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Notes. The Terms and Conditions for the Notes can be found in the section Terms and Conditions. Terms and concepts defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context or otherwise defined in this Prospectus.

The Company: Stendörren Fastigheter AB (publ), a public limited liability company with company registration number 556825-4741.

The Notes: Up to SEK 1,000,000,000 with ISIN: SE0010023564.

Initial Note Issue: SEK 360,000,000.

Type of securities: Senior unsecured floating rate notes.

Type and rank of debt: The Notes constitute direct, unconditional, unsecured obligations of the Issuer and shall at all times rank *pari passu* and without preference among them. The Notes shall rank at least *pari passu* with the claims of all its other unsubordinated and unsecured creditors, except those whose claims are mandatorily preferred by laws of general application.

Listing: The Issuer intends to list the Notes on the corporate bond list of Nasdaq Stockholm within thirty (30) calendar days after the First Issue Date and shall ensure that (i) the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date, (ii) any Subsequent Notes are listed on the corporate bond list of Nasdaq Stockholm within twenty (20) days after the issuance of such Subsequent Notes, provided that if such date would fall prior to listing of the Initial Notes, the Subsequent Notes shall be listed together with the Initial Notes and (iii) that the Notes, once admitted to trading on the corporate bond list of Nasdaq Stockholm or another Regulated Market, continue to be listed thereon for as long as any Note is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

The nominal amount of each note is SEK 1,000,000 (the “**Nominal Amount**”), and the total aggregate Nominal Amount of the Notes outstanding at the relevant time shall hereinafter be referred to as

<i>Nominal Amount and Denomination:</i>	the “ Total Nominal Amount ”). All Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The Notes are denominated in SEK.
<i>Central Securities Depository (the “CSD”):</i>	<p>The Notes will be connected with the account-based system of Euroclear Sweden AB, for the purpose of having the payment of interest and principal managed by Euroclear Sweden AB. The Notes have been registered for the Noteholders on their respective Securities Accounts and no physical notes have or will be issued.</p> <p>The Issuer’s central securities depository and registrar in respect of the Notes, from time to time, is initially, Euroclear P.O. Box 191, SE-101 23 Stockholm, Sweden.</p>
<i>Issue Date:</i>	5 July 2017.
<i>Agent:</i>	<p>Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.</p> <p>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 (Sw. <i>skuldbok</i>) kept by the CSD in respect of the Notes.</p>
<i>Transferability:</i>	The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
<i>Interest on the Notes:</i>	<p>The Notes carry interest at a floating interest rate, amounting to 3-months STIBOR plus 4.00 per cent. <i>per annum</i>, from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date.</p> <p>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).</p>
<i>Interest Payment Date:</i>	Interest on the Notes shall be paid on the Interest Payment Dates, being 5 January, 5 April, 5 July and 5 October of 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 Notes shall be 5 October 2017 and the last Interest Payment Date shall be the relevant Redemption Date.
<i>Redemption (call option):</i>	The Issuer may redeem all, but not some only, of the outstanding

Notes in full any time at an amount per Note equal to;

- (a) the Applicable Premium, if the Notes are redeemed during a period starting on the First Issue Date and ending on the day falling immediately prior to the First Call Date;
- (b) 100.0 per cent. plus *50 per cent. of the Margin* of the Nominal Amount, if the Notes are redeemed during a period starting on the day falling twenty-four (24) months after the First Issue Date (i.e. inclusive) and ending on the day falling immediately prior to thirty-three (33) months (i.e. exclusive) after the First Issue Date;
- (c) 100.0 per cent. plus *50 per cent. of the Margin* of the Nominal Amount, if the Notes are redeemed during a period starting on the day falling thirty-three (33) months (i.e. inclusive) after the First Issue Date and ending on the Final Maturity Date; or
- (d) 100.0 per cent of the Nominal Amount, if the Notes are redeemed within the period starting ninety (90) days before the Final Maturity Date up to but excluding the Final Maturity Date, provided that the redemption is financed by way of one or more Market Loan issues by the Issuer and that the Noteholders are offered to participate in such issues;

in each case together with accrued but unpaid Interest.

The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

Redemption (put option): Upon the occurrence of a Change of Control Event or a Listing Failure, each Noteholder shall have the right to request that all, or some only, of its Notes are repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of the Change of Control Event or Listing Failure pursuant to Clause 10.1.2 of the Terms and Conditions (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure (as applicable).

The Final Maturity Date is 5 July 2020.

Redemption Date: The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note

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.

The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date.

Prescription:

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.

Rights:

A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

The Terms and Conditions, the Notes 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.

Applicable law:

The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

Information about Stendörren

Company description

The Company, Stendörren Fastigheter AB (publ), with Reg. No. 556825-4741, was founded on 13 November 2010 (then called HCS Holding AB) and thereafter listed on First North, Nasdaq Stockholm. In November 2014 an extraordinary shareholder meeting decided to issue 17 million new shares (representing some 93 per cent. of the then outstanding share capital) in a non-cash issue directed to Kvalitena AB (publ) (“**Kvalitena**”) as payment for a portfolio of properties valued at approximately SEK 2 billion. The Company also changed name to Stendörren Fastigheter AB (publ). Kvalitena was founded in 1995 and has been active on the Stockholm property market since then, mainly investing in residential and light industrial properties. The Company is a Swedish public limited liability company and is regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Company’s registered office is in Stockholm and the Company’s registered address is Stendörren Fastigheter AB, Strandvägen 5 A, SE-114 51 Stockholm, Sweden. The Company’s class B-shares are currently listed on Nasdaq First North Premier.

