



Solör Bioenergi Holding AB (publ)

relating to the listing of

SEK 950,000,000 Senior Secured Callable Floating Rate Bonds due  
10 June 2019

*Issuing Agent*

 **Pareto** Securities

The logo for Pareto Securities, featuring a stylized blue arc to the left of the word "Pareto" in a bold, blue, sans-serif font, followed by "Securities" in a regular, blue, sans-serif font.

Prospectus dated 2 May 2015

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## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Solör Bioenergi Holding AB (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Norrlandsgatan 16, 111 43 Stockholm, with reg. no. 556907-9535, in relation to the application for the listing of the senior secured callable floating rate bonds denominated in SEK (the "**Bonds**") on a regulated market. Nordic Trustee & Agency AB (publ) has acted as agent in connection with the issue of the Bonds (the "**Agent**"). This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and 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 is available at the SFSA's website ([www.fi.se](http://www.fi.se)) and the Issuer's website ([www.solorbioenergi.se](http://www.solorbioenergi.se)).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 46 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding 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 shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**EUR**" refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "**SEK**" refer to Swedish krona and references to "**NOK**" refer to Norwegian krone.

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;
- (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Oslo Børs. This Prospectus may not be distributed in or into any country where such distribution or disposal would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

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 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 results, 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 Group's operations. Such factors of a significant nature are mentioned in the section "**Risk factors**" below.

This Prospectus shall be read together with all documents that are incorporated by reference, see subsection "**Documents incorporated by reference**" under section "**Other information**" below, and possible supplements to this Prospectus.

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## RISK FACTORS

*Investing in the Bonds involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out below before making an investment decision. This section is not intended to be exhaustive – additional risks and uncertainties not presently known to the Issuer or the Guarantors may also impair the Issuer's and the Guarantors' business operations and adversely affect the price of the Bonds and the Issuer's ability to serve its debt obligations. The Issuer cannot assure investors that any of the events discussed in the risk factors below will not occur. If any of the events described below actually occurs, the Issuer's and the Guarantors' business, financial condition, results of operations and cash flows could be materially adversely affected and this might have a material adverse effect on the Issuer's ability to meet its obligations (including the payment of principal and interest) under the Bonds. In such case, the trading price of the Bonds could decline, and an investor might lose all or part of its investment. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.*

*The risk factors below are not ranked in any specific order.*

### **1. Risks relating to the Group and the market**

#### **1.1 Risks related to the Group's business and operations**

Although the Company carefully evaluates each project before commencing the development, construction and operation processes, including identifying and, to the extent possible, seeking to minimize or eliminate project risks, the Company's activities necessarily entail certain risks. Some of the risks that are important for an assessment of the Company's future business operations, development and opportunities are described below.

##### **1.1.1 Risks associated with variations in temperature leading to variations in energy demand**

The demand for the Group's products and services is subject to general fluctuations in demand for energy, and may be therefore be affected by variations in the weather conditions. Higher temperatures can result in lower demand for the Group's products and services.

Furthermore, the Group's energy plants are dimensioned to absorb normal production fluctuations, e.g. through flexible thermal energy production systems. However, in particular during cold winter periods, the peak load may require that the plants produce more from the backup systems (e.g. oil or electricity), which could drive raw material costs higher, which in turn could affect the profitability of the Group negatively.

##### **1.1.2 Risks associated with operation of plants and production**

Even though the Group aims to control all aspects of its operations, the Company may face unforeseen issues, such as the risk of fire or operational failure, which, if materialized, will result in property damage and/or production shutdown that will materially affect the Company's financial position.

##### **1.1.3 Risks associated with fluctuations in electricity prices and revenue**

The Group's plants are estimated to have a long technical life. The markets, in which the Group is operating, have difficulties to guarantee a fixed price for the heating and electricity for such

a long time period. Consequently there is a risk that the variable income of the Company will be insufficient to meet the repayment profile on the Company's debt.

#### **1.1.4 Risks associated with dependence on senior managers and key management**

The future success of the Group will depend on the full involvement of the board of directors and management. If one or more members of the key management were to resign, the Group might encounter difficulty in appointing their replacement. There is a risk that such vacancies will affect the Group's business negatively and have an adverse effect on its financial position, results of operations, or ability to achieve its objectives.

#### **1.1.5 Risks associated with labour disputes**

The Company, the Company's contractors or service providers may be limited in their flexibility in dealing with their staff due to the presence of trade unions among their staff. If there is a material disagreement between the Company, the Company's contractors or service providers and their staff belonging to trade unions, there is a risk that the Group's operations will suffer an interruption or shutdown that would have a material adverse effect on its business, results of operations or financial condition.

#### **1.1.6 Risks associated with the cost of electricity and heating from renewable energy sources relative to the cost of electricity from other energy sources**

The demand for power plants that produce electricity and heating from renewable energy sources depends in part on the cost of producing energy from renewable sources relative to the cost of generation from other sources of energy. The cost of heating and electricity produced from renewable energy sources is determined primarily by the cost of constructing, financing and maintaining the plant. While it is the case that the development prospects of renewable energy sources do not depend solely on their economic competitiveness relative to other energy sources, the terms under which petroleum, coal, natural gas, other fossil fuels, and uranium can be supplied are key factors in determining the economic interest of using these energy sources rather than renewable sources. The principal energy sources in competition with renewable sources are petroleum, coal, natural gas and nuclear energy. There is a risk that a reduction in demand for renewable energy will have a material adverse effect on the business, financial position and results of operations of the Group.

#### **1.1.7 Technological risks**

There is a risk that mechanical problems, accidents, leaks or other events at the Company's facilities will cause unexpected production shutdowns. There is a risk that prolonged production shutdowns of facilities will have a material adverse effect on the Company's business, financial condition and results of operations.

#### **1.1.8 Risks associated with obtaining insurance**

The Group's business is exposed to the risks inherent in the construction and operation of CHP plants, such as breakdowns, manufacturing defects and natural disasters. There is a risk that the Group's insurance policies are or will be insufficient to cover possible losses resulting from a major outage at its energy projects, for the repair and replacement of damaged sites or the consequences of an action brought by a third party. If the Group was to incur a serious uninsured loss or a loss significantly exceeding the limits of its insurance policies, the resulting

costs is likely to have a material adverse effect on its business, financial position or results of operations.

### **1.1.9 Logistical operations**

The Company's operations rely on logistical operations including storage of feedstock, products, transport on rail, roads and ships. These operations are subject to the usual risks such as accidents, rise in costs and risk of not being able to secure contracts at the anticipated costs which, if materialized, would have a material adverse effect on the business, financial position and results of operations of the Company.

### **1.1.10 Cost of biomass**

Energy production at the Company's facilities is based on biomass. The cost of biomass will fluctuate in line with the market prices for the different biomass sources. Increases of cost for biomass will affect the financial performance of the Group and hence, there is a risk that an increase in the price of biomass will affect the financial position and results of operations of the Company negatively.

## **1.2 Market risk factors**

There is a risk that insolvency of the Company's consumers, changes in operating and maintenance costs, changes in interest rates and borrowing costs, temporary or definitive changes in political support, or similar event, will result in reduced profitability of the Company. Any interference with the revenue stream may have consequences for the sales of the Company's products and there is a risk that such events will have a material adverse effect on its business, financial position, results of operations or on its ability to achieve its objectives. Various factors beyond the Company's control contribute to the uncertainty of the market: the weather where higher temperatures during the heating season result in lower demand for the Group's products, the purchasing power of customers, risks associated with the procurement of raw material, regulatory regime/political risks and competition. If such factors beyond the Group's control develop in a negative way, the Group's income, profit and financial position will be affected negatively.

## **1.3 Financial Risk Factors**

### **1.3.1 Exposure to currency, interest fluctuations and credit risk**

The Group has its main operations in Sweden. The Group also has operations in Norway as well as in Poland. The Group is thus exposed and susceptible to exchange rate fluctuations in different currencies, principally Swedish kronor (SEK), Norwegian kronor (NOK) Polish Zloty (PLN) and to a small extent in Swiss Francs (CHF).

More than 50% of the Group's customers are mainly public or publicly owned entities. With respect to private homes the Group delivers basic needs with a limited risk of customers not paying. The Group's credit risk is therefore viewed as limited.

Moreover, the Group's debt financing mainly consists of floating rate loans and bonds, although a smaller part of the Group's external financing consists of loans with a fixed interest rate. While this implies that the Group has a limited price fluctuation risk related to its bonds/debt instruments in the balance sheet, the risk of increasing interest rates in the future

is correspondingly high. The NOK Bond (as defined below) matures in November 2017 and the Bond in June 2019.

Considering that the Group currently does not use any financial instruments including financial derivatives, currency hedging or interest rate hedging instruments, to protect itself from interest or currency fluctuations, there is a risk that such variations will negatively affect the financial performance of the Group.

#### **1.4 Legal Risk Factors**

There is a risk that the Company will be subject to legal claims from customers, authorities, including tax authorities and other third parties in the future. Furthermore, the Company may from time to time be involved in disputes in the ordinary course of its business activities. There is a risk that such disputes will disrupt business operations and adversely affect the results of the operations and the Group's financial condition.

The Group has bonds listed on Oslo Børs, which is a regulated market, and will apply to have the Bonds listed on Oslo Børs. It is therefore obliged to comply with listing rules and other rules applicable to issuers with financial instruments admitted to trading on regulated markets. There is a risk that failure to comply with such rules will result in delisting of the financial instruments and obligation to pay damages or penalties. Furthermore, as described under the section "Recent Events", the Financial Supervisory Authority of Norway ordered in 2015 Oslo Børs to delist the NOK Bonds from the exchange. Following an appeal from Bioenergi Holding AS, the decision was overruled. Although no new measures have been taken by the Financial Supervisory Authority of Norway, there is a risk that the Financial Supervisory Authority of Norway may revisit the issue and re-order a delisting of the NOK Bonds. Such a decision exposes the Issuer to risk that the Bonds may not be or remain listed on Oslo Børs. Under such situations, there is a risk that the liquidity of the Bonds will be negatively affected with following negative impact on the price of the Bonds. A failure to list the Bonds or to keep the Bonds or NOK Bonds listed, would also constitute an event of default under the terms of such bonds and would give the bondholders a right to accelerate the bond, which, if it occurred, would have severe negative consequences for the financial position of the Group.

##### **1.4.1 Operational accidents and hazards**

The Company's operations are subject to the usual hazards inherent in industrial production, such as the risk of equipment failure, work accidents, fire or explosion. These hazards can cause personal injury and loss of life, business interruptions, property and equipment damage, pollution and environmental damage. There is a risk that the Company will be subject to claims as a result of these hazards, and subject to claims resulting from the subsequent products it has delivered. The Company's policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective. There is a risk that failure to effectively cover the Company against industry risks for any of these reasons will expose the Company to substantial costs and potentially lead to material losses. Additionally, the occurrence of any of these risks is likely to damage the Company's reputation.

##### **1.4.2 Contractual relationships**

As a player in an international market with large multinational corporations, the Company will often have to accept standard terms and conditions used by its customers, raw material suppliers or influential suppliers of components. To some extent such standard terms and

conditions will appear to be to the disadvantage of the Company. There is a risk that the strict terms and conditions in the customer contracts exposes the Company to costs and lead to losses. Further, there is a risk that the Company will experience that there is a substantial discrepancy between the coverage of warranties made by the Company to its customers, and the warranties made by component or raw material suppliers in favour of the Company. Inability to effectively being able to place liability with the suppliers could potentially expose the Company to costs and lead to losses.

#### **1.4.3 Regulatory and environmental matters**

The Company's operations are subject to numerous national and supra-national, environmental, health and safety laws, regulations, treaties and conventions (together "**Regulations**"), including, among other things, those controlling the discharge of materials into the environment, requiring removal and clean-up of environmental contamination, establishing certification, licensing, health and safety, taxes, labour and training standards, or otherwise relating to the protection of human health and the environment. There is a risk that amendments or modifications of existing Regulations or the adoption of new Regulations curtailing or further regulating the Company's business could have a material adverse effect on the Company's operating results or financial condition. The Company cannot predict the extent to which future earnings may be affected by compliance with such new Regulations. In addition, there is a risk that the Company will be subject to fines and penalties if it does not comply with such Regulations, many of them relating to the discharge of chemicals or hazardous substances and the protection of the environment. Pursuant to these Regulations, the Company could be held liable for remediation of some types of pollution, including the release of chemicals, hazardous substances and debris from production and industrial facilities. Environmental remediation costs could be significant and cause the Company to incur substantial losses. Furthermore, some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances. There is a risk that the Company will be deemed liable for environmental damage without regard to the Company's negligence or fault. Such laws and regulations expose the Company for the risk of liability arising out of the conduct of operations or conditions caused by others, or for the Company's acts which were in compliance with all applicable laws at the time the acts were performed. Additionally, there is a risk that the Company will be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. There is a risk that changes in environmental laws and regulations, or claims for damages to persons, property, natural resources or the environment, will result in substantial costs and liabilities to the Company.

#### **1.4.4 Enforceability of civil liabilities**

The Company is a limited liability company with some of its operations in Norway. Some of the directors of the Company and executives named herein reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

## **2. Risks related to the Bonds**

### **2.1 The Issuer has substantial indebtedness which could have negative consequences for the Holders**

As a result of the issuance of the Bonds, the Issuer has substantial indebtedness and there is a risk that such indebtedness have negative consequences for the Holders as:

- the Issuer's ability to obtain additional financing for working capital, capital expenditure, asset acquisitions or general corporate purposes and its ability to satisfy its obligations under the Bonds is restricted;
- the Issuer is more vulnerable to general adverse economic and industry conditions;
- the Issuer will have a competitive disadvantage compared to its competitors with less financial indebtedness or comparable financial indebtedness at more favourable interest rates and as a result, it may not be better positioned to withstand economic downturns;
- the Issuer's ability to refinance financial indebtedness is dependent upon creditors willingness to lend and the associated costs may increase;
- the Issuer's flexibility to adjust to changing market conditions and ability to withstand competitive pressures is negatively affected, and there is a risk that the Issuer will be prevented from carrying out capital expenditures that are necessary or important to the Issuer's efforts to improve operating margins or the Issuer's business in general; and
- the Issuer has to dedicate a substantial portion of its cash flow to the payment of principal and interest on its financial indebtedness, which reduces the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes.

If the Group is unable to generate sufficient cash flow from operations in the future to service its debt, the Group is likely to be required to refinance all or a portion of its existing debt, including the Bonds, or to obtain additional financing. There is a risk that inability to obtain such refinancing or financing has a material adverse effect on the Group's business, results of operations and financial position.

### **2.2 There may be no public market for the Bonds**

The Issuer will apply for the Bonds to be listed, on Oslo Børs. The Bonds will, however, be securities for which currently there is no or a very limited trading market. The liquidity of any market for the Bonds and the ability to sell the Bonds will depend on the number of holders of those Bonds, the interest of securities dealers in making a market in those securities and other factors. Further, if such a market were to exist, there is a risk that the Bonds will trade at prices that may be lower than the principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar bonds and the Group's financial performance. If an active market does not develop or is not maintained, there is a risk that the price and liquidity of the Bonds is adversely affected.

In this context it can be noted that the Group's NOK Bond was suspended from trading by Oslo Børs between 14 July 2015 and 11 August 2015 due to late publication of the Issuer's annual report for 2014. There is a risk that the Financial Supervisory Authority of Norway's decision to order Oslo Børs to delist the NOK Bonds from listing on the exchange, for reason further described under the section "Recent Events", will negatively affect the Issuer's ability to keep the Bonds listed on a regulated market. Furthermore, Oslo Børs has, as a part of the listing process, required that an independent auditor conducts a limited financial due diligence

review of the Issuer. The outcome of the review will be presented in a report that will be submitted to Oslo Børs in connection with the filing of the listing application. There is a risk that the Issuer's application to Oslo Børs will be denied if Oslo Børs would find that the report shows that the Issuer do not meet the listing requirements. If the Bonds are not listed, there is a risk that the liquidity of the Bonds will be negatively affected with following negative impact on the price of the Bonds. A failure to list the Bonds would also constitute an event of default under the Terms and Conditions and would give the bondholders a right to accelerate the Bonds, which, if it occurred, would have severe negative consequences for the financial position of the Group.

### **2.3 Despite the Group's current levels of financial indebtedness, the Group may incur more debt, which could further exacerbate the risks associated with its substantial financial indebtedness**

The Terms and Conditions allow the Group to borrow additional amounts of money from other sources. If the Group incurs additional financial indebtedness, the related risks that the Group currently faces will increase.

### **2.4 To service the Group's financial indebtedness, including the Bonds, the Group will continue to require a significant amount of cash, and the Group's ability to generate cash depends on many factors beyond its control**

The Group's ability to make scheduled payments of principal or interest with respect to its financial indebtedness, including the Bonds, will depend on its ability to generate cash and on the Group's financial results. The Group's ability to generate cash depends on a number of factors. There is a risk that the Group's operations will not generate sufficient cash flow or that future borrowings will not be available to it under the Group's credit facilities or otherwise in an amount sufficient to enable the Group to service its indebtedness, including the Bonds, or to fund the Group's other liquidity needs. An inability to obtain finance in the future will have a material negative impact on the Group's operation and on the Holders' recovery under the Terms and Conditions.

### **2.5 The Issuer is dependent on other the Group Companies for its cash flow**

The Issuer's operating cash flow and ability to meet its debt obligations, including the Bonds, will depend on the cash flow provided by other Group Companies in the form of group loans, equity and group internal leases and agreements. The ability of such Group Companies to make such payments will depend on their earnings, tax considerations, legal restrictions and restrictions under their financial indebtedness. Future Group Companies that are not Guarantors under the Terms and Conditions are not obligated to make funds available for payment of the Bonds. Although the Terms and Conditions will limit the ability of such Group Companies to enter into consensual restrictions on their ability to pay dividends and make other payments, the limitations are subject to a number of qualifications and exceptions. Hence, there is a risk that the Issuer will not receive sufficient of funds in order to service *inter alia* its interest on the Bonds, which will impact Holders' return on their investments negatively.

**2.6 The Group may not have the ability to repurchase the Bonds upon a change of control as required by the Terms and Conditions**

Upon the occurrence of a change of control event, the Group may be required to offer to purchase all of the outstanding Bonds at 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. There is a risk that upon such a change of control, the Group will not have sufficient funds available to repurchase all of the Bonds tendered pursuant to this requirement which affect the investor's return on their investments negatively.