According to the Company’s articles of association, the Company’s business shall be to directly or indirectly through its subsidiaries, own, administrate and conduct trading with real property, and conduct business pertaining thereto.

Operations

The Company is an owner, administrator and developer of real estate companies, with a primary focus on commercial properties in the Greater Stockholm region (Sw. *Storstockholm*) and secondarily in the wider lake Mälaren region (Sw. *Mälardalen*). The business operations mainly consist of owning and managing light industrial and logistics properties. The Company focuses on properties with strong cash flows as well as properties with development potential, either through attractive vacancies or potential for rent increases. A key aspect of the Company’s strategy is also to own and invest in properties which are located in areas that are deemed to undergo positive development in the years to come (e.g. conversion into other use such as residential or retail).

The Company conducts its operations through its subsidiaries. All day-to-day property management functions as well as all accounting functions are carried out by staff employed by the Company.

The Company was listed on the Stockholm Stock Exchange in November 2014. The previous owner, Kvalitena AB, thereafter controlled in excess of 90 per cent of the shares. As part of a series of property acquisitions from some 15 different sellers which all closed in December 2014 and in the first half of 2015, new shares were issued and used as part of the payment for these acquisitions. As a result of these transactions and a few direct share sales, Kvalitena’s share of ownership in the Company has been diluted. Today Kvalitena controls approximately 25 per cent. of the capital and 40 per cent. of the votes. As per 30 June 2017 the Company legally employed 35 employees and the organisation is considered to be fully employed. The Company’s property portfolio as per 30 June 2017 consists of 96 properties and site leaseholds. The portfolio has a cumulative market value of 5,88 billion as per 30 June 2017. The property portfolio is reported at fair value based on annually performed external valuations made by Forum Fastighetsekonomi,

Nordier Property Advisors, Newsec Sweden, Cushman & Wakefield, JLL and CBRE, which are complemented with internal valuations every quarter.

The Company has a diversified customer base, with approximately 800 leasing contracts. The tenants mainly comprises of well-established mid-size companies and large international companies. Coop Sverige Fastigheter AB is the largest tenant, contributing with 11 per cent. of the total rental income. As per 30 June 2017, the ten biggest leasing contracts corresponded to about one third of the total rental income.

Trends

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial statement.

Material changes

There have been no material changes in the Company's financial position or market position since 30 June 2017.

Legal structure and ownership structure

As of 30 June 2017 the Company has 4 276 shareholders, consisting of, *inter alia*, real estate investors such as Kvalitena and Länsförsäkringar Fondförvaltning AB. Kvalitena is the largest shareholder of the Company. As per 30 June 2017 Kvalitena holds 40,42 per cent. of the votes and 24,47 per cent. of the shares in the Company. The class B-shares are currently listed on First North Premier, Nasdaq Stockholm.

As per 30 June 2017 the Company holds 83 subsidiaries through which the Company's operations are conducted and through which the Company's properties are owned. As a consequence of the operations being conducted through the Company's subsidiaries, the Company is dependent on its subsidiaries in order to generate profit and cash flow and, thus, to be able to meet its obligations under the Notes. The Company's most important subsidiary is Stendörren Stockholm 1 AB, wholly owned by the Company.

Board of Directors

The Company's Board of Directors consists of seven ordinary board members, including the chairman, appointed for the period until the end of the annual general meeting to be held in 2018. The members of the Board of Directors, their position and other relevant assignments are set forth below. All board members can be contacted through the Company's registered address, Stendörren Fastigheter AB, Strandvägen 5 A, SE-114 51 Stockholm, Sweden.

Seth Lieberman (born 1961) – Chairman of the Board of Directors

Other relevant assignments: Mr Lieberman has 30 years of international experience from the real estate sector. He previously held senior positions at UBS Investment Bank, Hypo Real Estate, Lehman Brothers, Credit Suisse and GE Capital. Mr Lieberman is currently a board member of Svenskt Industriflyg AB, Kvalitena AB (publ), Stendörren Option AB, Samhällsbyggnadsbolaget i Norden AB (publ). Mr Lieberman holds 564,614 B-shares in the Company.

Helena Levander (born 1957) – Member of the Board of Directors

Other relevant assignments: Mrs Levander is the chairman of the board of directors in Nordic Investor Services AB and a board member of Recipharm AB, Medivir AB and Concordia Maritime AB. Mrs Levander does not hold any shares in the Company.

Andreas Philipson (born 1958) – Member of the Board of Directors

Other relevant assignments: Mr Philipson is a member of the board and CEO for T.A.M. Group AB and Fastighets AB Glaskronan 1. Mr Philipson has previously been the CEO for Catena AB and CEO and board member of Fastighets AB GK1. Mr Philipson indirectly holds 2000 B-shares in the Company.

Knut Pousette (born 1972) – Member of the Board of Directors

Other relevant assignments: Mr Pousette has been the CEO of Kvalitena since 2003. Mr. Pousette previously worked as a management consultant at Klaraberg Business Advisors and has international experience from property management, primarily in Germany. Mr Pousette has also been a chairman of the board of directors of D. Carnegie & Co Aktiebolag during 2013-2016 and board member during 2016-2017 but has now resigned as board member. Mr Pousette is, as of 2016, the chairman of the board of A Group Of Retail Assets Sweden AB. Mr Pousette is currently a board member and CEO of Slottsfabriken Egendomsförvaltning AB, Broadgate & Stendörren Fastigheter Aktiebolag, Broadgate & Stendörren Retail Holding Aktiebolag, StenCap Holding AB, Nacka Skarpnäs Fastigheter AB and SP Guldsmeden 10 AB and is chairman and board member for many other prominent companies. Mr Pousette holds 587,949 B-shares in the Company.

Hans Runesten (born 1956) – Member of the Board of Directors

Other relevant assignments: Mr Runesten is a Chairman of the Board of Directors of Effnetplattformen AB and Axxonen Properties AB and a board member of Samhällsbyggnadsbolaget i Norden AB. Mr Runesten was the chairman of the board for HCS Holding AB 2010–2014 and a board member of the former parent company of Effnet AB 2002–2011. Mr. Runesten co-founded AB Sagax in 2004 and was a board member in AB Sagax 2004-2007. He was the manager of the Effnet group and the Factum group 2003-2009. He previously worked within the European Commission in Brussels and has held senior positions at EuroNordic Group and Mellon Bank, prior to that he worked at Deutsche Bank in Germany. Mr Runesten holds, both directly and as beneficiary of a capital insurance, 188,240 B-shares in the Company.

Jenny Wärmé (born 1978) – Member of the Board of Directors

Other relevant assignments: Mrs Wärmé is a legal counsel at D. Carnegie & Co Aktiebolag. Mrs Wärmé does not hold any shares in the Company.

Carl Mörk (born 1969) – Member of the Board of Directors

Other relevant assignments: Mr Mörk is the chairman of the board of Altira AB, Altira Fastighetsutveckling AB and Ankarhagen AB. Mr Mörk indirectly holds 500,000 A-shares and 2,001,720 B-shares in the Company. Mr Mörk also holds 100,000 B-shares in the Company.

Management

The members of the Company's management, their position and other relevant assignments outside the Company are set forth below.

Fredrik Brodin (born 1967) – Chief Executive Officer

Other relevant assignments: Mr Brodin has 20 years of experience from the real estate industry. He was previously the CEO of Cartera AB, the CEO of StayAt Hotel Apartments until 2005 and he is the co-founder and has been the CIO of Mengus between 2005 and 2007. He has been the CEO of Stendörren since 2014 and has worked for Kvalitena, D.Carnegie & Co AB and Stendörren since 2007. Mr Brodin is since 2017 a member of the board of D. Carnegie & Co Aktiebolag. Mr Brodin holds 564,615 B-shares in the Company.

Magnus Sundell (born 1967) – Deputy Chief Executive Officer and Chief Financial Officer

Other relevant assignments: Mr Sundell has 15 years of experience from the real estate industry, with a clear focus on financing and business development. He previously held positions such as head of business development within real estate financing at JLL Tenzing as well as positions at Ambolt, Leimdörfer, GE Capital and PricewaterhouseCoopers. Mr Sundell holds 122,992 B-shares in the Company.

Maria Mastej (born 1982) – Head of Marketing and Leasing

Other relevant assignments: Ms Mastej has over 10 years of experience in the property sector, focusing on lettings, leasing, business development, marketing and contract negotiations. Ms Mastej has previously worked as a strategic advisor on lettings projects at Savills and Jones Lang LaSalle (JLL). As a property lawyer she has specialized in secure tenancies at Magnusson Advokatbyrå, and as a tenant representative at Tenant & Partner.

Frej Adolph (born 1974) – Property Manager

Other relevant assignments: Mr Adolph has 13 years of experience from property asset management, mainly within property management and real estate transactions. Mr Adolph has previously worked as Head of Asset Management at Granen Fastighetsutveckling and Head of Asset Management, Sweden at Valad Europe. He also has a history of working as Asset Manager at Teesland iOG and from tenant representation at Tenant & Partner.

Caroline Gebauer (born 1980) – Head of Legal

Other relevant assignments: Ms Gebauer is head of legal and secretary of the board of directors. Ms Gebauer has previously worked as a lawyer at Advokatfirman Vinge KB.

Johan Bråkenhielm (born 1973) – Head of Transactions

Other relevant assignments: Mr Bråkenhielm has 18 years of experience from the real estate industry, with a long track record in transactions, negotiations, valuations and market analysis. His most recent position was as Chief Investment Officer of HEA Property Partner, other former positions are Head of Investments Nordic region at CBRE & ING. Prior to that Mr Bråkenhielm worked at Newsec, E&Y and IPD in London.

The Board of Directors and management

There are no conflicts of interest or potential conflicts of interests between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties. However, several members of the Board of Directors and company management have certain financial interests in the Company as a consequence of their holdings of shares in the Company. It should be noted that Knut Pousette is the managing director of Kvalitena AB (publ), the Company's largest shareholder. It should further be noted that as of May 2017, the Company's managing director Fredrik Brodin is a board member of D. Carnegie & Co AB (publ), in which Jenny Wärmé is employed as legal counsel and is part of the management team.

Auditor

The Company's auditor is presently Ernst & Young AB with authorised auditors Oskar Wall and Ingemar Rindstig as the auditors in charge. Ernst & Young AB was elected as auditor of the Company at the annual general meeting held 23 May 2017 for the time until the end of the annual general meeting 2018. Oskar Wall and Ingemar Rindstig can be contacted at Ernst & Young AB, Jakobsbergsgatan 24, SE-103 99 Stockholm, Sweden. Both Oskar Wall and Ingemar Rindstig are members of FAR SRS. Ernst & Young AB has been the Company's auditor since 2014.