**2.7 The Terms and Conditions allow for modification of the Bonds or security, waivers or authorizations of breaches and substitution of the Issuer which, in certain circumstances, may be affected without the consent of the Holders**

The Terms and Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Agent may, without the consent of the Holders, agree to certain modifications of the Terms and Conditions and other Finance Documents (as defined in the Terms and Conditions) which, in the opinion of the Agent, are proper to make. Such modifications will be binding upon the Holders regardless of whether individual Holders agrees to the amendments or not.

Consequently, there is a risk that decisions taken by a requisite majority of the Holders or the Agent will impact the Holders' rights in a manner that would be undesirable for some of the Holders.

**2.8 The value of the collateral securing the Bonds may not be sufficient to satisfy the Issuer's obligations under the Bonds**

There is a risk that the Agent will not be able to sell any of the security without delays or that the proceeds obtained will be sufficient to pay all of the secured obligations. The value of the collateral securing the Bonds and the amount to be received on any sale of such other collateral will depend upon many factors including, amongst other things, the physical condition of the assets, the then current conditions in the industry in which the Group operates, the ability to sell the assets in an orderly sale, the condition of the international, national and local economies, the availability of buyers and other factors, beyond the control of the Agent and the Group.

Should the value of the collateral securing the Bonds be lower than the Holders' claim towards the Issuer, this part of the claim will be deemed to be unsecured and will rank *pari passu* with other claims without priority in the event of a bankruptcy of the Issuer or the relevant Guarantor.

**2.9 Failures or inadequacies in perfecting security may lead to unexpected and/or conflicting claims of Holders and possibly also inability to enforce security**

Inadequacies or failures in perfecting the security may arise. There is a risk that such inadequacies or failures lead to unexpected and/or conflicting claims of Holders. The risks related to the security not being perfected or being inadequately perfected includes:

- an inability to enforce the security at all;
- fewer and/or weaker rights being attached to the security; and
- claims by other parties taking priority and defeating the Holder's claim to the security.

Accordingly, investors should not place undue reliance on the security.

## **2.10 The enforcement of the guarantees may not provide sufficient funds to pay all the Holders**

The enforcement of the guarantees from the Guarantors can be difficult because (among other things) the location and identification of the assets of the relevant Guarantor and subsequently taking the necessary legal action to enforce the relevant guarantee could be a time consuming process. In addition, the beneficiaries of a guarantee rank only as unsecured creditors of the relevant Guarantor and there is a risk upon enforcement of the guarantee that there will be creditors who rank ahead of such beneficiaries' claims and therefore that there will be insufficient funds to pay all the Holders.

## **2.11 Risks related to insolvency or bankruptcy of the Issuer or the Guarantors**

The ability of the Holders to realise upon the collateral provided as security under the Bond Issue will be subject to certain bankruptcy and insolvency law limitations in the event of the bankruptcy or insolvency of the Issuer or any of the Guarantors. There is a risk that the right of the Agent to repossess and dispose of the collateral upon the occurrence of an Event of Default is significantly impaired by applicable bankruptcy or insolvency law in the event that a bankruptcy case or insolvency proceeding were to be commenced by or against the Issuer or any Guarantor.

Also, as a general matter, there is a risk that the Issuer's liabilities in respect of the Bonds, in the event of a bankruptcy or insolvency proceeding or similar proceeding, will rank junior to certain of such Issuer's debts that may be entitled to priority under the laws of the relevant jurisdiction which exposes the Holder's for the risk that there will be insufficient funds to pay the Holders in full.

## **2.12 Security and subsidiary guarantees can be voided**

Applicable bankruptcy and insolvency laws may affect the validity and/or priority of the Bonds, security granted for the Bonds or guarantees for the Bonds. Where a debtor deals with its property in a manner that prejudices its creditors (particularly, where such debtor is or thereafter becomes insolvent), such transactions by the debtor may be subject to challenge. Where a transaction subject to challenge is held to be contrary to such laws, the transaction can be voided. Statutory means to challenge transactions have various prescribed "look back" periods, during which the transaction subject to attack must have taken place. In certain circumstances, these "look back" periods may be unlimited. Should the issuance of, or the payment on, the Bonds, granting of security or any guarantees be subject to attack under these laws, there is a risk that the validity and/or priority of the Bonds, security or guarantees will be impaired which would have an adverse effect on the Holders' security position. The measures of insolvency for purposes of these laws will vary depending upon the law applied in any such proceeding and upon the valuation assumptions and methodology applied by the court.

### **2.13 Corporate benefit limitations in providing security and guarantees for third parties**

If a Swedish limited liability company guarantees or provides security for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of the guarantee or security will require the consent of all shareholders of the grantor and will only be valid up to the amount the company could have distributed as dividend to its shareholders at the time the guarantee or the security was provided. If no corporate benefit is derived from the provided guarantee or security, such guarantee or security will be limited in validity as aforesaid. Consequently, there is a risk that the security granted by a subsidiary of the Issuer will be limited in accordance with the aforesaid which could have an adverse effect on the Holders' security position.

## THE BONDS IN BRIEF

*The following summary contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.*

<b>Issuer</b> .....	Solör Bioenergi Holding AB.
<b>Bonds Offered</b> .....	SEK 950,000,000 in aggregate principal amount of senior secured callable floating rate bonds due 10 June 2019.
<b>Number of Bonds</b> .....	950.
<b>ISIN</b> .....	SE0005999687.
<b>Issue Date</b> .....	10 June 2014.
<b>Issue Price</b> .....	100 %.
<b>Interest Rates</b> .....	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 5 % per annum, subject to a margin step-up in accordance with a margin ratchet. Please see the definition of "Margin" in the Terms and Conditions, Clause 1.1 ( <i>Definitions</i> ) for detail information regarding the margin ratchet.
<b>Interest Payment Dates</b> .....	10 March, 10 June, 10 September and 10 December of each year commencing on 10 September 2014. Interest will accrue from (but excluding) the Issue Date.
<b>Nominal Amount</b> .....	The Bonds have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000.
<b>Status of the Bonds</b> .....	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and:

- rank at least *pari passu* with the claims of the Issuer's other unsubordinated creditors, except those obligations which are mandatorily preferred by law;
- are guaranteed by the Guarantors (as defined below);
- are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent

of the value of the property and assets securing such indebtedness; and

- are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors.

See Clause 3 (*Status of the Bonds*) of the Terms and Conditions for further details.

**Guarantees**..... The Issuer's obligations under the Bonds are jointly and severally guaranteed (the "**Guarantee**") by each of:

- Solør Bioenergi Holding AS;
- SBH Acquisition 2 AB;
- Solör Bioenergi Fjärrvärme AB; and
- Solör Värmeanläggningar i Sverige Fastighets AB.

each a "**Guarantor**" and jointly the "**Guarantors**".

See "*Description of Material Agreements – Guarantee Agreement*" for further details.

**Ranking of the Guarantees**.. The Guarantee of each Guarantor is a general obligation of such Guarantor and:

- ranks *pari passu* in right of payment with any existing and future indebtedness of such Guarantor that is not subordinated in right of payment to such Guarantee;
- ranks senior in right of payment to any existing and future indebtedness of such Guarantor that is expressly subordinated in right of payment to such Guarantee; and
- is effectively subordinated to any existing or future indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness.

The Guarantees are subject to certain limitations under local law (including *inter alia* corporate benefit limitations described under section 2.13 (*Corporate benefit limitations in providing securities and guarantees for third parties*)).

- The Guarantees are issued in favour of the Agent and the Holders, as for the Guarantors' own debt (Sw. "*såsom för egen skuld*") for the full and punctual payment of all present and future obligations and liabilities of the Issuer's obligations under the Bonds.
- Security .....** The Bonds are secured by security interests granted on an equal and rateable first-priority basis over the share capital of the following Group Companies:
- SBH Acquisition 2 AB;
  - Solör Bioenergi Fjärrvärme AB; and
  - Solör Värmeanläggningar i Sverige Fastighets AB.
- The shares in SBH Acquisition AB have been pledged in favour of the bondholders under both the Bonds and the NOK Bonds. In case of an enforcement, 59,168 per cent of the net enforcement proceeds shall be applied to discharge the Bonds.
- Moreover, all intragroup loans between the Guarantors or between a Guarantor and the Issuer where the initial principal amount of the loan exceeds SEK 10,000,000 (or its equivalent in any other currency) and with a term of no less than 180 calendar days, are pledged as security for the Bonds.
- Call Option.....** The Issuer has the right to redeem outstanding Bonds in full at any time on or after the First Call Date at the applicable Call Option Amount in accordance with Clause 11.3 (*Early voluntary redemption by the Issuer (call option)*) of the Terms and Conditions.
- Call Option Amount .....** Call Option Amount means:
- (a) an amount equal to 102.60 % of the Nominal Amount if the Call Option is exercised on or after the First Call Date up to (but not including) the date falling 48 months after the Issue Date;
  - (b) an amount equal to 101.30 % of the Nominal Amount if the Call Option is exercised on the date falling 48 months after the Issue Date up to (but not including) the date falling 54 months after the Issue Date; or
  - (c) an amount equal to 100.60 % of the Nominal Amount if the Call Option is exercised on the date falling 54 months

after the Issue Date up to (but not including) the Final Maturity Date.

- First Call Date.....** Means the date falling 36 months after the Issue Date.
- Final Maturity Date .....** Means 10 June 2019.
- Change of Control.....** Upon a Change of Control Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds be repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 % of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) calendar days following a notice from the Issuer of the Change of Control Event pursuant to paragraph (e) of Clause 12.16 (*Financial reporting and information*) of the Terms and Conditions. The sixty (60) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.
- Change of Control Event.....** Means if any Person or group of Persons under the same Decisive Influence, or two or more Persons acting in concert (other than the Sponsors or any indirectly or directly owned Subsidiary of the Sponsors) obtains Decisive Influence over the Issuer.
- Certain Covenants.....** The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:
- restrictions on making any changes to the nature of their business;
  - a negative pledge, restricting the granting of security over its present or future respective assets;
  - restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and
  - limitations on the making of distributions and disposal of assets.
- The Terms and Conditions contain certain maintenance covenants with respect to Equity Ratio, Current Ratio and Interest Coverage Ratio. Please see the Terms and Conditions, Clause 12.4 (*Financial Covenants*), for detailed information regarding the covenants.
- Use of Proceeds .....** The Net Proceeds from the issuance of the Bonds was contributed by the Issuer to SBH 2 by way of an Acquisition Loan and subsequently from SBH 2 to SBH 3 by way of an Acquisition Loan who used the funds under such Acquisition Loan towards financing its acquisition of all of

the shares in VASS in accordance with the Sale and Purchase Agreement.

<b>Transfer Restrictions .....</b>	The Bonds are freely transferrable, but may be subject to transfer restrictions under local laws or regulations. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense. Further, the Bonds and the Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Bonds are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from the registration requirements of the U.S. Securities Act. For further restrictions, please see the Terms and Conditions, Clause 5 ( <i>The Bonds and transferability</i> ).
<b>Listing.....</b>	Application will be made to list the Bonds on Oslo Børs.
<b>Agent.....</b>	Nordic Trustee & Agency AB (publ).
<b>Issuing Agent .....</b>	Pareto Securities AB.
<b>Governing Law of the Bonds</b>	Swedish law.
<b>Governing Law of the Guarantee Agreement.....</b>	Swedish Law.
<b>Risk Factors.....</b>	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 4 June 2014, and was subsequently issued by the Issuer on 10 June 2014. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Oslo Børs, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The board of directors of the Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and the Issuing Agent has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer 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 Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that 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 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 facts and contains no omission likely to affect its import.

2 May 2016

Solör Bioenergi Holding AB

*The Board of Directors*

## DESCRIPTION OF MATERIAL AGREEMENTS

*The following is a summary of the material terms of material agreements to which the Issuer is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.*

### Guarantee Agreements

The Guarantors have entered into guarantee agreements with the Agent dated 10 June, 11 July and 9 October 2014, pursuant to which the Guarantors unconditionally and irrevocably, jointly and severally, guarantees to each Secured Party, as represented by the Agent, as for its own debt (Sw. "så som för egen skuld") the full and punctual payment by the Obligor of the Secured Obligations.

The Guarantees are only subject to certain limitations imposed by local law requirements in certain jurisdictions.

### Subordination Agreements

The Issuer has entered into two subordination agreements, relating to the Bonds and certain loans, with the Subordinated Creditors (as defined therein) and the Agent, both dated 10 June 2014 (the "**Subordination Agreements**").

In accordance with the Subordination Agreements, the Creditors (as defined therein) agree that their respective claims against the Issuer shall rank in the following order of priority:

- (a) first, the Senior Debt; and
- (b) second, the Subordinated Debt.

### Bond Agreement for the NOK Bonds

In November 2012, Solør Bioenergi Holding AS issued debt obligation instruments in an initial aggregate principal amount of NOK 650,000,000 (the "**NOK Bonds**"). As set out below under the heading "*Recent Events*", the Issuer and Solør Bioenergi Holding AS have carried out a change of debtor under the NOK Bonds whereby the Issuer became new debtor under the NOK Bonds. The terms and conditions for the NOK Bonds are governed by a bond agreement entered into with Nordic Trustee ASA, as bond trustee, on behalf of the bondholders in the bond issue (the "**NOK Bond Agreement**"). In accordance with the NOK Bond Agreement, the Issuer has certain obligations in relation to the holders of the NOK Bonds, e.g. as regards interest payments, maintenance of financial covenants, certain undertakings and obligations upon the occurrence of a change of control event.

### Financial indebtedness in the Rindi group

The Group Companies that the Group acquired through the acquisition of Rindi Energi AB (see "Overview of Group structure" below), have an existing financial indebtedness of approximately SEK 850,000,000, excluding any liabilities following from any lease agreements in the Group, which is owed to certain debt providers under various credit arrangements (the "**Rindi Debt**"). As security for certain parts of the Rindi Debt, Rindi Energi AB and certain of its subsidiaries have granted securities and guarantees to the debt providers under the Rindi Debt.

### **Put and call option arrangement regarding Solør Bioenergi Infrastruktur Holding AS**

Solør Bioenergi Holding AS ("**SBHAS**") leases certain real estate and infrastructure used in the Group's generation and distribution of wood-based bioenergy from Solør Bioenergi Infrastruktur Holding AS ("**SBIH**"). SBIH is owned by Nordic Bioenergy Infrastructure AS ("**NBI**"), which acquired SBIH in 2013 from parties being indirect shareholders of the Issuer (the "**Sellers**"). The Sellers, NBI, SBHAS and the Issuer have entered into an arrangement under which SBHAS and the Issuer have a call option to buy the shares in SBIH from NBI. The call option can be executed at any time until July 2023.

Pursuant to the arrangement NBI also has a right to sell and SBHAS and the Issuer an obligation to purchase SBIH for a pre-determined purchase price (a put option). NBI's put option to sell the shares in SBIH may not be exercised before May 2018. The Sellers have (on a pro rata basis) granted a limited market value guarantee in favour of the Issuer and SBHAS and will compensate SBHAS and the Issuer (up to a certain amount), if the purchase price it pays under the put option is higher than the market price.

## THE DISTRICT HEATING INDUSTRY

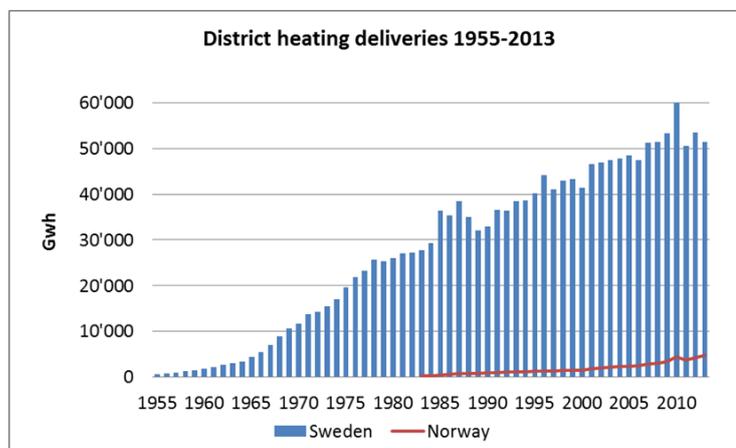
### History and overview

The district heating industry is a capital-intensive industry with high entry barriers. Sweden is to a large extent already "built out" over the past 70 years. 285 of 290 municipalities have district heating and there are approximately 31,000 km of submerged district heating pipelines throughout Sweden. District heating assets have a long lifespan with limited reinvestments. Distribution pipes have a particularly long lifespan of 70+ years. If the energy plants are maintained regularly, they last for 25-50 years.

District heating is a business with a high level of customer stability and loyalty. Hence, the customer switching rate is low. The main reasons for this are price competitiveness for an essential service, low maintenance costs, ease of use and the use of renewable energy.

Sweden's history with respect to district heating can be summarised as follows:

- **1948-70:** Municipal energy plants established district heating in order to utilize excess heat from production of electricity.
- **1965-74:** Implementation of "Millionprogrammet", a political programme, with the objective to build one million new apartments with water-based heating systems.
- **1980s:** Introduction of a national programme for reducing Swedish oil dependency, which resulted in increased energy taxes on oil.
- **1990s:** Introduction of a national programme, the objective of which is to lower carbon dioxide (CO<sub>2</sub>) emissions, which resulted in the introduction of the CO<sub>2</sub> tax.



Swedish governmental policy supports the expansion of bioenergy and district heating. Accordingly, there are primarily two political objectives with respect to this:

1. The share of renewable energy must represent at least 50 % of total energy use by 2020.
2. There shall be zero emissions of greenhouse gases within 2050.