Financial reports

The Company's annual report for 2015 and 2016 has been reviewed by the Company's current auditor Ernst & Young AB. The Company's interim report for the second quarter of the financial year 2017 has not been reviewed by the Company's auditor. The Company's annual report for 2016 was published on 21 April 2017.

The consolidated annual accounts of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Further, the consolidated annual accounts of the Group have been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's, RFR1 Supplementary Accounting Rules for Groups. The Company applies the same accounting principles as the Group unless otherwise is stated in the Company's annual report.

Material agreements

The Company is not a party to any material agreements outside of the ordinary course of business which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Notes to the Noteholders.

Disputes and litigation

During the past 12 months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Company and its consolidated subsidiaries as a whole.

Expected date for listing, market place and costs relating to the listing

The Notes will be admitted to trading on Nasdaq Stockholm on or around 18 August 2017, for which listing this Prospectus has been prepared. The accrued costs relating to the listing are approximately SEK 200,000.

Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's head office at Stendörren Fastigheter AB, Strandvägen 5 A, SE-114 51 Stockholm, Sweden, during ordinary weekday office hours:

- the Company's articles of association as of the date of this Prospectus;

- the certificate of registration of the Company;
- the agency agreement entered into by and between the Company and the Agent;
- the audited consolidated (as applicable) financial statements of each company in the Group, including the auditor's report, for the financial years 2015 and 2016; and
- the documents listed below, which are incorporated by reference.

Documents incorporated by reference

This Prospectus, in addition to this document, comprises of the following financial information which are incorporated by reference and available in electronic format on the Company's website, www.stendorren.se, during the period of validity of this Prospectus:

- the following sections of the interim report for the second quarter of the financial year 2017:
 - the balance sheet on page 14;
 - the income statement on page 12; and
 - the description of the accounting principles applied on page 27.
- The following sections of the audited consolidated financial statements of the Company for the financial year 2016:
 - the auditor's report on pages 121-124;
 - the balance sheet on page 86;
 - the income statement on page 84; and
 - the notes on pages 95-116, including the description of the accounting principles applied on pages 95-99.
- The following sections of the audited consolidated financial statements of the Company for the financial year 2015:
 - the auditor's report on pages 78-79;
 - the balance sheet on page 50;
 - the income statement on page 48; and
 - the notes on pages 58-75, including the description of the accounting principles applied on pages 58-62.

The sections of the above documents that have not been incorporated by reference are not relevant for investors in the Notes.

Complete Terms and Conditions

TERMS AND CONDITIONS FOR STENDÖRREN FASTIGHETER AB



UP TO SEK 1,000,000,000 SENIOR UNSECURED FLOATING RATE NOTES

ISIN: SE0010023564

No action is being taken that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, 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.

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1 Definitions and construction

1.1 Definitions

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

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

“**Accounting Principles**” means generally accepted accounting principles, standards and practices in Sweden, including international financial reporting standards (IFRS), if applicable.

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

“**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 Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes 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 the 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. Bo 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Applicable Premium**” means an amount equal to:

- (a) 100.0 per cent. plus *50 per cent. of the Margin* of the Nominal Amount; plus
- (b) 100 per cent. of all remaining scheduled interest payments on the Notes until the First Call Date (assuming that the Interest Rate for the period from the relevant Redemption Date to the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given) (but excluding accrued but unpaid Interest up to the relevant Redemption Date), discounted (for the time period starting from the relevant Redemption Date to the First Call Date)

using a discount rate equal to the yield of the Swedish Government Bond with a maturity date on or about the First Call Date plus 0.50 per cent.

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

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

“**Cash Equivalent Investments**” means (i) immediately available funds in bank or postal accounts and (ii) marketable debt securities held for cash management purposes that can be realised promptly and which have a credit rating of either A-1 or higher by Standard & Poor’s Rating Services or F1 or higher by Fitch Ratings or P-1 or higher by Moody’s Investor Services Limited, or, if no rating is available in respect of the commercial paper or debt securities, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating.

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

“**Change of Control Event**” means an event where;

- (a) any person (other than Kvalitena AB (publ), Reg. No. 556527-3314) or group of persons acting in concert, (i) becomes the owner, directly or indirectly, or have the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and/or votes in the Issuer, or (ii) have the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer; or
- (b) the shares of class B in the Issuer ceases to be listed on a Regulated Market or any multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

For the purpose of this definition, “**acting in concert**” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

“**Compliance Certificate**” means a certificate, substantially in the form set out in Schedule 2 (*Form of Compliance Certificate*), and reasonably satisfactory to the Agent, signed by the Issuer.

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

“**Debt Instruments**” 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).

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

“**Event of Default**” means an event or circumstance specified in Clause 12 (*Events of Default*).

“**Final Maturity Date**” means 5 July 2020.

“**Finance Costs**” means, for any Test Period, the aggregate amount of interest costs, commission, fees, discounts, premiums or charges in respect of borrowings whether paid or accrued by the Group, including all payments relating to the realised net effect of any interest rate hedges but excluding the unrealised effect of any interest rate hedges, fees paid to the Agent pursuant to the terms of these Terms and Conditions or the Agency Agreement and any unrealised or realised losses pursuant to foreign exchange transactions.