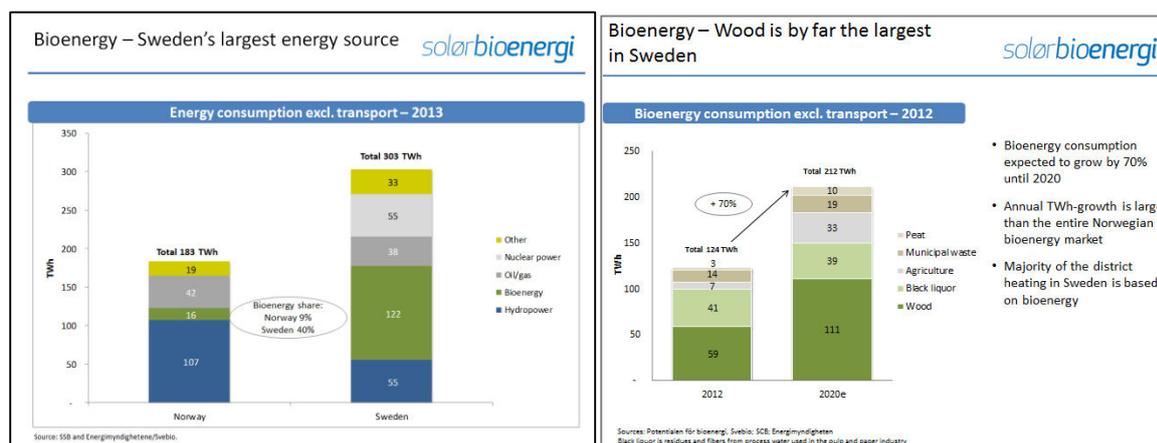
The favourable regulatory environment in both Sweden and Norway is expected to continue.

### The Swedish bioenergy consumption

In 2012, Swedish bioenergy consumption was approximately 124 TWh, which represented 41 % of the total energy consumption (excluding transport). Bioenergy is Sweden's largest energy source, larger

than nuclear power and hydro-power combined. Sweden is the leading bioenergy country in the world per capita. Of the total 124 TWh, 59 TWh derives from wood. In Norway, the bioenergy consumption was in 2012 approximately 16 TWh, which represented 9 % of the total energy consumption (excluding transport). Sweden's annual TWh-growth is higher than the entire Norwegian bioenergy market. The majority of the district heating in Sweden is based on bioenergy.

In Sweden, the bioenergy consumption is expected to increase to 212 TWh by 2020, which entails growth of 70 %. 111 TWh, of the total 212 TWh, is expected to derive from wood.



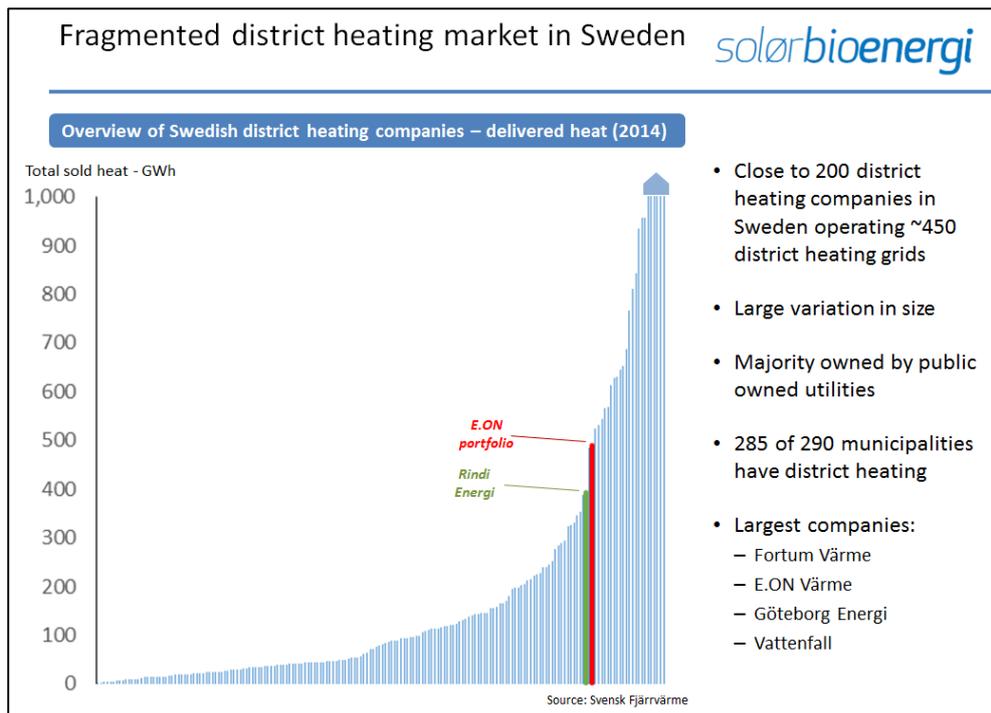
### The Swedish district heating market size

The Swedish district heating market exceeds 50 terawatt hours (TWh) and total revenues amount to approximately SEK 37,000,000,000 in 2014. In 2014, EBITDA was approximately SEK 11,940,000,000 which corresponds to an EBITDA margin of 30 %.

#### Profit & Loss – district heating market in Sweden

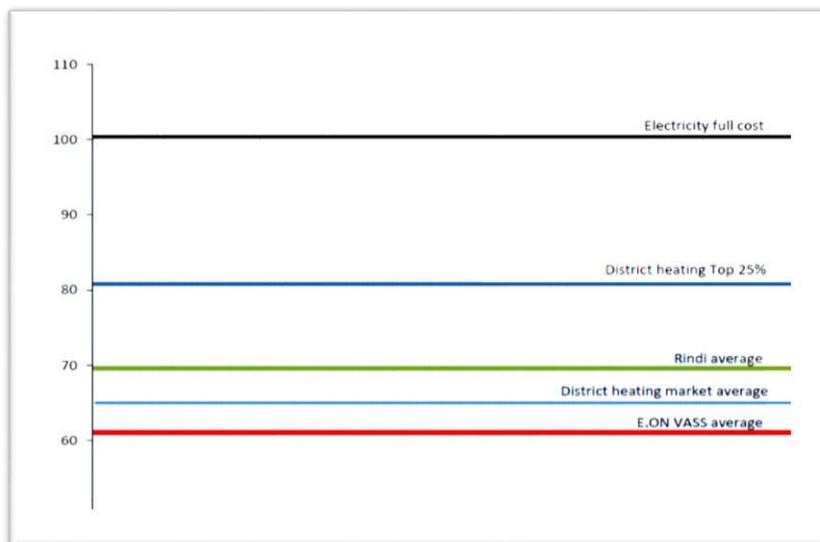
SEKm	2009	2010	2011	2012	2013	2014
<b>Revenues</b>	37 380	43 197	38 892	38 571	39 767	36 976
<i>Growth</i>	10 %	16 %	(10) %	(1) %	3%	(7)%
<b>EBITDA</b>	10 279	11 403	11 469	11 143	11 940	10 955
<i>EBITDA margin</i>	27 %	26 %	29 %	29 %	30 %	30 %
<b>EBIT</b>	5 751	6 618	6 496	6 041	6 552	5 427
<i>EBIT margin</i>	15 %	15 %	17 %	16 %	16 %	15 %
<b>EBT</b>	4 258	4 902	4 802	4 278	4 814	5 119
<i>EBT margin</i>	11 %	11 %	12 %	11 %	12 %	14 %
<b>Post-tax profit/(loss)</b>	2 086	2 147	2 528	1 855	2 513	1 750
<i>Post-tax margin</i>	6 %	5 %	7 %	5 %	6 %	5 %

In Sweden, there are close to 200 district heating companies operating on approximately 450 district heating grids. 285 of Sweden's 290 municipalities have district heating. There is a substantial variation in the size of the companies, and the majority are owned by public owned utilities. The largest companies are Fortum Värme, E.ON Värme, Göteborgs Energi and Vattenfall.



### The pricing of district heating in Sweden

Prices vary significantly between district heating companies and there is significant earning potential through price increases in the district heating industry in Sweden. As the graph below shows, Rindi, and especially E.ON VASS, have relatively low prices.



The cost of district heating is substantially lower than the full cost of electricity for the consumer. District heating therefore has a strong market position. In 2012, the electricity price was 101 ö/kWh (excl VAT). The same year, the price for district heating was 66 ö/kWh (excl VAT). In addition, district heating has from 1998 to 2012 had a compound general growth rate (CAGR) of approximately 5.9 % in Sweden and 3.5 % in Norway. As regards electricity, the CAGR has been 3.9 % in Sweden and 3.6 % in Norway.

For a comparison with Norway and specification regarding the price for household energy prices, see the table below.

	Household energy prices in Sweden – 2012 (SEK ö/kWh)		Household energy prices in Norway – 2012 (NOK ö/kWh)	
	Electricity	District heating	Electricity	District heating
VAT	25	16	17	14
El certificate	4	0	0	0
Emission rights	5	0	0	0
Electricity tax	29	0	11	0
Grid rental	29	0	26	0
Electricity price	34	0	29	0
District heating price	0	66	0	57
<i>Total</i>	126	82	83	71

### Biomass combustion technology

Biomass combustion is a mature technology with limited technology risk. The base technology has been proven over time and rests on combustion principles that are unlikely to fundamentally change in the future. There are four different renewable energy sources that can be used in biomass combustion, these are: agriculture residues, crops, waste and forestry/wood. The Group operates with the renewable energy sources forestry and wood. The Group use the biomass combustion technology to supply energy through district heating, industrial steam and electricity.

### The bioenergy production process

The biomass combustion energy production process can be described by the following steps:

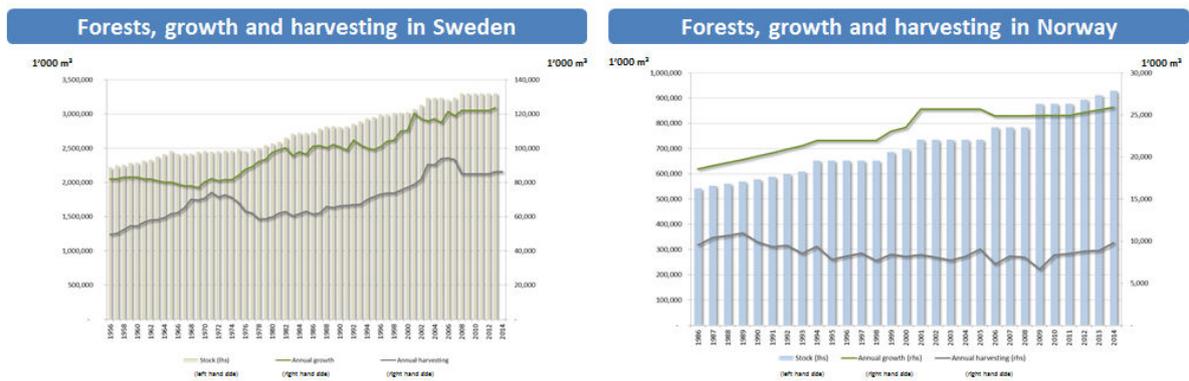
1. Biomass from wood and wood waste is fed into specially designed incinerators or gasifiers used for combustion.
2. The combustion of biomass generates flue gases that heat boilers in which hot water and steam are generated.
3. The thermal energy in form of hot water is distributed in submerged, closed circuit district heating pipeline grids and the energy is delivered to customers through heat exchangers.
4. The steam is supplied directly to customers as steam or as heat-utilizing heat exchangers.
5. The steam could also be processed through a turbine and generator set to produce electricity which is fed into the commercial electricity grid.
6. The hot flue gases are then conducted to the flue gas cleaning process, where particles and (in special cases) other substances are removed before the remaining flue gases leave the smoke stack.
7. The ash residue from the combustion is removed and either used as landfill (virgin wood) or delivered to specialist organisations that are licensed to deal with such residues.

### Raw material from the Forest: Growth and harvesting in Swedish and Norwegian Forests

For several years, the annual forest growth/yield has exceeded the annual harvesting in both Sweden and Norway. Forests have therefore increased in area in m<sup>2</sup>, in volume/stock in m<sup>3</sup>, and thus in energy content. There have historically never been more forests in Sweden and Norway than it is now. In Norway, annual harvesting accounts for approximately one third (8,000 m<sup>3</sup> (17 TWh)) of the annual growth (25,000 m<sup>3</sup> (50 TWh)). In Sweden, annual harvesting accounts for approximately 70 % (85,000 m<sup>3</sup> (170 TWh)) of the annual growth (122,000 m<sup>3</sup> (244 TWh)). 70% of Sweden is covered by forest. The Swedish forest is three times bigger than Norway's forests, and the annual Swedish forest growth/yield is 4-5 times the annual Norwegian forest growth/yield. This is due to a combination of

more favourable natural climate for forest growth as well as more efficient forestry operation in Sweden. There is thus an abundance of wood-based raw material with increasingly limited alternative use. The high water content of raw saw dust and raw wood chips makes this raw material very costly to transport. The forest industry therefore is dependent on local off-takers of the by-products. The continuous reduction in demand for virgin long fibre wood pulp from the pulp and paper industry is putting additional price pressure on the by-products from the forest industry. Wood-based energy as raw material is therefore expected to remain abundant at stable prices in the coming years. Wood as a raw material energy source, as a consequence, is expected to continue to grow in importance within district heating and within bioenergy in general.

Below are two graphs showing the forest stock in million m<sup>3</sup> and annual growth/yield and harvesting for Sweden (left graph) and Norway (right graph):



## DESCRIPTION OF THE GROUP

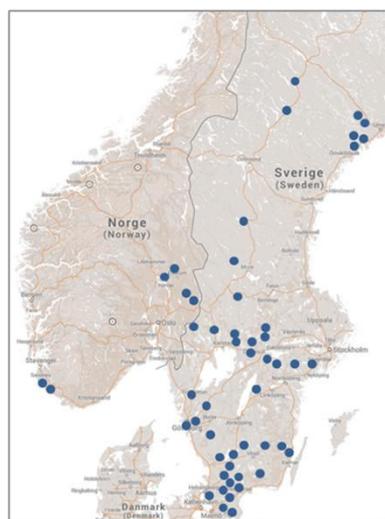
Solör Bioenergi Holding AB was incorporated on 25 October 2012 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 556907-9535. The registered office of the Company is Box 3234, 103 64 Stockholm and the Company's headquarters is located at Norrlandsgatan 16, 111 43 Stockholm, with telephone number +46 725 47 11 31. In accordance with the articles of association of the Company, adopted on 13 September 2014, the objective of the Company is to invest and conduct ownership in companies operating with bioenergy, and other business related to bioenergy, and therewith related or compatible businesses. The Company has employees and provides services to the Group.

The Group has through its two major acquisitions in 2014 increased its operations in the Swedish market for generation and distribution of renewable energy based on wood and wood waste. The Group has grown substantially through the acquisitions of Rindi Energi AB and the 28 district heating plants acquired from E.ON Värme AB (E.ON VASS) in 2014.

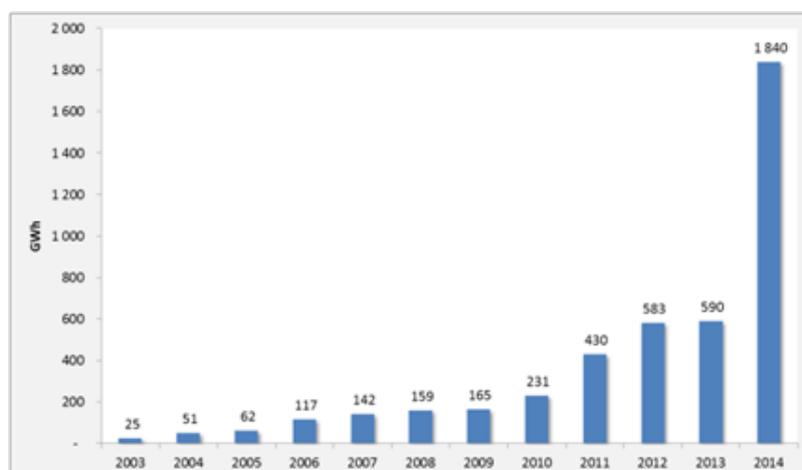
### The Group consists of:

- 51 energy plants
- 3 Environmental Terminals
- 2 Pellets Plants
- 1 Briquette Plant
- 350 MW installed power
- 543 km distribution pipelines
- 176 employees
- Total deliveries 2.1 TWh
- 6'500 customers

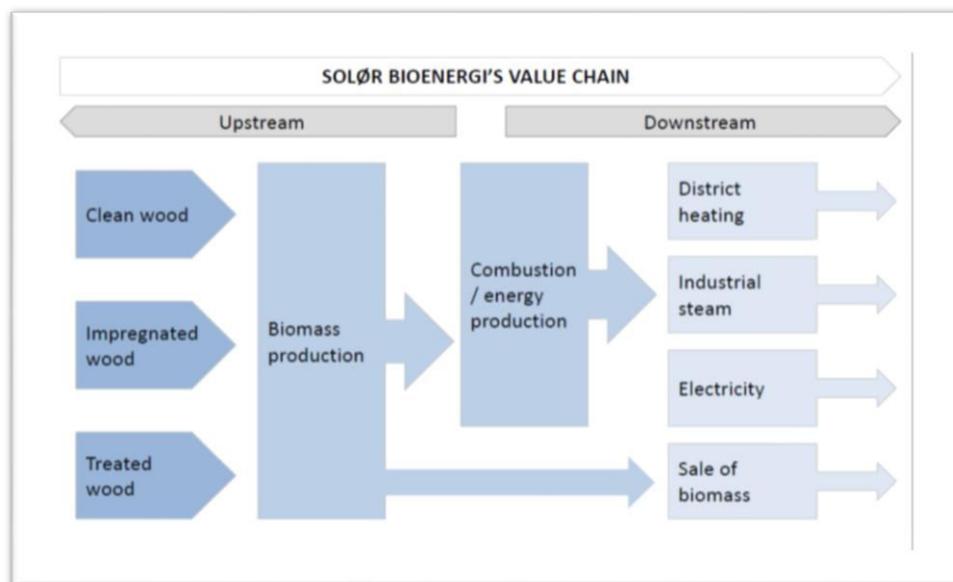
In addition to the locations shown on the map, the Group owns and operates 3 energy plants in Poland.



The Group has grown substantially since it was established in 2003. Set out below, is a graph showing the increased amount of energy delivered during this period:



The Group operates in the whole value chain of wood-based bioenergy. This is further illustrated below.



In 2015, 78 % of the Group's revenues derived from district heating and 22 % from sale of biomass.

In the same year, 88% of the Group's revenues derived from Sweden, 9% from Norway and 3% from Poland.

For further description about the Group's business operations, please see the Annual Report for 2015.