“**Finance Documents**” means:

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

“**Financial Indebtedness**” means any indebtedness on a consolidated Group level for or in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) any amount of any liability in respect of any hire, purchase or leasing which, in accordance with the Accounting Principles, would be treated as a financial or capital lease;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any derivative transaction (however when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

- (e) any counter-indemnity obligation in respect of any guarantee, letters of credit or any other instrument issued by a bank or a financial institution;
- (f) other transactions that have the commercial effect of borrowings or otherwise classified as borrowings under Accounting Principles; and
- (g) any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (f) above.

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

“**First Call Date**” means the date falling twenty-four (24) months after the First Issue Date.

“**First Issue Date**” means 5 July 2017.

“**Force Majeure Event**” has the meaning set forth in Clause 24.1.

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

“**Initial Notes Issue**” is SEK 360,000,000.

“**Initial Notes**” means the Notes issued on the First Issue Date in the total nominal amount of SEK 360,000,000.

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Coverage Ratio**” means, expressed as a percentage, the ratio of the Net Operating Income to the Net Finance Cost.

“**Interest Payment Date**” means 5 January, 5 April, 5 July and 5 October of 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 Notes shall be 5 October 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means a rate which will be equal to the sum of (i) the Margin and (ii) 3-months STIBOR.

“**Interest Receivable**” means, in respect of the relevant Test Period, the amount of Interest accrued due to any member of the Group during such Test Period.

“**Issuer**” means Stendörren Fastigheter AB, a public limited liability company incorporated under the laws of Sweden with Reg. No. 556825-4741, having its registered address at Strandvägen 5 A, 114 51 Stockholm, Sweden.

“**Issuing Agent**” means Swedbank AB (publ), Reg. No. 502017-7753, SE-105 34 Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Listing Failure**” means the situation where (i) the Initial Notes have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date or (ii) at any time after such listing, the Notes cease to be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market).

“**Loan to Value**” means, at any time, expressed as a percentage, the ratio of;

- (a) the outstanding Financial Indebtedness (excluding guarantees and similar arrangements as well as any intra group loans) less cash and Cash Equivalent Investments; to
- (b) the aggregate market value of the Properties as set out in the latest valuations delivered under the Terms and Conditions, or, when a Property has been newly acquired and up until a valuation is made in accordance with the Terms and Conditions, the purchase price for such Property; and
- (c) an amount equal to the costs and expenses paid in relation to any on-going value enhancing investments in the Properties and any costs and expenses paid in relation to any value enhancing investments in the Properties completed since the latest valuation.

“**Management Profit**” means the Issuer’s management profit (Sw. *förvaltningsresultat*) according to the latest annual audited financial statements of the Issuer.

“**Margin**” means 4.00 per cent. *per annum*.

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and

other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Stockholm or any other regulated or unregulated recognised market place.

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other obligations under the Terms and Conditions or (iii) the validity or enforceability of the Terms and Conditions.

“**Net Finance Costs**” means the Finance Costs less Interest Receivables and any interest on any intragroup loans and any prepayment fees in respect of borrowings.

“**Net Proceeds**” means the proceeds from the Notes issue, excluding any Transaction Costs payable by the Issuer in connection with the issuance of the Notes.

“**Net Operating Income**” means the Operating Income less the Operating Costs.

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

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

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders’ Meeting*).

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

“**Operating Costs**” means, for each Test Period, the:

- (a) utilities charges relating to the Properties (such as electricity, water, heating, oil, gas, sewerage, cleaning, snow clearance and sanding and other similar costs, as applicable);
- (b) costs for repair and maintenance not exceeding what is necessary to maintain the current quality of the Properties (excluding for the avoidance of doubt all capital expenditure);
- (c) taxes directly attributable to the Properties (including non-refundable VAT and excluding, for the avoidance of doubt, any taxes on the net profit of the Group);
- (d) insurance premiums under insurance policies relating to the Properties;
- (e) any other operating cost relating to the day-to-day business of the Properties and incurred in accordance with prudent real property management to the extent they are not fully recovered from the relevant tenant; and

- (f) any general administration costs of the Group Companies not relating to the specific Property or specific Properties (for the avoidance of doubt excluding any costs associated with development).

“**Operating Income**” means, for each Test Period, the rental income in respect of the Properties.

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

“**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 Noteholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Noteholders’ Meeting, or (v) 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 Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

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

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

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

“**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 leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (a), 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 Notes**” means any Notes issued after the First Issue Date on one or more occasions.

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

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

“**Swedish Government Bond Rate**” means direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a fixed maturity most nearly equal to the period from the Redemption Date to the Final Maturity Date, provided that:

- (a) if the period from the Redemption Date to the Final Maturity Date is not equal to the fixed maturity of a direct obligation of Sweden for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation from the weekly average yields of direct obligations of Sweden for which such yields are given; and
- (b) if the period from the Redemption Date to the Final Maturity Date is less than one (1) year, the weekly average yield on actually traded direct obligations of adjusted to a fixed maturity of one year shall be used.

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

“**Test Period**” means each period of twelve months (on a rolling basis) ending on each Test Date.

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

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the issuance of the Initial Notes or any Subsequent Notes.