### Share capital and ownership structure

The shares of the Company are denominated in SEK. As of the date of this Prospectus, the Company's share capital is SEK 337,174,340 divided into 33,717,434 shares each with a quota (par) value of SEK 10. All shares are of the same class and carry equal voting rights and equal rights to the Company's assets and profit upon liquidation and dividends. The shares have been issued in accordance with Swedish law and the shareholders' rights may only be altered or modified in accordance with the Swedish Companies Act. The shares are not listed or subject to public trading.

The Company has not issued any convertible bonds, warrants or other financial instruments that may entitle to new shares in the Company. The Board of Directors of the Company has currently not been authorized to issue new shares, convertible bonds or warrants.

The Company's largest shareholder is BE Bio Energy Group AG, holding 21,160,000 shares corresponding to 62.76 % of the shares and votes in the Company. BE Bio Energy Group AG is a limited liability company located in Switzerland. The remaining 12,557,434 shares, corresponding to 37.24 % of the shares and votes in the Company, are primarily held by a group of large international US and UK based industrial companies through their long term pension plans.

The following table sets forth the ownership structure in the Company as of the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
BE Bio Energy Group AG	21,160,000	62.76 %	62.76 %
Highview Finance Holding Company Limited	7,798,630	23.13 %	23.13 %
YRC Worldwide, Inc. Master Pension Plans Trust	2,293,065	6.80 %	6.80 %
Smaller holdings each representing less than 5 % of the capital and votes in the Company	2,465,739	7.31	7.31
<b>Total</b>	<b>33,717,434</b>	<b>100.00 %</b>	<b>100.00 %</b>

### Shareholders' agreements

All shareholders in the Company have entered into a shareholders' agreement, including amendments and accession agreements, regulating the parties' various rights and obligations towards each other as regards their holding of shares in the Company (the "**Shareholders' Agreement**"). The Shareholders' Agreement's main terms include e.g.:

- **Board composition:** the board of directors of the Company shall consist of a minimum of three and a maximum of five directors. For as long as BE Bio Energy Group AG ("**BEGAG**") holds at least 50 % of the issued shares, BEGAG shall be entitled to nominate up to four directors, provided that one of them shall become the chairman of the board of directors and one the vice-chairman of the board of directors. For as long as the investors, which are parties to the Shareholders' Agreement, as a group holds at least 10 % of the shares issued in the Company, the investors shall be entitled to one representative (i) in the board of directors and, upon the request of the investors, (ii) in the board of directors of any subsidiary through which the Company conducts its business operations.
- **Restrictions on transfer of shares:** provisions limiting each shareholder's right to sell, or grant options over, any shares held by such shareholder in the Company other than in accordance with the provisions in the Shareholders' Agreement.
- **Terms in relation to sale of shares:** general terms including customary drag/tag along provisions and other obligations between the shareholders. There are neither any time limits related to any exit, nor any rights for minority shareholders to force an exit within a certain time limit.

### Major shareholders

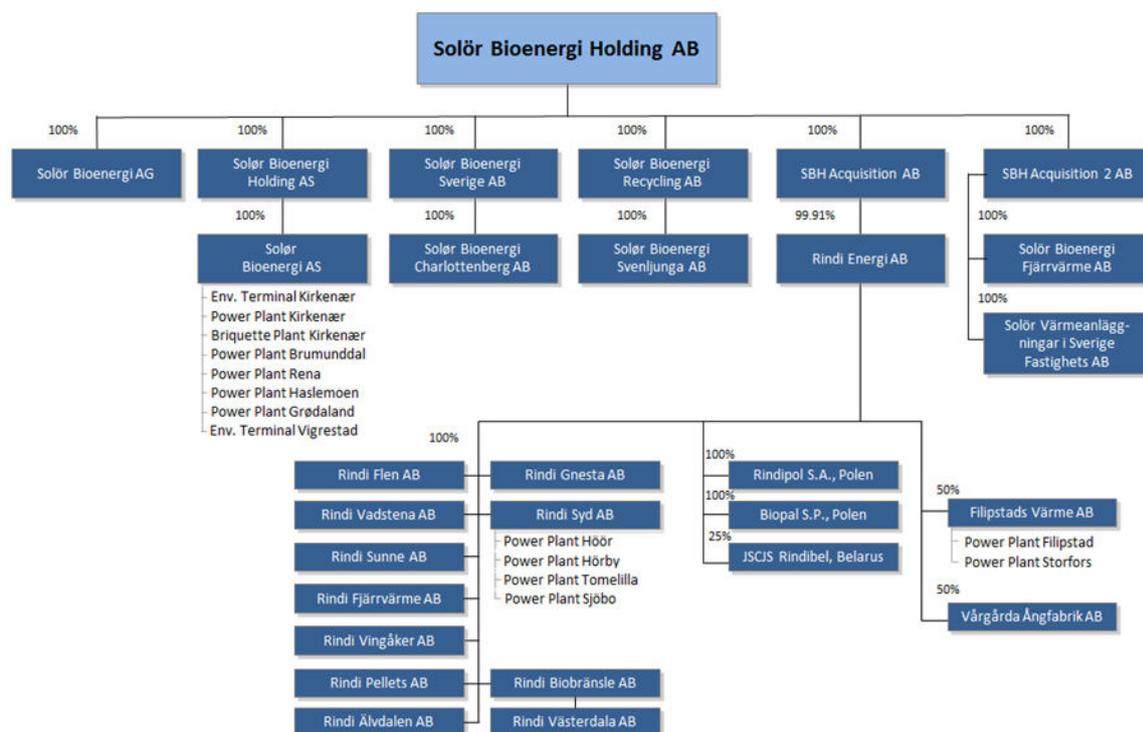
The Section "Share capital and ownership structure" above describes the nature of control exercised over the Company. Besides what is expressly stated, there are currently no arrangements in place which are known to the Company and which may at subsequent date result in a change of control in the Company.

No specific measures have been taken in order to mitigate the risk that the major shareholders described above, exercise control in their capacities as shareholders over the Group.

### Overview of Group structure

Currently, the Company has, directly and indirectly, 13 wholly-owned subsidiaries. In addition, the Company owns, via wholly owned subsidiaries, 99.9 % of the shares issued in Rindi Energi AB, which in turn has 17 wholly and partly-owned subsidiaries. Consequently, the Company has, directly and

indirectly, a total of 30 subsidiaries. Operations are conducted by the subsidiaries and the Company is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.



Prior the acquisitions of Rindi Energi AB and the district heating assets from E.ON Sweden, the Group held the assets listed under the column "Solør Bioenergi". Following the acquisitions, the Group has grown and now holds the assets within the three different columns "Solør Bioenergi", "Rindi Energi" and "E.ON VASS".

	<i>Solør Bioenergi</i>	<i>Rindi Energi</i>	<i>E.ON VASS</i>	<b>The Group</b>
<i>Energy plants</i>	7	16	28	<b>51</b>
<i>Environmental terminals</i>	3	0	0	<b>3</b>
<i>Briquette plants</i>	1	0	0	<b>1</b>
<i>Pellets plants</i>	0	2	0	<b>2</b>
<i>Installed powers</i>	53 MW	140 MW	157 MW	<b>350 MW</b>
<i>Distribution pipelines</i>	50 km	150 km	343 km	<b>543 km</b>
<i>Total deliveries</i>	590 GWh	930 GWh	550 GWh	<b>2,1 TWh</b>

## Recent events

### Waiver and amendment requests

In 2015, the Issuer and Solør Bioenergi Holding AS commenced a written procedure and sought and received waivers from certain breaches of financial covenants and consent to amendments of the Bond Terms, as further described below.

- **Waiver request due to breach of financial covenants:** On 27 April 2015, Solør Bioenergi Holding AS released a press release in relation to recognition of income related to excess

values from acquisitions made in 2014. The press release was a result of extensive reviews, where the Issuer's auditor concluded that the acquisitions of Rindi Energi AB and the E.ON portfolio in 2014, in their opinion, did not qualify for recognition of excess values based on a "bargain purchase" approach under IFRS. Consequently, the financial statements for 2014 for both Solør Bioenergi Holding AS and the Issuer have been corrected and the income recognition of excess value amounting to SEK 891 million has been reversed. This reversal required an accounting process that delayed the publication of audited annual accounts for 2014 originally scheduled for 30 April 2015. Additionally, the reversal of recognised income resulted in covenant breaches under both the Terms and Conditions and the NOK Bond Agreement (as defined in the section "Material Agreements") (together the "**Bond Terms**").

As a result of the above, the Issuer and Solør Bioenergi Holding AS were unable to comply with the financial covenants set out in the Bond Terms. In addition, the Issuer was in technical breach of certain provisions in the Terms and Conditions and there was a risk that the Issuer would not be able to meet certain reporting requirements within the relevant timeframes. The Issuer and Solør Bioenergi Holding AS therefore sought waivers under each of the Bond Terms for following defaults and anticipated defaults:

- (i) breach of financial covenants;
- (ii) anticipated breach of the obligation to list the Bonds no later than 10 June 2015;
- (iii) breach of information undertaking; and
- (iv) with respect to the Terms and Conditions, technical breach of negative pledge undertaking.

Furthermore, the Issuer and Solør Bioenergi Holding AS requested the consent for a relaxation of the requirements under the financial covenants regarding the Equity Ratio, the Current Ratio and the Interest Coverage Ratio for a certain period of time in exchange for an increase of the interest to be paid under the Bonds and the NOK Bonds for the periods the original financial covenants are not met, and the introduction of an equity cure provision under each of the Bond Terms.

- **Amendment request in respect of requirement to post security over intercompany loans:** Pursuant to the same waiver and amendment request as described above, the Company also sought consent to amend certain terms of the Terms and Conditions to facilitate its operations. These amendments included, amongst other things, a change of the requirement to post security over intercompany loans so that only Material Intercompany Loans should be subject to security; an adjustment of the negative pledge provision so that it only covers security and not guarantees (leaving the granting of guarantees to be regulated by the provision regulating financial support restrictions); an adjustment of the mergers and disposals provisions to facilitate group internal transactions.<sup>1</sup>
- **Amendment request in respect of a reorganisation of the Group:** At the same time the Issuer and Solør Bioenergi Holding AS requested consent to conduct a reorganisation of the Group's holding company structure in order to obtain a more efficient and manageable structure which will allow for a more efficient administration and future growth. As a part of the reorganisation, the Issuer replaced Solør Bioenergi Holding AS as the issuer under the NOK Bonds and become the new debtor under the NOK Bonds. A simplified group structure before and after the reorganisation is set out below.

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<sup>1</sup> All the amendments made to the Terms and Conditions for the Bonds are reflected in the Terms and Conditions.

Figure 1 - Group structure before reorganisation

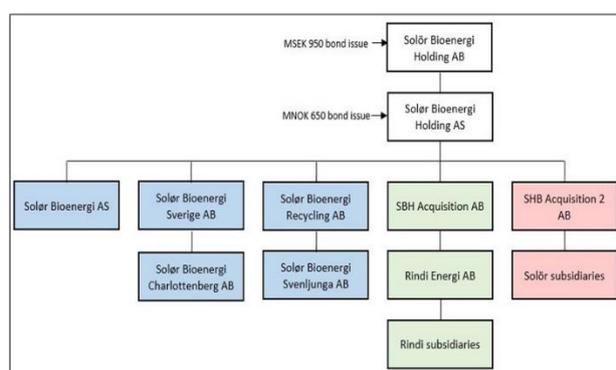
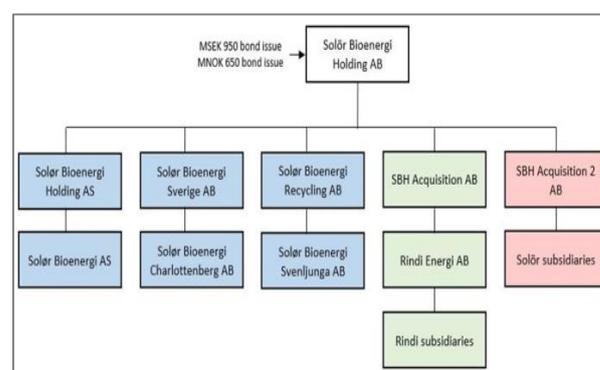


Figure 2 – Group structure after reorganisation



The waivers and consents to the amendments and the reorganisation were granted by the bondholders of both the Bonds and the NOK Bonds and became effective on 11 August 2015. At the same date the Issuer replaced Solør Bioenergi Holding AS as debtor under the NOK Bonds. The rest of the reorganisation was completed on 29 September 2015. The Group paid a waiver fee of 1.40% (flat) of the face value of the respective holders' holdings of bonds (SEK 13,300,000 for the Bonds and NOK 9,100,000 for the NOK Bonds) for the waivers and consents.

#### Suspension of trading

Due to late publication of Solør Bioenergi Holding AS's audited annual report for 2014, the NOK Bonds were suspended from trading by Oslo Børs on 14 July 2015. The suspension was lifted on 11 August 2015 when the audited annual report was published.

#### Decision to order Oslo Børs to delist the NOK Bonds from listing

On 26 August 2015 the Financial Supervisory Authority of Norway ordered Oslo Børs to delist the NOK Bonds from listing on the exchange with the last trading date being no later than 15 September 2015. The decision was based on errors and omissions in the financial reporting of Solør Bioenergi Holding AS during 2013, 2014 and 2015 relating to, *inter alia*, alleged wrongful reporting of success fees, lack of certain information and wrongful application of bargain purchase principles.

The Group appealed against the decision to delist the NOK Bonds to the Norwegian Ministry of Finance and requested that the delisting should not be effected until the matter was finally settled. On 27 October 2015 the Ministry of Finance overruled the Financial Supervisory Authority of Norway's order to delist the NOK Bonds and referred the matter back to the Financial Supervisory Authority of Norway. The Financial Supervisory Authority of Norway has not taken any new decisions in the matter.

#### Agreement with Nordic Bioenergy Infrastructure AS

Nordic Bioenergy Infrastructure AS ("**NBI**") owns indirectly through its subsidiary Solør Bioenergi Infrastruktur Holding AS ("**SBIH**") certain real estate and infrastructure assets which certain companies within the Group rents and uses for its operations. On 5 October 2015, the Issuer entered into new agreements with NBI that amended and/or replaced previous agreements between the parties.

According to the new agreements Solør Bioenergi Holding AS and the Issuer have a call option to buy the shares in SBIH from NBI. The call option can be exercised at any time until July 2023. NBI has a put option to sell the shares in SBIH to Solør Bioenergi Holding AS and the Issuer. The put option can be

exercised from May 2018 until July 2023. The underlying rental agreements between certain companies within the Group and SBIH are not influenced by the new agreements and remain unchanged. The arrangement is further described in the Section "Material Agreements".

The Group has assessed that the new agreements do not currently generate any substantive potential voting rights according to IFRS 10 that would lead to consolidation of SBIH in the Group. However, an unrealized gain of the put and call option amounting to SEK 57 million has affected profit after tax for the year 2015 positively by SEK 45 million.

#### Private placements

In September 2015, the Company completed a private placement of shares which contributed equity in an amount of SEK 50 million.

In December 2015, the Company completed a private placement of shares which contributed equity in an amount of SEK 120 million.

#### Sale of SBH Acquisition 3 AB

In December 2015, the Group sold SBH Acquisition 3 AB as permitted by Clause 12.11.2(a) of the Terms and Conditions. At the time of the disposal SBH Acquisition 3 AB's owned no operating assets and its main asset consisted of an intragroup-claim. The intragroup-claim was discharged in connection with the sale with proceeds from the purchase price. The Guarantee provided by SBH Acquisition 3 AB and security over its shares were released in connection with the sale. The transaction had a positive effect on the Group's EBITDA for the year 2015 with SEK 93 million.

#### Listing of Bonds at Oslo Børs

In April 2016, the Agent for the Holders approved that the Issuer applies for listing of the Bonds directly at Oslo Børs instead of Nasdaq Stockholm.

In light of the events described above related to disclosure of information and financial reporting in this section "Recent Events", Oslo Børs requested that an independent auditor conducts a limited financial due diligence review of the Group of, *inter alia*, its routines and capacity to fulfil the information and reporting requirements of Oslo Børs. The conclusions of such review will be presented to Oslo Børs as a part of the listing process.

#### **Significant change**

There has been no material adverse change in the prospects of the Group since the date of publication of its last audited annual accounts and no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

Other than certain events stated under section "*Recent events*" above, there has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Company's solvency.

#### **Credit rating**

No credit rating has been assigned to the Issuer, or its debt securities.

## MANAGEMENT

The board of directors of the Issuer currently consists of four members. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Norrlandsgatan 16, 111 43 Stockholm. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

#### ***Martinus Brandal, chairman of the board since 2014.***

**Education:** Bachelor of Science in Electrical Engineering from Oslo University College.

**Current commitments:** Mr. Brandal currently holds the position as chairman of the board of directors and CEO of Polarsel AS, member of the board and Managing Director of the board of BE Bio Energy Group AG, and member of the board of Impact Investment Holding AG, Impact Investment Partner AG and Blue Diamond Asset Management AG.

**Previous commitments:** Mr. Brandal, a Norwegian citizen, has more than 30 years of industrial experience, including 19 years with the ABB Group and six years with the Aker Group. From 2004 to 2010, he held various executive positions in the Aker Group including CEO and later chairman of the board of directors of Aker Solutions ASA (former Aker Kværner). From 1985 to 2004, Mr. Brandal held various management roles in the ABB Group, including President of ABB Industry Norway and Group Senior Vice President and Head of various business areas at the ABB headquarters in Zurich.

#### ***Ola Strøm, vice chairman of the board since 2014.***

**Education:** MBA from the Norwegian School of Management, Oslo.

**Current commitments:** Mr. Strøm currently holds the position as chairman of the board of BE Bio Energy Group AG, Impact Investment Holding AG, Impact Investment Partner AG, Blue Diamond Asset Management AG, Asgard MX Holding AG, Carlsdorff Partners AG and Carlsdorff Partners Holding AG.

**Previous commitments:** Mr. Strøm, a Norwegian citizen, has more than 30 years of international experience in investment management and investment banking, including mergers and acquisitions, leveraged buyouts, restructuring and equity capital markets. Mr. Strøm has held various executive positions within the financial industry in Switzerland, Luxembourg and Norway.

#### ***Erik A. Lynne, member of the board since 2014.***

**Education:** Degree in Business Administration (lic. rer. pol) from Fribourg University, Switzerland, in addition to an officer education.

**Current commitments:** Mr. Lynne currently holds the position as chairman of the board of Beem Industri & Eiendom A/S, Solør Treimpregnering AS and Nordic Wood A/S, as well as member of the board of BE Bio Energy Group AG, Impact Investment Holding AG, Impact Investment Partner AG, Solør Agrotre A/S, Omera Energy Ltd and Nordic Wood Ltd.

**Previous commitments:** Mr. Lynne, a Norwegian citizen, has more than 25 years extensive experience from forestry, forest industry and bioenergy through various companies. Since 2003, Mr. Lynne has participated in building a successful bioenergy business in Scandinavia.

***Jonathan F. Finn, member of the board since 2014.***

**Education:** Mr. Finn has a BA in Economics from University of Virginia and is a Chartered Financial Analyst and member of the CFA Institute.

**Commitments:** Mr. Finn, an American citizen, has more than 15 years of international business experience. Mr. Finn currently holds the position as Executive Vice President and Chief Investment Officer at Vantage Consulting Group, responsible for investment strategy, asset allocation, manager selection and portfolio construction. Mr. Finn is on the board of the Managing Member of New Ventures I LLC, and New Ventures Select LLC, and the board of directors of eReceivables Inc. Mr. Finn also represents investors on various advisory committees for private investment funds based in New York, London and Beijing. He was formerly a member of the board of directors of Nucelis Inc. as chairman of finance committee, a private US bio-technology company developing high value specialty chemicals and industrial oils.

## **Group Management**

***Martinus Brandal, Chief Executive Officer of the Group***

Mr. Brandal, a Norwegian citizen, has more than 30 years of industrial experience, including 19 years with the ABB Group and six years with the Aker Group. From 2004 to 2010, he held various executive positions in the Aker Group including CEO and later chairman of the board of directors of Aker Solutions (former Aker Kværner). From 1985 to 2004, Mr. Brandal held various management roles in the ABB Group, including President of ABB Industry Norway and Group Senior Vice President and Head of various business areas at the ABB headquarters in Zurich. Mr. Brandal holds a Bachelor of Science in Electrical Engineering from Oslo University College.

***Dag Leren, Chief Financial Officer of the Group***

Mr. Leren, a Norwegian citizen, has more than 25 years of experience from Norwegian and international industry from various financial management positions in project oriented industries within construction and energy, including Corporate Financial Controller in stock listed Raufoss ASA, CFO and later CEO in Betonmast Energi AS, Finance Director in Statnett Entreprenør AS and CFO in Eltel Networks AS. For the last 9 years Mr. Leren has been CFO in Solør Bioenergi Holding AS. Mr. Leren holds a Master of Management (Siviløkonom) from BI Norwegian Business School.

***Anders Pettersson, Chief Operating Officer of the Group and Managing Director of the Company***

Mr. Pettersson, a Swedish citizen, has more than 25 years of experience from the energy business including 19 years with ABB, three years with the Metrima Group and four years with the Swedish company VÄRMEK. He has held various management positions within the ABB group both in Sweden and in Switzerland. Mr. Pettersson has a broad knowledge and an extensive network within the energy sector and District Heating industry in Sweden. Mr. Pettersson has a Bachelor of Business Administration from Stockholm School of Economics.

***Hans Moss, Senior Vice President Operations of the Group***

Mr. Moss, a Norwegian citizen, has more than 25 years experience from forestry, forest industry and bioenergy, including Regional Director at Bergene Holm, Export Manager and COO in Emil Fjeld, as well as management positions in Nevi Finans and the Stinnes Group. Mr. Moss's educational background is timbertechnique and business, and he holds a Bachelors degree in Economics from BI Norwegian Business School and a Masters degree in International Marketing from Germany.

***Sten Bergman, Technical Director of the Group***

Mr. Bergman, a Swedish citizen, has more than 30 years of industrial business experience primarily in Switzerland, USA and Scandinavia, including 18 years with the ABB Group. From 2000 to 2008, he held executive positions in two software companies. Prior to 2000, Mr. Bergman held various management roles in the ABB Group including Group Vice President at ABB headquarter in Zürich. He holds a Master of Science degree in Mechanical Engineering from Chalmers University of Technology, Göteborg, Sweden.

***Florian Raitner, Vice President Finance of the Group***

Mr. Raitner, a German citizen, has ten years of international business experience, including five years with a Big 4 audit firm in both audit and finance advisory, where he worked three years in the Munich office and three years in the Stockholm office. Since he joined the Solör Bioenergi Group in 2011 he has been actively involved in several acquisitions and financing projects, as well as financial reporting, including IFRS. Mr. Raitner holds a Master of Business Administration (Dipl.-Kaufmann) from University of Passau.

***Daniel Jilkén, Chief Legal Officer of the Group***

Mr. Jilkén, a Swedish citizen, has more than 15 years of international business experience, including four years with a Big 4 audit firm, eight years at a Swedish tax boutique and two years as a member of the Swedish Bar Association and partner of a Swedish law firm. During his work he has been based in Sweden and the U.S. He has been actively involved as an advisor to the Solör group in several acquisitions and financing projects before he joined the group in 2015. Mr. Jilkén holds an LL.M. (Master of Laws) from University of Lund.

**Conflicts of interest within administrative, management and control bodies**

To the Company's knowledge, there are no potential conflicts of interest by which the personal interests of a member of the board of directors or any member of the group management would conflict with the interest of the Company or the Group.

**Interest of natural and legal persons involved in the issue**

The Issuing Agent and/or its affiliates have engaged in, and may in future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## HISTORICAL FINANCIAL INFORMATION

### Historical financial information

The Company's consolidated financial statements for the financial year ended 31 December 2015 and the figures for the financial year ended 31 December 2014 are, together with each Guarantors' audited annual reports and financial statements for the financial year ended 31 December 2015, and the figures for each Guarantor's financial year ended 31 December 2014, (each as set out below), incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Company's website [www.solorbioenergi.se](http://www.solorbioenergi.se) and can also be obtained from the Company's head office located at Norrlandsgatan 16, 111 43 Stockholm, in paper format.

The Group's consolidated financial statements for the financial year ended 31 December 2015 and 31 December 2014 have been prepared in accordance with International Financial Reporting Standards ("*IFRS*") as adopted by the EU.

Other than the auditing of the Group's consolidated annual report, and each of the Guarantors' audited annual reports for the financial years ended 31 December 2015 and 31 December 2014, the Company's or any other Group Company's auditor has not audited or reviewed any part of this Prospectus.

The Company's consolidated financial statements for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below (English version):

- consolidated income statement, page 16;
- consolidated balance sheet, page 18;
- consolidated cash flow statement, page 20;
- consolidated statement of changes in equity, page 21; and
- the audit report, page 77.

The following information in the Company's audited annual report for the financial year ended 31 December 2014 is incorporated into this Prospectus by reference. The other information set out in the annual report for the financial year ended 31 December 2014 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the Company's consolidated financial statements for the financial year ended 31 December 2015.

- consolidated income statement, page 28;
- consolidated balance sheet, page 30;
- consolidated cash flow statement, page 32;
- consolidated statement of changes in equity, page 33; and
- the audit report, page 106.

Solør Bioenergi Holding AS' audited annual report for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 6; and
- the audit report, page 19.

Solør Bioenergi Holding AS' consolidated financial statements for the financial year ended 31 December 2014 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 30;
- consolidated balance sheet, page 32;
- consolidated cash flow statement, page 35;
- consolidated statement of changes in equity, page 36; and
- the audit report, page 106.

The information in SBH Acquisition 2 AB's audited annual report for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 3;
- balance sheet, page 4; and
- the audit report, page 12.

The information in SBH Acquisition 2 AB's audited annual report for the financial year ended 31 December 2014 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 3;
- balance sheet, page 4; and
- the audit report, page 9.

The information in Solør Bioenergi Fjärrvärme AB's annual report for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 3;
- balance sheet, page 4; and
- the audit report, page 16.

The information in Solør Bioenergi Fjärrvärme AB's annual report for the financial year ended 31 December 2014 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 3;
- balance sheet, page 4; and
- the audit report, page 13.

The information in Solør Värmeanläggningar i Sverige Fastighets AB's annual report for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 3;
- balance sheet, page 4; and
- the audit report, page 11.

The information in Solør Värmeanläggningar i Sverige Fastighets AB's annual report for the financial year ended 31 December 2014 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 3;
- balance sheet, page 4; and
- the audit report, page 10.

### **Auditing of the annual historical financial information**

Solør Bioenergi Holding AS' financial statements for the years 2014 to 2015 has been audited, as applicable, by KPMG AS, P.O. Box 214, N-2302 Hamar (visiting address Torggata 22). KPMG AS has been Solør Bioenergi Holding AS' auditor since 2012, and was re-elected for an additional year on the latest annual general meeting. Asbjørn Næss is KPMG's audit partner responsible for Solør Bioenergi Holding AS in 2014 and Thore Kleppen in 2015. Asbjørn Næss and Thore Kleppen are State Authorized Public Accountants and are members of the professional body Den norske Revisorforening (Eng: *The Norwegian Institute of Public Accountants*), the professional institute for the accountancy sector in Norway.

The Company's financial statements and consolidated financial statements as at present and for the years 2014 to 2015 have been audited, as applicable, by KPMG AB, Box 16106, 103 23 Stockholm (visiting address Tegelbacken 4A). KPMG AB has been the Company's auditor since 2012, and was re-elected for an additional year on the latest annual general meeting. Mattias Johansson is the auditor who is responsible for the Company. Mattias Johansson is an authorized auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden. KPMG AB is furthermore the auditor of the Swedish registered Guarantors and has accordingly audited the financial statement of each such Guarantor for the financial year ended 31 December 2015 and 31 December 2014. Mattias Johansson is the auditor who is responsible for the Swedish Guarantors.

The auditing of the annual reports was conducted in accordance with international standards on auditing.

### Qualifications and remarks

In the Company's audit report for the financial year ended 31 December 2014, the auditor made the following remark (Sw: *Anmärkning*):

*"The annual report has not been prepared in such time that it has been possible to hold the annual general meeting within six months from the end of the financial year pursuant to Chapter 7 Section 10, the Swedish Companies Act (Sw: Aktieföretagslag).*

*The group has not prepared its annual or consolidated financial statements in time for the financial years 2013 or 2014. Furthermore, the wholly owned subsidiary Solør Bioenergy Holding AS has received criticism from the Financial Supervisory Authority of Norway, which resulted in changes in the financial statements. Reference is made to the board's description of the corporate governance and management on the pages 24-25 in the Board of Directors' report. In our opinion, the Board of Directors' have not maintained sufficient control over financial reporting during 2014."*

The criticism referred to in the remark has been further described above under Section "Recent Events".

In Solør Bioenergi Holding AS' audit report for the financial year ended 31 December 2014, the auditor made the following remark:

*"The company restated the 2013 financial statement and the two interim reports 2014 because they were not in accordance with IFRS. In addition, the company was unable to issue its annual report in time in accordance with the Oslo Exchange reporting regulations and the Norwegian Account Act. These matters indicate that internal control related to financial reporting requires improvement. We refer to the information provided in the Board of Director's report."*

The remaining audit reports were submitted without comments.

### **Age of the most recent financial information**

The most recent financial information has been taken from the annual report for the financial year ended 31 December 2015, which was published on 14 April 2016.

## OTHER INFORMATION

### Assurance regarding the Prospectus

Solör Bioenergi Holding AB, with reg. no. 556907-9535, with its registered office at Box 3234, 103 64 Stockholm, is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 950,000,000. Each Bond has a nominal amount of SEK 1,000,000. The ISIN for the Bonds is SE0005999687.

The Bonds have been issued in accordance with Swedish law. The Bonds are connected to the account-based system of Euroclear Sweden AB. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.

### Legal, arbitration and governmental proceedings

Neither the Issuer nor the Group is, or has been over the past twelve months, a party to any legal, governmental or arbitration proceedings that have had or would have a material effect on the Group's financial position or profitability, nor has the Issuer been informed of any claims that could lead to the Issuer or any member of the Group becoming a party to such proceedings, save for the overruled delisting decision regarding the NOK Bonds (as further described under Recent Events).

### The Guarantors

Information with respect to each Guarantor is set out below. Each Guarantor may be contacted through the address of the Company.

- Solør Bioenergi Holding AS is a private limited liability company incorporated in Norway since 21 December 2005. It is registered in the Norwegian Register of Business Enterprises with reg. no. 989 244 051. Its registered address is Kirkenær, 2260 Kirkenær, Norway. The Board of Directors consist of Martinus Brandal (Chairman) and Dag Leren. Pursuant to the articles of association, adopted on 24 September 2015, the objective of the company is to have ownership in companies of which business relate to bioenergy, including the participation/ownership in business so related. Solør Bioenergi Holding AS supports the Group with central group functions such as financing, cash management, accounting and reporting.
- SBH Acquisition 2 AB is a limited liability company incorporated in Sweden since 28 January 2014. It is registered with the Companies Registration Office, reg. no. 556959-8864. Its registered address is c/o Solör Bioenergi Holding AB, Box 3234, 103 64 Stockholm. The Board of Directors consist of Martinus Brandal. Pursuant to the articles of association, adopted on 10 February 2014, the objective of the company is to directly or indirectly own and administer shares in subsidiaries and therewith related or compatible businesses. The company is a holding company and has no operations.
- Solör Bioenergi Fjärrvärme AB is a limited liability company incorporated in Sweden since 1 July 2013. It is registered with the Companies Registration Office, reg. no. 556936-0737. Its registered address is c/o Solör Bioenergi Holding AB, Box 3234, 103 64 Stockholm. The Board

of Directors consist of Martinus Brandal. Pursuant to the articles of association, adopted on 9 October 2014, the objective of the company is to directly or indirectly conduct business within production and distribution of district heating and therewith related or compatible businesses. The company operates several (currently 27) district heating plants in Sweden.

- Solör Värmeanläggningar i Sverige Fastighets AB is a limited liability company incorporated in Sweden since 8 April 2013. It is registered with the Companies Registration Office, reg. no. 556928-0059. Its registered address is c/o Solör Bioenergi Holding AB, Box 3234, 103 64 Stockholm. The Board of Directors consist of Martinus Brandal. Pursuant to the articles of association, adopted on 25 April 2014, the objective of the company is to own and manage movable or immovable property and therewith related or compatible businesses. The company is an infrastructure company owning the buildings and land at the sites where Solör Bioenergi Fjärrvärme AB operates.

### **Material contracts**

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Group has not entered into any material contracts not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

### **Documents incorporated by reference**

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's webpage at [www.solorbioenergi.se](http://www.solorbioenergi.se):

- the Company's audited annual report and audit report for the financial year ended 31 December 2014 and consolidated financial statements and audit report for the financial year ended 31 December 2015;
- Solør Bioenergi Holding AS' consolidated financial statements and audit report for the year ended 31 December 2014 and its annual report and audit report for the financial year ended 31 December 2015;
- SBH Acquisition 2 AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;
- Solör Bioenergi Fjärrvärme AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014; and
- Solör Värmeanläggningar i Sverige Fastighets AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;

### **Documents available for inspection**

The following documents are available at the Company's head office at Norrlandsgatan 16, 111 43 Stockholm, on weekdays during the Company's regular office hours throughout the period of validity of the Prospectus.

- the Company's and the Guarantors' articles of association;
- the Company's and the Guarantors' certificates of registration;
- the Company's audited annual report and audit report for the financial year ended 31 December 2014 and consolidated financial statements and audit report for the financial year ended 31 December 2015;

- Solør Bioenergi Holding AS' consolidated financial statements and audit report for the year ended 31 December 2014 and its annual report and audit report for the financial year ended 31 December 2015;
- SBH Acquisition 2 AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;
- Solör Bioenergi Fjärrvärme AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;
- Solör Värmeanläggningar i Sverige Fastighets AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;
- other than as set out above, the financial statements and audit reports for the financial year ended 31 December 2014 and for the financial year ended 31 December 2015 for each company within the Group (to the extent such Group company was incorporated during 2014 or 2015);
- this Prospectus; and
- the Guarantee Agreements.

The following documents are also available in electronic form on the Company's website [www.solorbioenergi.se](http://www.solorbioenergi.se):

- the Company's audited annual report and audit report for the financial year ended 31 December 2014 and consolidated financial statements and audit report for the financial year ended 31 December 2015;
- Solør Bioenergi Holding AS' consolidated financial statements and audit report for the year ended 31 December 2014 and its annual report and audit report for the financial year ended 31 December 2015;
- SBH Acquisition 2 AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;
- Solör Bioenergi Fjärrvärme AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;
- Solör Värmeanläggningar i Sverige Fastighets AB's annual report and audit report for the financial year ended 31 December 2015 and 31 December 2014;
- this Prospectus; and
- the approval decision by the Swedish Financial Supervisory Authority for this Prospectus.

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 1,350,000.

**AMENDED AND RESTATED TERMS AND CONDITIONS FOR  
SOLÖR BIOENERGI HOLDING AB (publ)  
(formerly BE Bio Energy Group AB (publ))  
SEK 950,000,000  
SENIOR SECURED CALLABLE FLOATING RATE  
BONDS 2014/2019**

**ISIN: SE0005999687**

AS AMENDED WITH EFFECT AS OF 11 AUGUST 2015

ISSUE DATE: 10 JUNE 2014

*THE DISTRIBUTION OF THIS DOCUMENT AND THE PRIVATE PLACEMENT OF THE BONDS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.  
THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE BONDS 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.*

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**TERMS AND CONDITIONS FOR  
SOLÖR BIOENERGI HOLDING AB (PUBL)  
(formerly BE Bio Energy Group AB (publ))  
SEK 950,000,000  
SENIOR SECURED CALLABLE FLOATING RATE  
BONDS 2014/2019  
ISIN: SE0005999687**

## **1. DEFINITIONS AND CONSTRUCTION**

### **1.1 Definitions**

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

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

“**Acquisition Loans**” means the intercompany loan from the Issuer to SBH 2 and the subsequent intercompany loan from SBH 2 to SBH 3 each in the amount equal to the Net Proceeds which is to be used by SBH 3 towards financing the Transaction.

“**Acquisition Loan Agreement**” means each loan agreement entered into between the relevant debtor and creditor under each of the Acquisition Loans.

“**Additional Guarantor**” means each of VASS and any Operating Company issuing a Guarantee after disbursement of funds under the Bond Issue.

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than ninety (90) calendar days after the date of supply, or (b) any other trade credit incurred in the ordinary course of business.