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

1.2 Construction

- 1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (a) “**assets**” includes present and future properties, revenues and rights of every description;
 - (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (d) an Event of Default is continuing if it has not been remedied or waived;
 - (e) a provision of law is a reference to that provision as amended or re-enacted; and
 - (f) a time of day is a reference to Stockholm time.
- 1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.4 No delay or omission of the Agent or of any Noteholder 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 Notes

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

- 2.4 Provided that (i) no Event of Default is continuing or would result following the expiry of a grace period, the giving of notice, the making of any determination (or any combination of the foregoing) or from such issue and (ii) none of the financial covenants in Clause 11.9 (*Financial Covenants*) will be breached as a result of the issue, the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes 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 date applicable to the Initial Notes shall apply to Subsequent Notes. The price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 1,000,000,000 unless consent from the Noteholders is obtained in accordance with Clause 15.5(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all other direct, unconditional, unsubordinated, unsecured obligations of the Issuer, and without any preference among them.
- 2.6 The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable from time to time, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3 Use of proceeds

The Issuer shall use the Net Proceeds from the issue of the Notes, primarily for acquisitions, investments, refinancing, and general corporate purposes of the Group.

4 Conditions for disbursement

- 4.1 The Issuer shall provide to the Agent, prior to the First Issue Date the documents and other evidence set out in Schedule 1 (*Conditions precedent*) in form and substance satisfactory to the Agent (acting reasonably).
- 4.2 The Agent does not have to review the documents delivered to it pursuant to Clause 4.1 from a legal or commercial perspective of the Noteholders. Further, the Agent may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

- 4.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 have been satisfied.

5 Notes in book-entry form

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 5.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 5.4 For the purpose of or in connection with any Noteholders' 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 Notes.
- 5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

6 Right to act on behalf of a Noteholder

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain 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 and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it

has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

7 Payments in respect of the Notes

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder 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 Noteholder 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 Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 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.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8 Interest

- 8.1 Each Initial Note carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note 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.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including)

the date of actual payment at a rate which is two (2) percentage units higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9 Redemption and Repurchase of the Notes

9.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note 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 Notes

The Issuer may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

9.3 Voluntary total redemption (call option)

9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full any time at an amount per Note equal to;

- (a) the Applicable Premium, if the Notes are redeemed during a period starting on the First Issue Date and ending on the day falling immediately prior to the First Call Date;
- (b) 100.0 per cent. plus *50 per cent. of the Margin* of the Nominal Amount, if the Notes are redeemed during a period starting on the day falling twenty-four (24) months after the First Issue Date (i.e. inclusive) and ending on the day falling immediately prior to thirty-three (33) months (i.e. exclusive) after the First Issue Date;
- (c) 100.0 per cent. plus *50 per cent. of the Margin* of the Nominal Amount, if the Notes are redeemed during a period starting on the day falling thirty-three (33) months (i.e. inclusive) after the First Issue Date and ending on the Final Maturity Date; or
- (d) 100.0 per cent of the Nominal Amount, if the Notes are redeemed within the period starting ninety (90) days before the Final Maturity Date up to but excluding the Final Maturity Date, provided that the redemption is financed by way of one or more Market Loan issues by the Issuer and that the Noteholders are offered to participate in such issues;

in each case together with accrued but unpaid Interest.

9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any such

notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

9.4 Early redemption due to illegality (call option)

9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

9.4.2 The Issuer shall give notice of any redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

9.4.3 A notice of redemption in accordance with Clause 9.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

9.5 Mandatory repurchase due to a Change of Control Event or a Listing Failure (put option)

9.5.1 Upon the occurrence of a Change of Control Event or a Listing Failure, each Noteholder shall have the right to request that all, or some only, of its Notes are repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of the Change of Control Event or Listing Failure pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure (as applicable).

9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder 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 Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The repurchase date must fall no earlier than on the date falling five (5) Business Days and no later than on the date falling thirty (30) Business Days after the end of the period referred to in Clause 9.5.1.

9.5.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.

- 9.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained, sold or cancelled.

10 Information to Noteholders

10.1 Information from the Issuer

- 10.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within one hundred and twenty (120) days after the end of each Financial Year, its audited consolidated financial statements for that Financial Year;
 - (b) as soon as the same become available, but in any event within sixty (60) days after the end of each quarter of its Financial Year, its unaudited consolidated financial statements or the year-end report (Sw. bokslutskommuniké) (as applicable) for such period;
 - (c) as soon as practicable upon becoming aware of an acquisition or disposal of Notes by a Group Company or an Affiliate, information regarding the aggregate Nominal Amount held by Group Companies and/or an Affiliate, or the amount of Notes cancelled by the Issuer;
 - (d) together with any financial statements and in connection with the issue of any Subsequent Notes a Compliance Certificate (in which the financial covenants shall be calculated *pro forma*, taking into consideration the issuance of the Subsequent Notes);
 - (e) any other information required by the Swedish Securities Markets Act (Sw. lag (2007:582) om värdepappersmarknaden) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading; and
 - (f) of a Change of Control Event, Listing Failure or an Event of Default.
- 10.1.2 The Issuer shall immediately notify the Agent (and in respect of a Change of Control Event or a Listing Failure, also the Noteholders) (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, a Change of Control Event, a Listing Failure or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 10.1.3 A notice relating to a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- 10.1.4 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent a Compliance Certificate attaching copies of any notices sent to the Regulated Market on which the Notes are admitted to trading.