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

“**Agent**” means the agent and security agent under these Terms and Conditions and, if relevant, the Finance Documents, from time to time, initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, 103 90 Stockholm, Sweden.

**“Agent Agreement”** means the agreement entered into on or about the Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the Issue Date between the Issuer and an Agent.

**“Assignment”** means an assignment (Sw. *lösöreköp*) in accordance with the Swedish Security Sales Act (Sw. *lag (1845:50 s 1) om handel med lösören, som köparen låter i säljarens vård kvarbliva*) to the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) over all or part (as applicable) of the assets an Operating Company acquires pursuant to the SBH 3 Asset Disposal.

**“Bond”** means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions.

**“Bond Issue”** means the issuance of the Bonds on the Issue Date.

**“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.

**“Call Option”** means the early voluntary redemption of the Bonds as set out in Clause 11.3 (*Early voluntary redemption by the Issuer (call option)*).

**“Call Option Amount”** means:

- (a) an amount equal to 102.60 per cent. of the Nominal Amount if the Call Option is exercised on or after the First Call Date up to (but not including) the date falling 48 months after the Issue Date;
- (b) an amount equal to 101.30 per cent. of the Nominal Amount if the Call Option is exercised on the date falling 48 months after the Issue Date up to (but not including) the date falling 54 months after the Issue Date; or
- (c) an amount equal to 100.60 per cent. of the Nominal Amount if the Call Option is exercised on the date falling 54 months after the Issue Date up to (but not including) the Final Maturity Date.

**“Cash and Cash Equivalents”** means cash and cash equivalents in accordance with IFRS.

**“Change of Control Event”** means if any Person or group of Persons under the same Decisive Influence, or two or more Persons acting in concert (other than the Sponsors or any indirectly or directly owned Subsidiary of the Sponsors) obtains Decisive Influence over the Issuer.

**“Compliance Certificate”** means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying that (i) so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if

any, being taken to remedy it and (ii) if provided in connection with an application of the Financial Covenants, that the Financial Covenants are met including calculations and figures in respect of the ratios.

**“Conditions Precedent for Disbursement”** means all actions and documents set forth in Clause 13.

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

**“Cure Amount”** means cash actually received by the Issuer (i) in exchange for fully paid ordinary shares in the Issuer, or (ii) by contribution (*Sw. aktieägartillskott*).

**“Current Assets”** means the aggregate book value of the Group’s assets (on a consolidated basis) which are treated as current assets in accordance with IFRS less the aggregate book value of any restricted cash (where restricted cash means cash which is pledged but not blocked).

**“Current Liabilities”** means the aggregate book value of the Group’s liabilities (on a consolidated basis) which are treated as current liabilities in accordance with IFRS, excluding the current portion of long term debt but adjusted in accordance with the Operational Lease Freeze.

**“Current Ratio”** means the ratio of Current Assets to Current Liabilities.

**“Decisive Influence”** means a Person having, as a result of an agreement or through the ownership of shares or interests in another Person:

- (a) a majority of the voting rights in that other Person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other Person.

When determining the relevant Person’s number of voting rights in the other Person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant Person and the parent company’s Subsidiaries shall be included.

**“Derivative Transaction”** has the meaning ascribed to such term in paragraph (k) under the definition of Permitted Financial Indebtedness.

**“EBITDA”** means, in respect of any Relevant Period, the Group’s aggregate earnings before interest, taxes, depreciation and amortization according to the latest Financial Report(s) before taking into account the transaction costs payable by the Issuer to the Managers and the Agent for the services provided in relation to the placement and issuance of the Bonds.

**“Equity”** means the aggregate book value of the Group’s total equity treated as equity in accordance with IFRS.

**“Equity Ratio”** means the ratio of Equity to Total Assets.

**“Escrow Account”** means a bank account of the Issuer held by the Escrow Bank, into which the Net Proceeds will be transferred and which has been pledged in favour of the Agent and the Holders (represented by the Agent) under the Escrow Account Pledge Agreement.

**“Escrow Account Pledge Agreement”** means the pledge agreement entered into between the Issuer and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders) on or about the Issue Date in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Agent and the Holders (represented by the Agent).

**“Escrow Bank”** means Svenska Handelsbanken AB (publ), reg. no. 502007-7862.

**“Event of Default”** means an event or circumstance specified in Clause 15.1.

**“Existing Rindi Debt”** means the total aggregate Financial Indebtedness in an amount of approximately SEK 850,000,000 provided by a number of different banks and financial institutions to various Subsidiaries of Rindi Energy AB.

**“Final Maturity Date”** means 10 June 2019.

**“Finance Charges”** means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness (excluding (i) PIK interest on any shareholder loans or other subordinated loans and (ii) the transaction costs payable by the Issuer to the Managers and the Agent for the services provided in relation to the placement and issuance of the Bonds) whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis) without taking into account any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

**“Financial Covenants”** means the financial covenants specified in Clause 12.4 (*Financial Covenants*).

**“Finance Documents”** means these Terms and Conditions, the Security Documents, the Guarantees, the Acquisition Loan Agreements, the Agent Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with IFRS applicable on the date of the first Financial Report (a lease which in the accounts of the Group is treated as an asset and a corresponding liability) and for the avoidance of doubt, any leases treated as operating leases under IFRS applicable on the date of the first Financial Report shall not, regardless of any subsequent changes or amendments of IFRS, be considered as finance or capital leases (the **“Operational Lease Freeze”**);

- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a) to (f).

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

**“Financial Report”** means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer.

**“Financial Support”** has the meaning ascribed to such term in Clause 12.3 (*Financial support restrictions*).

**“First Call Date”** means the date falling 36 months after the Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“Force Majeure Event”** has the meaning set forth in Clause 26.1.

**“Funds Flow Statement”** means the description of flow of funds disbursed from the Escrow Account for the purpose of, together with part of the first tranche of the equity contribution, finance the purchase price set out in the Sale and Purchase Agreement in order to complete the Transaction.

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

**“Guarantee”** means a Swedish law governed unconditional and irrevocable on-demand guarantee provided by each of the Guarantors for the purpose of guaranteeing the Obligors’ obligations under the Finance Documents where payment pursuant to such guarantee shall be made within two (2) Business Days of demand.

**“Guarantor”** means an Initial Guarantor and an Additional Guarantor.

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

**“Holders’ Meeting”** means a meeting among the Holders held in accordance with Clause 18 (*Holders’ Meeting*).

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

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

**“Initial Guarantors”** means each of SBH, SBH 2 and SBH 3.

**“Intercompany Loans”** means any and all existing and future intercompany loans entered into between an Obligor and another Obligor.

**“Intercompany Loans Pledge Agreements”** means each of the pledge agreements regarding a first priority pledge of all of the relevant Obligor’s present and future money claims under the Acquisition Loans and/or the Material Intercompany Loans (as applicable) entered into between the relevant Obligor and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

**“Interest”** means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

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

**“Interest Determination Date”** means the day falling two (2) Business Days before each Interest Period.

**“Interest Payment Date”** means 10 March, 10 June, 10 September and 10 December 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 (with the first Interest Payment Date on 10 September 2014 and the last Interest Payment Date being the Final Maturity Date).

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

**“Interest Rate”** means a floating rate of STIBOR (3 months) + a margin of 5 per cent. per annum (the **“Margin”**). If, according to a Compliance Certificate, the Interest Coverage Ratio and/or the Equity Ratio is within a range set out below, then the Margin shall be increased with the percentage per annum as set out below in the column opposite that range (the **“Additional Margin”**), for the Interest Period beginning on (but excluding) the Interest Payment Date falling after the delivery of such Compliance Certificate.

**Interest Coverage Ratio**

Less than 2.10x

**Additional Margin**

0.7 per cent.

Less than 2.5x but equal to or greater than 2.10x	0.3 per cent.
<b>Equity Ratio</b>	<b>Additional Margin</b>
Less than 20 per cent.	0.7 per cent.
Less than 25 per cent. but equal to or greater than 20 per cent.	0.3 per cent.
Less than 27.5 per cent. but equal to or greater than 25 per cent.	0.20 per cent.

**“Issue Date”** means 10 June 2014.

**“Issuer”** means Solör Bioenergi Holding AB (publ) (formerly BE Bio Energy Group AB (publ)), reg. no. 556907-9535, Orsavägen 35, 167 76 Bromma, Sweden.

**“Issuing Agent”** means Pareto Securities AB, reg. no. 556206-8956, P.O. Box 7415, 103 91 Stockholm, Sweden or another party replacing it as Issuing Agent in accordance with these Terms and Conditions.

**“Managers”** means Pareto Securities AS, Dronning Mauds gt. 3, 0115 Oslo, Norway and Pareto Securities AB, reg. no. 556206-8956, P.O. Box 7415, 103 91 Stockholm, Sweden or another party replacing them, as Manager, in accordance with these Terms and Conditions.

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

**“Material Adverse Effect”** means an event or circumstance that has a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer’s ability or willingness to perform and comply with its payment and other undertakings under the Finance Documents or (c) the validity or enforceability of the Finance Documents.

**“Material Intercompany Loans”** means any Intercompany Loan with an initial principal amount exceeding SEK 10,000,000 and with a term that is more than 180 days.

**“Merger”** means the merger between SBH 3 and VASS whereby SBH 3 is the surviving entity and which shall be completed once the VASS Assets have been disposed of in accordance with the VASS Asset Disposal but prior to the SBH 3 Asset Disposal.

**“NASDAQ OMX Stockholm”** means NASDAQ OMX Stockholm AB (reg. no. 556420-8394, 105 78 Stockholm, Sweden).

**“Net Finance Charges”** means, for the Relevant Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Relevant Period to any Group Company and any interest income relating to Cash and Cash Equivalents investments of the Group.

**“Net Proceeds”** means the proceeds from the Bond Issue which shall be transferred to the Escrow Account and used in accordance with Clause 4 (*Use of proceeds*) after deduction has been made for (i) the transaction costs payable by the Issuer to the Managers and the Agent for the services provided in relation to the placement and issuance of the Bonds, (ii) any legal fees in relation to the issuance of the Bonds and (iii) any other agreed costs and expenses.

**“NOK Bonds”** means the senior secured bonds originally issued by Solør Bioenergi Holding AS with ISIN NO 0010662356 (or any refinancing or replacement of such bond loan).

**“Nominal Amount”** has the meaning set forth in Clause 2.1.

**“Obligor”** means the Issuer and the Guarantors.

**“Operating Company”** means any direct or indirect Subsidiary of SBH 2 or any other Obligor (other than SBH 3 and VASS) established for the purpose of acquiring and operating all or parts of the assets subject to the VASS Asset Disposal or the SBH 3 Asset Disposal (as the case may be).

**“Operating Company Share Pledge Agreement”** means each of the share pledge agreements regarding a first priority pledge over all of the shares in each of the Operating Companies entered into between SBH 2 or the relevant Obligor which is the direct shareholder of the Operating Company and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

**“Operational Lease Freeze”** has the meaning ascribed to such term under paragraph (b) under the definition of Financial Indebtedness.

**“Original Financial Covenants”** means in respect of Equity Ratio, at least 27.5 per cent., Current Ratio, at least 1.5x, and Interest Coverage Ratio, at least 2.5x.

**“Permitted Basket”** has the meaning ascribed to such term in paragraph (p) under the definition of Permitted Financial Indebtedness.

**“Permitted Financial Indebtedness”** means any Financial Indebtedness:

- (a) incurred under the Bonds, the Acquisition Loans or any Intercompany Loans;
- (b) incurred under an existing bond issue SOLBIO01 with ISIN NO 0010662356;
- (c) incurred under the Existing Rindi Debt;
- (d) incurred in the ordinary course of business under Advance Purchase Agreements;
- (e) incurred by any Group Company with the purpose of financing capital expenditure related to the expansion of the capacity of the Group’s assets;
- (f) limited to SEK 100,000,000 provided that such Financial Indebtedness is:

- (i) incurred by and/or guaranteed by any Group Company domiciled in Sweden, however in respect to VASS or any Operating Company a limit of SEK 50,000,000 applies;
  - (ii) for working capital purposes;
  - (iii) committed by commercial banks; and
  - (iv) if secured, such Security to be limited to accounts receivables and/or inventory of the relevant Group Companies;
- (g) incurred by any Group Company with the purpose of financing acquisitions of new assets/companies for the purpose of expanding the Group's business;
- (h) in a company being acquired (pursuant to (g) above) if existing at the time of acquisition;
- (i) under a recourse claim for a bank guarantee in the ordinary course of business (for the avoidance of doubt not including guarantees or security in respect of monies borrowed);
- (j) being any unsecured Financial Indebtedness where the Issuer is the borrower having a maturity date after the Final Maturity Date and without Financial Support from any other Group Company;
- (k) under any derivative transaction entered into by any Group Company for non-speculative purpose as part of the Group's hedging strategy ("**Derivative Transaction**");
- (l) under any netting or set-off or cash pooling arrangements entered into by any Group Company in the ordinary course of business of its financial arrangements for the purposes of netting debit and credit balances of any Group Company;
- (m) of the Group under any pension and tax liabilities incurred in the ordinary course of business;
- (n) under any unsecured intercompany loans granted by any Group Company, provided that intercompany loans to the Issuer shall be subordinated to the Finance Documents in accordance with the definitions of Subordinated Loans below;
- (o) under any unsecured Subordinated Loans to the Issuer;
- (p) not permitted by paragraphs (a) to (o) above and incurred by the Group up to an aggregate outstanding principal amount which does not at any time exceed SEK 25,000,000 (or its equivalent in other currencies) (the "**Permitted Basket**"); and
- (q) any refinancing, amendments or replacements of any of the above from time to time, provided that until such Quarter Date that the Issuer is in compliance with the Original Financial Covenants, the Existing Rindi Debt may not be refinanced with a higher amount than the aggregate outstanding amount under the Existing Rindi Debt at the time of such refinancing (except that the repayment in an amount of SEK

40,000,000 made to Swedbank AB (publ) as part of an ongoing refinancing process with another bank shall, provided that such ongoing refinancing is successfully completed, be added back when determining the permitted refinancing amount).

**“Permitted Security”** means:

- (a) any Security or Guarantees granted pursuant to the Finance Documents;
- (b) any Security granted in relation to paragraphs (a) to (c) and (e) to (i) under the definition of Permitted Financial Indebtedness;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (d) provided in relation to a Derivative Transaction in the form of guarantees from other Group Companies or Cash or Cash Equivalents;
- (e) any Security arising in connection with unpaid tax, any other charge of any governmental body, court order or injunction where the liability to pay is being contested in good faith;
- (f) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group (if applicable);
- (g) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to any Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any such Group Company; and
- (h) provided in relation to the Permitted Basket.

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

**“Pre-Disbursement Share Pledge Agreements”** means each of the share pledge agreements regarding a first priority pledge over all of the shares in each of SBH 2 and SBH 3 entered into between the relevant Obligor which is the direct shareholder of SBH 2 or SBH 3 (respectively) and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

**“Purpose of the Bond Issue”** has the meaning set forth in Clause 4.2.

**“QIB”** has the meaning set forth in 5.7.

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

**“Record Date”** means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 16 (*Distribution of proceeds*), (iv) the date of a Holders’ 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 Bonds are to be redeemed or repaid in accordance with Clause 11 (*Redemption and repayment of the Bonds*).

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

**“Relevant Period”** means each period of twelve (12) consecutive calendar months.

**“Restricted Payment”** has the meaning set forth in Clause 12.1 (*Distributions*).

**“Rindi Pellet Business”** means all the pellets businesses within Rindi Energi AB, including but not limited to Rindi Pellets in Älvdalen and Rindi Pellets in Vansbro.

**“Rindi Share Pledge Agreement”** means the share pledge agreement regarding a first priority pledge over all of the shares owned by the Issuer in SBH Acquisition AB entered into between the Issuer and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders and the bondholders under the NOK Bonds).

**“Sale and Purchase Agreement”** means the share sale and purchase agreement between SBH 3 and the Seller entered into on 14 February 2014 setting out the sale of all of the Seller’s shares in VASS to SBH 3.

**“SBH”** means Solør Bioenergi Holding AS, reg. no. 989 244 051, Postboks 46, 2261 Kirkenær, Norge.

**“SBH 2”** means SBH Acquisition 2 AB, reg. no. 556959-8864, c/o Anders Pettersson, Orsavägen 35, 167 76 Bromma.

**“SBH 3”** means SBH Acquisition 3 AB, reg. no. 556959-8880, c/o Anders Pettersson, Orsavägen 35, 167 76 Bromma.

**“SBH 3 Asset Disposal”** means the disposal to one or more Operating Companies of all assets of SBH 3 acquired through the Merger and which constitutes all remaining assets of VASS after completion of the VASS Asset Disposal.

**“SBH Acquisition AB”** means SBH Acquisition AB, reg. no. 556946-3432, c/o Solör Bioenergi Holding AB (publ), box 3264, 103 64 Stockholm.

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

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

“**Security Agent**” means the Agent when acting in its capacity as security agent on behalf of the Holders in relation to the Security Documents, or another party replacing it as Security Agent in accordance with the Finance Documents.

“**Security Documents**” means the Intercompany Loans Pledge Agreements, the Share Pledge Agreements and the Assignment together with any other documents requested by the Security Agent in relation to the perfection of the Security.

“**SEK**” means the official currency of Sweden.

“**Seller**” means E.ON Värme Sverige AB, reg. no. 556146-1814, a limited liability company incorporated under the laws of Sweden.

“**Share Pledge Agreements**” means each of the Pre-Disbursement Share Pledge Agreements, the VASS Share Pledge Agreement, the Operating Company Share Pledge Agreements and the Rindi Share Pledge Agreement.

“**Sponsors**” means BE Bio Energy Group AG and the group of large international US and UK based industrial companies committing to the SEK 720,000,000 private placement announced 16 May 2014.

“**STIBOR**” means the interest rate published on NASDAQ OMX Stockholm’s website (or such other system or on such other page which may replace the mentioned system and page, respectively) at approximately 11 a.m. CET on each Interest Determination Date or, if no such quotation exists, in all cases as determined by the Managers, using the average of four Nordic commercial banks’ (determined by the Managers) quoted interbank market interest rates in Stockholm or, if only one or no such quotation is available, the interest rate which according to the Managers’ assessment is the interest rate offered by Swedish commercial banks for lending SEK 100,000,000 for the relevant period of time on the interbank market in Stockholm.