10.2 Information from the Agent

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

10.3 Publication of Finance Documents

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

- 10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

11 General Undertakings

11.1 Disposals

The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group where such disposal is reasonably likely to have an adverse effect on the ability of the Issuer to perform its obligations under the Finance Documents.

11.2 Merger

The Issuer shall not, and shall procure that no Group Company will, enter into any amalgamation, demerger, merger, consolidation, unless (i) between Group Companies (other than the Issuer), or (ii) between the Issuer and a Group Company, provided that the Issuer is the surviving entity.

11.3 Change of Business

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on at the date of these Terms and Conditions.

11.4 Pari Passu ranking

The Issuer shall ensure that at all times its obligations under these Terms and Conditions rank at least *pari passu* with the claims of all its other unsubordinated and unsecured creditors, except those whose claims are mandatorily preferred by laws of general application.

11.5 Maintenance of Properties

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

11.6 Insurance

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

11.7 Dividends

- 11.7.1 The Issuer and any other Group Company may only declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital attributable to common shares (or any class of its share capital attributable to common shares) (a “**Distribution**”) up to an aggregate amount for each Financial Year corresponding to fifty (50) per cent. of the Management Profit (after deduction of taxes calculated at a rate of 22 per cent.). Notwithstanding the aforesaid, a Group Company (other than the Issuer) may always make Distributions to other Group Companies.
- 11.7.2 The Issuer may always declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital attributable to preference shares (or any class of its share capital attributable to preference shares).

11.8 Valuation

The Issuer shall procure that a valuation of the Properties is prepared by a reputable external property valuer each Financial Year.

Such valuation shall be delivered to the Agent upon its request if the Agent has reason to believe that the figures set out in the most recent Compliance Certificate are inaccurate.

11.9 Financial Covenants

- 11.9.1 The Interest Coverage Ratio shall not be less than 1.75:1.
- 11.9.2 The Equity Ratio shall not be less than 20 per cent. at all times.
- 11.9.3 The Loan to Value shall not exceed 75 per cent. at any time.
- 11.9.4 The financial covenants in Clauses 11.9.1, 11.9.2 and 11.9.3 above shall be measured from the First Issue Date and tested on each Test Date (with the first Test Date being 30 September 2017), and in respect of the Interest Coverage Ratio, for the relevant Test Period.

11.10 Admission to trading

- 11.10.1 The Issuer intends to list the Notes on the corporate bond list of Nasdaq Stockholm within thirty (30) calendar days after the First Issue Date and shall ensure that (i) the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date, (ii) any Subsequent Notes are listed on the corporate bond list of Nasdaq Stockholm within twenty (20) days after the issuance of such Subsequent Notes, provided that if such date would fall prior to listing of the Initial Notes, the Subsequent Notes shall be listed together with the Initial Notes and (iii) that the Notes, once admitted to trading on the corporate bond list of Nasdaq Stockholm or another Regulated Market, continue to be

listed thereon for as long as any Note is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

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

11.11 Undertakings relating to the Agency Agreement

11.11.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

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

12 Events of Default

Each of the events or circumstances set out in Clauses 12.1 to 12.10 is an Event of Default.

12.1 Non-Payment

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

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

12.2 Other obligations

The Issuer or any other person (other than the Agent) does not comply with any provision or condition of the Finance Documents to which it is a party (other than those terms referred to in paragraph 12.1 above), unless the non-compliance:

- (a) is capable of remedy; and
- (b) is remedied within ten (10) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

12.3 Misrepresentation

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

12.4 Impossibility or illegality

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

12.5 Insolvency

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

12.6 Insolvency proceedings

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

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group, other than a solvent liquidation or reorganisation of any Group Company which is not the Issuer;
- (b) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any member of the Group or any of its assets, other than in connection with a solvent liquidation or reorganisation of any Group Company which is not the Issuer; or
- (c) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction, where the amount of such Security exceeds SEK 25,000,000 (or its equivalent in any other currency).

or any analogous procedure or step is taken in any jurisdiction.

12.6.2 Clause 12.6.1 shall not apply to any corporate action, legal proceedings or other procedure or step taken which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

12.7 Creditors' process

Any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any asset of a Group Company having an

aggregate value of SEK 25,000,000 and is not discharged within forty-five (45) calendar days.

12.8 Cross default and cross acceleration

Any Financial Indebtedness of the Issuer or a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be due as a result of an event of default (however described) or any commitment for a Financial Indebtedness of any Group Company is cancelled or suspended by a creditor as a result of an event of default (however described), provided that no Event of Default will occur if the aggregate amount of Financial Indebtedness is less than SEK 25,000,000 (or its equivalent in any other currency).

12.9 Cessation of business

Any Group Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, except if due to a permitted merger, demerger or disposal under these Terms and Conditions and provided, in relation to a cessation of business of a Group Company other than the Issuer, that such cessation is likely to have a Material Adverse Effect.

12.10 Listing default

The Initial Notes have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months from the First Issue Date.

13 Acceleration of the Notes

13.1 Upon the occurrence of an Event of Default, and for as long as such event is continuing, the Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 13.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

13.2 The Agent may not accelerate the Notes in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

- 13.3 The Agent shall notify the Noteholders 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 Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 13.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.5 If the right to accelerate the Notes 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.
- 13.6 In the event of an acceleration of the Notes in accordance with this Clause 13, the Issuer shall redeem all Notes at an amount per Note equal to the redemption amount specified in Clause 9.3 (*Voluntary total redemption*) as applicable considering when acceleration occurs.