“**Subordinated Loans**” means any loan raised by the Issuer provided such Financial Indebtedness is (i) unsecured, (ii) according to its terms and pursuant to a subordination agreement or similar agreement satisfactory to the Agent (acting reasonably) between the relevant creditor and the Agent, are subordinated to the obligations of the Issuer under the Finance Documents, (iii) according to its terms have a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date and (iv) shall not benefit from Financial Support provided by another Group Company. For the avoidance of doubt, interest shall be permitted to accrue and be paid on any Subordinated Loans provided such interest is on fair market terms and is allowed to be paid in accordance with Clause 12.1 (*Distributions*).

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (a) owns shares or ownership rights

representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (d) exercises control as determined in accordance with IFRS.

“**Total Assets**” means the aggregate book value of the Group’s total assets treated as assets in accordance with IFRS.

“**Transaction**” means SBH 3’s acquisition of all of the shares in VASS in accordance with the Sale and Purchase Agreement.

“**U.S. Securities Act**” has the meaning set forth in Clause 5.6.

“**VASS**” means VASS Värmeanläggningar i Sverige AB, reg. no. 556951-8060, c/o E.ON Värme Sverige AB, 205 09 Malmö (as per the Issue Date).

“**VASS Assets**” means all real estate property (Sw. *fastigheter*) owned by VASS at the time of the Transaction.

“**VASS Asset Disposal**” means the disposal of all of the VASS Assets to one or more Operating Companies.

“**VASS Share Pledge Agreement**” means the share pledge agreement regarding a first priority pledge over all of the shares in VASS entered into between SBH 3 and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Holders).

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 19 (*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 (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (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 SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- 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, the Security Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

## **2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS**

- 2.1 The aggregate amount of the bond loan will be an amount of SEK 950,000,000 and will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Bonds is SEK 950,000,000.
- 2.2 All Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount. The ISIN for the Bonds is SE0005999687.
- 2.3 The minimum permissible investment in connection with the Bond Issue is SEK 1,000,000 and integral multiples thereof.
- 2.4 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.5 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.6 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Holder confirms such agreements.

## **3. STATUS OF THE BONDS**

- 3.1 The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) *pari passu* and without any preference among them and (ii) at least *pari passu* with the claims of its other unsubordinated creditors, except for obligations which are mandatorily preferred by law.
- 3.2 The Bonds are guaranteed and secured by the Guarantees and Security provided pursuant to the Security Documents.

## **4. USE OF PROCEEDS**

- 4.1 The Net Proceeds shall be transferred by the Managers to the Escrow Account. For the purpose of securing that the Conditions Precedent for Disbursement have been fulfilled

before the disbursement of the Net Proceeds and for the purpose of securing that the Net Proceeds will be used by the Issuer in accordance with the Purpose of the Bond Issue, the Escrow Account has been pledged in favour of the Holders and the Agent under the Escrow Account Pledge Agreement until the Conditions Precedent for Disbursement have been fulfilled.

- 4.2 Upon fulfilment of the Conditions Precedent for Disbursement, the Net Proceeds shall be contributed by the Issuer to SBH 2 by way of an Acquisition Loan and subsequently from SBH 2 to SBH 3 by way of an Acquisition Loan who shall use the funds under such Acquisition Loan towards financing its acquisition of all of the shares in VASS in accordance with the Sale and Purchase Agreement (the “**Purpose of the Bond Issue**”).

## **5. THE BONDS AND TRANSFERABILITY**

- 5.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 5.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 5.3 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required.
- 5.4 Holders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Holder may be subject (due to, *e.g.*, its nationality, its residency, its registered address, its place(s) of business). Each Holder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- 5.5 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 5.6 The Bonds have not been registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and the Issuer is under no obligation to arrange for registration of the Bonds under the U.S. Securities Act or under any other law or regulation.
- 5.7 The Bonds are not offered to and may not be subscribed by investors located in the United States except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act. In the application form each Person applying for the Bonds must confirm whether it is a U.S. Person as defined in Rule 902 of Regulation S under the U.S. Securities Act, and if it is a U.S. Person it must confirm, *inter alia*, that it is a QIB. The Bonds may not be purchased by, or for the benefit of, Persons resident in Canada.
- 5.8 Holders located in the United States are not permitted to transfer Bonds except (a) (i) to the Issuer, (ii) to a Person who the seller reasonably believes is a QIB within the meaning of Rule 144A under the U.S. Securities Act purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the

United States in compliance with Rule 903 or Rule 904, as applicable, of Regulation S under the U.S. Securities Act, (iv) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), (v) pursuant to any other available exemption from registration under the U.S. Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the U.S. Securities Act, or (vi) pursuant to an effective registration statement under the U.S. Securities Act and (b) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction. No representation can be made as to the availability of the exemption from registration provided by Rule 144 for resales of the Bonds. The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.

- 5.9 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

## **6. SECURITY AND GUARANTEES**

- 6.1 As a continuing Security for the due and punctual fulfilment of each Obligor's obligations under the Finance Documents (excluding Acquisition Loan Agreements), the Issuer (and the relevant Obligors, as the case may be) shall, in favour of the Holders (represented by the Security Agent) and the Agent/Security Agent:
- (a) pledge all present and future money claims under the Acquisition Loans and the Material Intercompany Loans pursuant to the Intercompany Loans Pledge Agreements;
  - (b) pledge all shares in SBH 2 and SBH 3 pursuant to the Pre-Disbursement Share Pledge Agreements;
  - (c) following completion of the Transaction, pledge all shares in VASS pursuant to the VASS Share Pledge Agreement;
  - (d) prior to an Operating Company acquiring the VASS Assets pursuant to the VASS Asset Disposal or any other assets pursuant to the SBH 3 Asset Disposal (as the case may be), pledge all shares in such Operating Company pursuant to an Operating Company Share Pledge Agreement;
  - (e) pursuant to the Assignment, on a best efforts basis assign all or part (as applicable) of the assets an Operating Company acquires pursuant to the SBH 3 Asset Disposal provided possible by applicable law and subject to the Agent's sole discretion in accepting such Assignment; and
  - (f) no later than 31 December 2015, subject to the intercreditor provisions set out therein, pledge all its shares in SBH Acquisition AB to secure *pro rata* the NOK Bonds and the Bonds.

- 6.2 The Issuer shall ensure that the Guarantees, Security Documents and all documents relating thereto are duly executed in favour of the Holders (as represented by the Security Agent) and the Agent/Security Agent and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms. The Issuer shall execute and procure the execution of such further documentation as the Security Agent may reasonably require in order for the Holders and the Agent/Security Agent to at all times maintain the security position envisaged hereunder.
- 6.3 The Security Agent will hold the Guarantees and Security created under the Security Documents on behalf of itself and the Holders in accordance with these Terms and Conditions, the Guarantees and the Security Documents.
- 6.4 Except if otherwise decided by the Holders according to the procedures set out in Clauses 17 (*Decisions by Holders*) to 19 (*Written procedures*), the Agent/Security Agent is, without first having to obtain the Holders' consent, entitled to enter into binding agreements with the Issuer, the Guarantors, or third parties if it is, in the Security Agent's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the Guarantees and/or Security created (or to be created) under the Security Documents or for the purpose of settling the various Holders' relative rights under the Guarantees and/or to the Security created under the Security Documents, respectively. The Agent/Security Agent is entitled to take all measures available to it according to the Guarantees and/or the Security Documents.
- 6.5 If the Bonds are declared due and payable according to Clause 15 (*Termination of the Bonds*) or following the Final Maturity Date, the Agent/Security Agent is entitled to enforce the Security created under the Security Documents, in such manner and under such conditions that the Agent/Security Agent finds acceptable (if in accordance with the Guarantees or Security Documents, respectively).
- 6.6 The Agent/Security Agent is entitled to demand payment under each Guarantee in accordance with its terms.
- 6.7 If a Holders' Meeting has been convened to decide on the termination of the Bonds, the demand of payment under any Guarantee and the enforcement of all or any of the Security created under all or any of the Security Documents, the Security Agent is obligated to take actions in accordance with the Holders' decision regarding the Guarantees or Security created under the Security Documents. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Security Agent shall not enforce any of the Security created under the Security Documents. If the Holders, without any prior initiative from the Agent/Security Agent or the Issuer, have made a decision regarding termination of the Bonds, demanding payment under any Guarantee and enforcement of the Security created under the Security Documents in accordance with the procedures set out in Clauses 17 (*Decisions by Holders*) to 19 (*Written procedures*), the Agent/Security Agent shall promptly declare the Bonds terminated, demand payment under any Guarantee and enforce the Security created under the Security Documents. The Agent/Security Agent is however not

liable to take action if the Agent/Security Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Agent/Security Agent indemnified and, at the Agent's/Security Agent's own discretion, grant sufficient Security for the obligation.

- 6.8 Funds that the Security Agent receives on account of the Holders in connection with the enforcement of any or all of the Security created under the Security Documents constitute escrow funds (*Sw. redovisningsmedel*) according to the Escrow Funds Act (*Sw. lag (1944:181) om redovisningsmedel*) and must be held on a separate account on behalf of the Holders. The Security Agent shall promptly arrange for payments to be made to the Holders in such case. If the Agent/Security Agent deems it appropriate, it may, in accordance with Clause 6.9, instruct the CSD to arrange for payment to the Holders.
- 6.9 For the purpose of exercising the rights of the Holders and the Agent/Security Agent under these Terms and Conditions and for the purpose of distributing any funds originating from payments under any Guarantees and the enforcement of any Security created under the Security Documents, the Issuer irrevocably authorises and empowers the Agent/Security Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders in accordance with Clause 6.8. To the extent permissible by law, the powers set out in this Clause 6.9 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Agent/Security Agent provide the Agent/Security Agent with any such documents, including a written power of attorney (in form and substance to the Agent's/Security Agent's satisfaction), which the Agent/Security Agent deems necessary for the purpose of carrying out its duties under Clause 6.8. Especially, the Issuer shall, upon the Agent's/Security Agent's request, provide the Agent/Security Agent with a written power of attorney empowering the Agent/Security Agent to change the bank account registered with the CSD to a bank account in the name of the Agent/Security Agent and to instruct the CSD to pay out funds originating from an enforcement in accordance with Clause 6.8 to the Holders through the CSD.

## **7. BONDS IN BOOK-ENTRY FORM**

- 7.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 7.2 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 Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 7.3 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 Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under the Finance Documents, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.

7.5 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 Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.

7.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

## **8. RIGHT TO ACT ON BEHALF OF A HOLDER**

8.1 If any Person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

8.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Holder and may further delegate its right to represent the Holder by way of a further power of attorney.

8.3 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 8.1 and 8.2 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.

## **9. PAYMENTS IN RESPECT OF THE BONDS**

9.1 Any payment or repayment under the Finance Documents shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment or repayment amount.

9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions 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 Holder 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 Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 9.3 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 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, 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.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law.
- 9.6 The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.

## **10. INTEREST**

- 10.1 The Bonds will bear interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 10.3 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).
- 10.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is 200 basis points 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.

## **11. REDEMPTION AND REPAYMENT OF THE BONDS**

### **11.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date (or, to the extent such day is not a Business Day, on the Business Day following from an application of the Business Day Convention) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

## 11.2 **The Group Companies' purchase of Bonds**

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The Bonds held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

## 11.3 **Early voluntary redemption by the Issuer (call option)**

11.3.1 The Issuer may redeem all, but not only some, of the outstanding Bonds on any Business Day falling on or after the First Call Date, but before the Final Maturity Date, at the applicable Call Option Amount together with accrued but unpaid Interest.

11.3.2 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than twenty (20) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and 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 Bonds in full at the applicable amounts.

## 11.4 **Mandatory repurchase due to a Change of Control Event (put option)**

11.4.1 Upon a Change of Control Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds be repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) calendar days following a notice from the Issuer of the Change of Control Event pursuant to paragraph (e) of Clause 0 (*Financial reporting and information*). The sixty (60) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.

11.4.2 The notice from the Issuer pursuant to paragraph (e) of Clause 0 (*Financial reporting and information*) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (e) of Clause 0 (*Financial reporting and information*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1.

11.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 11.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.

11.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be retained, sold or cancelled.

## 12. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 12.

### 12.1 Distributions

The Issuer shall not (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay or pay interest under any shareholder loans, (v) make any other similar distribution or transfers of value (Sw. *värdeöverföringar*) to the Issuer's direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)-(v) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such Restricted Payment can be made by the Issuer provided that (i) at the last two consecutive Quarter Dates, the Issuer has been in compliance with the Original Financial Covenants, and (ii) such Restricted Payment (together with any other Restricted Payments made within the same financial year) does not exceed 40.00 per cent. of the Issuer's consolidated net profit after taxes based on the audited annual accounts for the previous financial year and adjusted for any non-cash items related to project revenues, transaction revenues and any re-evaluation of assets.

Notwithstanding the above, the Issuer may pay fees to its direct and indirect shareholders for management services on arm's length terms and limited to an aggregate amount of SEK 20,000,000 *per annum*, provided that no Event of Default has occurred and is continuing.

### 12.2 Subsidiary distributions

Save for restrictions made pursuant to Permitted Financial Indebtedness, the Issuer shall not permit any Group Company to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Group Company to:

- (a) pay dividends or make other distributions to its shareholders (if made by any of the Subsidiaries which is not directly or indirectly wholly owned by the Issuer, such dividends or other distributions to be made on a *pro rata* basis);
- (b) service any Financial Indebtedness to the Issuer;
- (c) make any loans to the Issuer; or
- (d) transfer any of its assets and properties to the Issuer,

if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with its payments obligations under the Terms and Conditions.

### 12.3 Financial support restrictions

The Issuer shall not, and shall ensure that no other Group Company shall, grant any loans, guarantees or other financial assistance (including, but not limited to granting of Security) ("**Financial Support**") to or for the benefit of any third party or other Group Companies, other than:

- (a) in connection with Permitted Financial Indebtedness;
- (b) unsecured intercompany loans granted by any Group Company to another Group Company; and
- (c) in the ordinary course of business,

provided that, until the Issuer is in compliance with the Original Financial Covenants, (except for loans of proceeds from injection of new equity into the Group or proceeds from Permitted Financial Indebtedness raised to finance the acquisition or support the acquired company or business) no Financial Support in the form of extension of loans in cash may be made in connection with the acquisition of any company or business pursuant to Clause 12.21 (*Acquisitions*).

#### 12.4 Financial Covenants

- (a) The Issuer undertakes to comply with the following financial covenants (the “**Financial Covenants**”) during the term of the Bond Issue:
  - (i) **Equity Ratio:** the Equity Ratio shall during each period set out in column 1 below at least be the percentage set out opposite it in column 2 below:

Column 1	Column 2
Relevant period	Ratio
The period beginning on 1 January 2015 and ending on 30 September 2015.	18 per cent.
The period beginning on 1 October 2015 and ending on 31 March 2016.	20 per cent.
The period beginning on 1 April 2016 and ending on 30 September 2016.	22.5 per cent.
The period beginning on 1 October 2016 and ending on 31 December 2016.	25 per cent.
Thereafter.	27.5 per cent.

- (ii) **Current Ratio:** the Current Ratio shall during each period set out in column 1 below at least be the ratio set out opposite it in column 2 below:

Column 1	Column 2
Relevant period	Ratio
The period beginning on 1 January 2015 and ending on 30 September 2015.	1.15x
The period beginning on 1 October 2015 and ending on 31 March 2016.	1.25x
Thereafter.	1.5x

- (iii) **Interest Coverage Ratio:** the Interest Coverage Ratio in respect of any Relevant Period expiring during a period specified in column 1 below shall not be less than the ratio set out in column 2 below opposite that period:

<b>Column 1</b>	<b>Column 2</b>
<b>Relevant period</b>	<b>Ratio</b>
1 January 2015 to (and including) 30 September 2015	N/A (Interest Coverage Ratio is not tested with respect to this period)
1 October 2015 to (and including) 31 December 2015.	1.5x
1 January 2016 to (and including) 31 March 2016.	1.75x
1 April 2016 to (and including) 30 June 2016	2.0x
1 July 2016 to (and including) 31 December 2016.	2.25x
Any time after 31 December 2016.	2.5x

(b) **Financial testing**

The Issuer undertakes to comply with the above Financial Covenants at all times, such compliance to be measured on each Quarter Date and certified by the Issuer by providing a Compliance Certificate on the date a Financial Report is made available. All Financial Covenants shall be calculated on a consolidated basis for the Group during the lifetime of the Bonds.

(c) **Equity cure**

- (i) If the Issuer fails (or would otherwise fail) to comply with a Financial Covenant and the Issuer receives a Cure Amount no later than on the date of delivery to the Agent of the Compliance Certificate in respect of the Quarter Date to which the failure to comply relates, then the Financial Covenant shall be recalculated on the basis that the Cure Amount shall be deemed:
- (A) in the case of a breach of Equity Ratio, to increase Equity as if it had been received by the Issuer on the relevant Quarter Date;
  - (B) in the case of a breach of Current Ratio, to increase Current Assets as if it had been received by the Issuer on the relevant Quarter Date; and

(C) in the case of a breach of Interest Coverage Ratio, to increase EBITDA as if it had been received during the Relevant Period to which the breach relates.

(ii) If, after a Financial Covenant is recalculated in accordance with paragraph (a) above, the breach has been prevented or cured, the relevant Financial Covenant shall be deemed to have been satisfied on the date of the relevant Quarter Date.

(iii) The amount of any Cure Amount shall, for the avoidance of doubt, not be taken into account in any calculations or other circumstances than those explicitly referred to in the Terms and Conditions.

(d) ***Calculation adjustment***

The Additional Margin (and any corresponding margin increase under the NOK Bonds) and any waiver fee paid or payable to the Holders or the bondholders under the NOK Bonds shall be excluded and/or added back (as applicable and without double counting) when calculating the Financial Covenants.

## 12.5 Listing of Bonds

The Issuer shall ensure that the Bonds are listed on the corporate bond list of NASDAQ OMX Stockholm, or if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, within 12 months after the Issue Date and shall take all measures required to ensure that the Bonds, once listed on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable), continue being listed on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) for as long as any Bond is outstanding (however, taking into account the rules and regulations of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

## 12.6 Financial Indebtedness

The Issuer shall not, and shall procure that none of the Subsidiaries will, incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur, maintain or prolong Financial Indebtedness which constitute Permitted Financial Indebtedness.