14 Distribution of Proceeds

- 14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.13;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and

- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).
- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

15 Decisions by Noteholders

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' 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 Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders 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.
- 15.4 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 Noteholder*) from a person who is, registered as a Noteholder:

- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.

15.5 The following matters shall require the consent of Noteholders representing at least seventy (70) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 1,000,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
- (d) a change to the Interest Rate or the Nominal Amount;
- (e) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (g) a change of issuer (unless permitted herein), an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (h) a mandatory exchange of the Notes for other securities; and
- (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 13 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1(a) or (b)), and an acceleration of the Notes.

15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted

Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 15.10 A Noteholder holding more than one Note 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.
- 15.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' 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.
- 15.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 15.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.14 If a decision shall be taken by the Noteholders 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 Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.

- 15.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the website of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

16 Noteholders' Meeting

- 16.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on the Record Date.
- 16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the notice.
- 16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) day on which a person must be a Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

17 Written Procedure

- 17.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(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 Noteholder on the Record Date prior to the date on which the communication is sent.

- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.
- 17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (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 Noteholder 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 Noteholder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to Clause 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 17.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15.5 and 15.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18 Amendments and Waivers

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- 18.2 The consent of the Noteholders 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.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*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.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

19 Appointment and Replacement of the Agent

19.1 Appointment of Agent

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes 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 Notes held by such Noteholder. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Noteholder 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 Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 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.
- 19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders 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.

- 19.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 19.2.6 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.
- 19.2.7 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 Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.8 The Agent shall give a notice to the Noteholders (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 19.2.7.

19.3 Limited liability for the Agent

- 19.3.1 The Agent will not be liable to the Noteholders 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.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, 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.

- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.1.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders 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 Noteholders, 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.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in

respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders 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.

- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20 Appointment and Replacement of the Issuing Agent

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

21 No Direct Actions by Noteholders

- 21.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.8 before a Noteholder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory*

repurchase due to a Change of Control Event or a Listing Failure) or other payments which are due by the Issuer to some but not all Noteholders.

22 Prescription

- 22.1 The right to receive repayment of the principal of the Notes 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 Noteholders' right to receive payment has been prescribed and has become void.
- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, 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.

23 Notices and Press releases

23.1 Notices

- 23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Group and the Agent.
- 23.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in

Clause 23.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 23.1.1.

- 23.1.3 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.

23.2 Press releases

- 23.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality*), 10.1.2, 13.3, 15.15, 16.1, 17.1 and 18.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

- 23.2.2 In addition to Clause 23.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

24 Force Majeure and Limitation of Liability

- 24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 24.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

25 Governing Law and Jurisdiction

- 25.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

25.2 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: 30 June 2017

STENDÖRREN FASTIGHETER 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: 30 June 2017

NORDIC TRUSTEE & AGENCY AB (PUBL)
as Agent

Name:

Schedule 1

Conditions Precedent

1 Corporate Documents

- (a) A copy of the constitutional documents of the Issuer.
- (b) A copy of a resolution of the board of directors of the Issuer:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (d) A Compliance Certificate.
- (e) A certificate of an authorised signatory of the Issuer certifying that each copy document relating to it specified in this Part I of Schedule 1 is correct, complete and in full force and effect.

2 Agreements

The following documents duly executed by all the parties thereto:

- (a) The Terms and Conditions; and
- (b) The Agency Agreement.

Schedule 2

Form of Compliance Certificate

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

Dear Sirs,

Stendörren Fastigheter AB (publ) – Terms and conditions for Stendörren Fastigheter AB (publ) with respect to the up to SEK 1,000,000,000 senior unsecured floating rate notes (the "Terms and Conditions")

- (1) We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- (2) We confirm that:
 - (a) The Interest Cover Ratio on the Test Date [*date*], was [●];
 - (b) The Equity Ratio on the Test Date [*date*], was [●]; and
 - (c) The Loan To Value on the Test Date [*date*], was [●].
- (3) We set out below calculations establishing the figures in paragraph (2):

[●]
- (4) We confirm that no Event of Default is continuing. [*If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.*]
- (5) Attached hereto you will find copies of any notices sent to the Regulated Market.

[●]

[●]

Definitions

<i>Agent</i>	means Nordic Trustee & Agency AB (publ), a public company with Reg. No. 556882-1879.
<i>Euroclear</i>	means Euroclear Sweden AB, a limited liability company with Reg. No. 556112-8074.
<i>Group</i>	means Stendörren Fastigheter AB (publ) and its subsidiaries, from time to time.
<i>Issuing Agent</i>	means Swedbank AB (publ), a public company with Reg. No. 502017-7753.
<i>Nasdaq Stockholm</i>	means the Corporate Bond List on Nasdaq Stockholm Aktiebolag.
<i>Noteholders</i>	means a person who is registered on a securities account as a creditor or otherwise entitled to receive payment pursuant to the Notes.
<i>Notes</i>	means the senior unsecured floating rate notes with ISIN SE0010023564
<i>Prospectus</i>	means this prospectus, including any documents incorporated by reference.
<i>SEK</i>	means the lawful currency in Sweden.
<i>Stendörren or the Company</i>	means Stendörren Fastigheter AB (publ), a public limited liability company with Reg. No. 556825-4741.
<i>Swedish Companies Act</i>	means the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i>).
<i>Terms and Conditions</i>	means the terms and conditions for the Notes.

Addresses

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