## 12.7 Negative pledge

The Issuer shall not, and shall ensure that no other Group Company shall, create, permit to subsist or allow to exist any Security over any of its present or future respective assets (including shares in Subsidiaries) or its revenues, other than the Permitted Security. Notwithstanding the aforementioned, no Guarantor may and the Issuer shall ensure that no Guarantor will, create, permit to subsist or allow to exist any Security over any of VASS'

or any Operating Company's present or future assets or revenues, other than the Security granted to secure the obligations of the Issuer and/or the Obligors under these Terms and Conditions and Permitted Security granted in relation to paragraph (f) under the definition of Permitted Financial Indebtedness.

## 12.8 **Mergers**

The Issuer shall not, and shall ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganisation (save for intercompany reorganisations) involving consolidating the assets and obligations of the Issuer or such Group Company with any other company or entity not being a Group Company if such transaction would have a Material Adverse Effect. For the avoidance of doubt, any merger resulting in that the Issuer is not the surviving entity shall always be considered constituting having a Material Adverse Effect.

Subject to what is set out above but notwithstanding anything else to the contrary in this Agreement or any Security Document, each Group Company may merge (a "**Merger**") with another Group Company, provided that:

- (a) if the dissolved entity is an Obligor, the surviving entity is or becomes an Obligor; and
- (b) each of the surviving entity, the dissolved entity and any direct subsidiary to the dissolved entity (whose shares are pledged or who is a debtor with respect to a loan covered by security created by a Security Document) prior to the Merger being completed delivers to the Agent a security confirmation letter in respect of any Security Document that is directly affected by the Merger.

## 12.9 **De-mergers**

The Issuer shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganisation (save for intercompany reorganisations) involving splitting the Issuer or a Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect. For the avoidance of doubt a de-merger involving the Issuer shall always be considered as constituting having a Material Adverse Effect.

Subject to what is set out above but notwithstanding anything else to the contrary in this Agreement or any Security Document, each Group Company (in this capacity the "**De-Merging Entity**") may de-merge (a "**De-merger**"), provided that:

- (a) if the De-Merging Entity is an Obligor, each new entity becomes an Obligor;
- (b) if the shares of the De-Merging Entity is pledged under a Security Document, the shares of each new entity shall be pledged under a Security Document; and

- (c) each of the De-Merging Entity, the new entity arising as a consequence of the De-merger and any direct subsidiary to the De-Merging Entity prior to the De-merger being completed delivers to the Agent a security confirmation letter in respect of any Security Document that is directly affected by the De-merger.

#### 12.10 **Continuation of business**

The Issuer shall not cease to carry on its business. Furthermore, the Issuer shall ensure that no other Group Company ceases to carry on its business and the Issuer shall procure that no material change is made to the general nature or scope of the business of the Group from that carried on at the date of these Terms and Conditions, or as contemplated by these Terms and Conditions, in each case if such transaction would have a Material Adverse Effect.

#### 12.11 **Disposals of assets**

12.11.1 The Issuer shall not, and shall ensure that no other Group Company shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:

- (a) the transaction is carried out at a fair market value, on terms and conditions customary for such transactions; and
- (b) such transaction would not have a Material Adverse Effect.

12.11.2 The Issuer and/or any Group Company shall be permitted to dispose of:

- (a) the shares in SBH 3 following the completion of the Merger and the SBH 3 Asset Disposal;
- (b) all or part of the Rindi Pellet Business; and
- (c) the shares in an Operating Company held by SBH 3 provided disposed of directly or indirectly to SBH 2 and Security is granted over all of the shares in such Operating Company on the same terms as the Operating Company Share Pledge Agreement in force at the time prior to the disposal,

in case of paragraphs (a) and (b) above subject to being compliant with paragraphs (a) and (b) in Clause 12.11.1 above.

12.11.3 Notwithstanding what is permitted under paragraphs (a) and (b) in Clause 12.11.1 above, no Group Company may and the Issuer shall procure that no Group Company will, dispose of any of the assets which the Group acquires through acquiring VASS except for the VASS Asset Disposal and the SBH 3 Asset Disposal.

12.11.4 Assets (including shares) which have been pledged pursuant to the Security Documents may at no point be disposed of as long as such assets remain pledged. The Issuer shall notify the Agent/Security Agent of any such transaction and, upon request by the Agent/Security Agent, provide the Agent/Security Agent with any information relating to the transaction which the Agent/Security Agent deems necessary (acting reasonably). For the avoidance of doubt, in connection with the Merger, a disposal of SBH 3 pursuant to paragraph (a) of

Clause 12.11.2 and a disposal by SBH 3 of any Operating Company directly or indirectly to SBH 2 pursuant to paragraph (c) of Clause 12.11.2 the Agent/Security Agent will release the Security granted over the shares in each of VASS, SBH 3 and the Operating Company (as applicable).

Notwithstanding the preceding paragraph, each Group Company may, however always subject to the other provisions of the Terms and Conditions, dispose of all or part of assets (including shares) which have been pledged pursuant to the Security Documents to another Group Company, provided that (i) the disposal is made subject to the Security created by the relevant Security Document, and (ii) each Group Company being a party to the transaction immediately in connection with the disposal delivers to the Agent a security confirmation letter in respect of the Security that has been granted over the disposed assets.

## 12.12 **The VASS Asset Disposal**

12.12.1 The Issuer undertakes to procure that:

- (a) all of the VASS Assets are disposed of pursuant to the VASS Asset Disposal within thirty (30) calendar days from the date of the completion of the Transaction;
- (b) all of the shares of an Operating Company are pledged pursuant to an Operating Company Share Pledge Agreement prior to an Operating Company acquiring any VASS Assets;
- (c) a Guarantee is granted by an Operating Company prior to it acquiring any VASS Assets whereby such Operating Company becomes an Additional Guarantor; and
- (d) if applicable, all existing and future Intercompany Loans between an Obligor and VASS are pledged pursuant to Intercompany Loans Pledge Agreements (as applicable) together with (i) a copy of a duly signed notice to be provided by the relevant pledgor to the relevant debtor and (ii) a copy of duly signed acknowledgement of receipt of the notice set out in (i).

12.12.2 If an Operating Company acquiring the VASS Assets as set out under paragraph (a) of Clause 12.12.1 is not a direct Subsidiary of SBH 2, the relevant Operating Company shall be acquired by SBH 2 at the latest prior to a disposal of the shares in SBH 3 as set out in paragraph (a) of Clause 12.11.2 and SBH 2 shall immediately after acquiring the Operating Company grant Security over all of the shares in such Operating Company on the same terms as the Operating Company Share Pledge Agreement in force at the time prior to the acquisition.

## 12.13 **The SBH 3 Asset Disposal**

The Issuer undertakes to procure that:

- (a) the SBH 3 Asset Disposal is completed within one hundred and twenty (120) calendar days from the date of the completion of the Transaction;

- (b) unless already granted, all of the shares of an Operating Company are pledged pursuant to an Operating Company Share Pledge Agreement prior to an Operating Company acquiring any assets pursuant to the SBH 3 Asset Disposal;
- (c) unless already granted, a Guarantee is granted by an Operating Company prior to it acquiring any assets pursuant to the SBH 3 Asset Disposal whereby such Operating Company becomes an Additional Guarantor;
- (d) if applicable, all existing and future Intercompany Loans between an Obligor and an Operating Company are pledged pursuant to Intercompany Loans Pledge Agreements (as applicable) together with (i) a copy of a duly signed notice to be provided by the relevant pledgor to the relevant debtor and (ii) a copy of duly signed acknowledgement of receipt of the notice set out in (i);and
- (e) on a best efforts basis, the Assignment (as applicable) is provided from the relevant Operating Company immediately after it acquires any assets pursuant to the SBH 3 Asset Disposal provided possible by applicable law and subject to the Agent's sole discretion in accepting such Assignment.

#### 12.14 **Insurance**

The Issuer shall, and shall procure that each Group Company will, maintain with financially sound and reputable insurance companies, funds or underwriters adequate insurance or captive arrangements with respect to its assets, equipment and business against liabilities, casualties and contingencies of such types and in such amounts as are consistent with prudent business practice in relevant jurisdictions.

#### 12.15 **Compliance with laws etcetera**

The Issuer shall, and shall procure that each Group Company will, (i) comply in all material respects with all laws and regulations applicable from time to time and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

#### 12.16 **Financial reporting and information**

The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than one hundred and twenty (120) calendar days after the expiry of each financial year (for the first time in connection with the Financial Report relating to the financial period ending on 31 December 2014);
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer,

including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than sixty (60) calendar days after the expiry of each relevant interim period (for the first time relating to the financial period ending on 30 June 2014);

- (c) issue a Compliance Certificate to the Agent in connection with (i) that a Financial Report is made available, (ii) in connection with an application of the Financial Covenants and (iii) at the Agent's request, within twenty (20) calendar days from such request;
- (d) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on its website;
- (e) promptly notify the Agent (and, as regards a Change of Control Event, the Holders) upon becoming aware of (i) a Change of Control Event or (ii) that an Event of Default has occurred, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and

prepare the Financial Reports in accordance with IFRS and once the Bonds have been listed, the reports referred to under (i) and (ii) above shall, in addition, be made available in accordance with the rules and regulations of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

#### 12.17 **Arm's length transactions**

The Issuer shall not engage in, or permit any other Group Company to engage in, directly or indirectly, any transaction with any party (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except if such transaction (i) is in the ordinary course of the Issuer's or such Group Company's business, (ii) is a reasonable business requirement and (iii) is on fair and reasonable terms that are no less favourable to the Issuer or such Group Company, as the case may be, than those which might be obtained in an arm's length transaction at the time.

#### 12.18 **Ownership of Guarantors**

Without prejudice to paragraph (a) of Clause 12.11.2, the Issuer shall ensure that each Guarantor remains a wholly owned Subsidiary of the Issuer.

#### 12.19 **Subordinated loans**

The Issuer shall ensure that all Subordinated Loans are and shall remain subordinated to the obligations of the Issuer and/or the Obligors under the Finance Documents.

#### 12.20 **Agent Agreement**

12.20.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably 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 Agent Agreement.

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

#### 12.21 **Acquisitions**

Until such Quarter Date that the Issuer is in compliance with the Original Financial Covenants, the Issuer shall not, and shall procure that no other Group Company will, acquire a company or business, unless (i) the Interest Coverage Ratio of the Issuer and the company or business acquired, calculated jointly on a pro-forma basis, is no less than 2.0x, (ii) the Issuer and the acquired company or business has an Equity Ratio of no less than 22.5 per cent, calculated jointly on a pro-forma basis, and (iii) such additional acquisition is financed by at least 30 per cent new cash equity from sources outside of the Group. Furthermore, during such period there shall be no transfer of available cash from the existing part of the Group in relation to such acquisition.

### 13. **CONDITIONS PRECEDENT FOR DISBURSEMENT OF THE NET PROCEEDS**

13.1 The Agent's approval of the disbursement from the Escrow Account of the Net Proceeds from the Bond Issue is subject to the following documents being received by the Agent, in form and substance satisfactory to it (acting reasonably):

*Prior to the Issue Date:*

- (a) these Terms and Conditions duly executed;
- (b) a confirmation from the Issuer that no potential or actual Event of Default will occur or is likely to occur as a result of the issuance of the Bonds;
- (c) a duly executed Agent Agreement;
- (d) copies of the certificate of registration (Sw. *registreringsbevis*) and the articles of association (Sw. *bolagsordning*) of the Issuer;
- (e) a copy of the duly executed board resolution by the board of directors of the Issuer approving the Bond Issue and entering into the Security Documents to which the Issuer is a party;
- (f) the duly executed Escrow Account Pledge Agreement;
- (g) most recent published financial statements of the Group;

*Prior to disbursement from the Escrow Account:*

- (h) a by the Issuer duly executed Funds Flow Statement evidencing that the amount to be released shall be applied in accordance with the Purpose of the Bond Issue together with a cover letter instructing the Agent to instruct the Escrow Bank to release the funds from the Escrow Account in accordance with the Funds Flow Statement;
- (i) a copy of the Sale and Purchase Agreement and evidence that no conditions precedent are outstanding under the Sale and Purchase Agreement apart from paying the purchase price set out therein;
- (j) evidence that the first tranche of the equity contribution in a minimum amount of SEK 620,000,000 has been paid to the Issuer for the purpose of, amongst others, partly finance the Transaction;
- (k) a copy of the duly executed board resolutions by the respective board of directors of each of the Initial Guarantors approving granting the Guarantees and entering into the Security Documents to which the such Initial Guarantor is a party;
- (l) the Guarantees duly executed by each of the Initial Guarantors;
- (m) a copy of each of the duly executed Acquisition Loan Agreements;
- (n) the duly executed Intercompany Loans Pledge Agreements relating to Acquisition Loans or Intercompany Loans between the relevant Obligors as of the Issue Date together with (i) a copy of duly signed notices to be provided by the relevant pledgors to the relevant debtors and (ii) a copy of duly signed acknowledgements of receipt of the notices set out in (i);
- (o) the duly executed Pre-Disbursement Share Pledge Agreements together with (i) a certified copy of the share register of each of the companies whose shares are being pledged setting out the pledge over the shares (ii) duly endorsed in blank original share certificates (iii) a copy of duly signed notices to be provided by the relevant pledgors to the relevant company whose shares are being pledged and (iv) a copy of duly signed acknowledgements of receipt of the notices set out in (iii); and
- (p) a confirmation from the Issuer that all Conditions Precedent have been fulfilled and that no potential or actual Event of Default is likely to occur, has occurred or is continuing.

13.2 When the Conditions Precedent for Disbursement set out in 13.1 have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the Escrow Bank to transfer the funds credited to the Escrow Account as agreed between the Agent and the Issuer in accordance with the Funds Flow Statement. For the avoidance of doubt, when the Conditions Precedent for Disbursement have been fulfilled to the satisfaction of the Agent (acting reasonably), the funds on the Escrow Account may be exchanged into other currencies in order to procure the payments in accordance with the Purpose of the Bond Issue.

- 13.3 When the Conditions Precedent for Disbursement have been fulfilled, the Escrow Account Pledge Agreement shall have no further effect and the Security created thereunder shall be released. The Agent shall execute and deliver any documents and take any other actions necessary to give effect to such termination of the Escrow Account Pledge Agreement and such release of Security in accordance with the terms of the Escrow Account Pledge Agreement.
- 13.4 The Agent may assume that the documents presented under Clause 13.1 are correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such documents.
- 13.5 The Agent may, in its sole discretion, choose to postpone or waive the delivery of any of the Conditions Precedent for Disbursement.

## **14. CONDITIONS SUBSEQUENT**

### **14.1 Conditions subsequent**

The Issuer shall provide evidence to the Agent, in form and substance satisfactory to the Agent, showing that the events listed below have occurred, such evidence to be provided (i) in relation to paragraphs (a), (b) and in relation to (d) if VASS is the debtor immediately after the completion of the Transaction, (ii) in relation to paragraph (c) and in relation to (d) if VASS is the pledgor not earlier than twenty (20) Business Days but not later than twenty five (25) Business Days after SBH 3 has acquired all of the shares in VASS and (iii) in relation to paragraph (e) not later than forty five (45) calendar days after the Issue Date:

- (a)
- (a) evidence showing that SBH 3 is the legal owner of VASS;
  - (b) the duly executed VASS Share Pledge Agreement together with (i) a certified copy of the share register of VASS setting out the pledge over the shares, (ii) duly endorsed in blank original share certificate(s), (iii) a copy of duly signed notices to be provided by SBH 3 to VASS and (iv) a copy of duly signed acknowledgement of receipt of the notice set out in (iii);
  - (c) a Guarantee duly executed by VASS;
  - (d) if applicable, all existing and future Intercompany Loans between an Obligor and VASS are pledged pursuant to Intercompany Loans Pledge Agreements (as applicable) together with (i) a copy of a duly signed notice to be provided by the relevant pledgor to the relevant debtor and (ii) a copy of duly signed acknowledgement of receipt of the notice set out in (i); and
  - (e) evidence that the second tranche of the equity contribution in an amount of SEK 100,000,000 has been paid to the Issuer.

### **14.2 Further conditions subsequent**

The Issuer shall provide evidence to the Agent, in form and substance satisfactory to the Agent, showing that the events listed below have occurred, such evidence to be provided

(i) in relation to paragraphs (a) to (c) prior to an Operating Company acquires any assets from VASS or SBH 3 (as the case may be) and (ii) in relation to paragraph (d) immediately after an Operating Company acquires any assets pursuant to the SBH 3 Asset Disposal:

- (a) a Guarantee duly executed by the relevant Operating Company;
- (b) a duly executed Operating Company Share Pledge Agreement together with (i) a certified copy of the share register of the relevant Operating Company setting out the pledge over the shares, (ii) duly endorsed in blank original share certificate(s), (iii) a copy of duly signed notices to be provided by the relevant pledgor to the relevant Operating Company and (iv) a copy of duly signed acknowledgements of receipt of the notices set out in (iii);
- (c) if applicable, all existing and future Intercompany Loans between an Obligor and an Operating Company are pledged pursuant to Intercompany Loans Pledge Agreements (as applicable) together with (i) a copy of a duly signed notice to be provided by the relevant pledgor to the relevant debtor and (ii) a copy of duly signed acknowledgement of receipt of the notice set out in (i); and
- (d) subject to paragraph (e) of Clause 6.1, a duly executed Assignment.

## 15. TERMINATION OF THE BONDS

15.1 The Agent is entitled, on behalf of the Holders, to terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty five (25) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** the Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Conditions subsequent:** the Issuer has not provided the Agent with evidence, in form and substance satisfactory to the Agent, showing that the actions described under Clause 14 (*Conditions subsequent*) have been taken or that the events described therein have occurred not later than on the dates specified in Clause 14 (*Conditions subsequent*);
- (c) **Other obligations:** the Issuer and/or the relevant Subsidiaries do not comply with the Finance Documents in any other way than as set out under (a) or (b) above, unless the non-compliance (i) is capable of remedy and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (d) **Cross-acceleration/-default:**

- (i) any Financial Indebtedness of any Group Company is not paid when due nor within as extended by any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) under any document relating to Financial Indebtedness of any Group Company; or
- (ii) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced,

provided that no Event of Default will occur under this paragraph (d) if the aggregate amount of Financial Indebtedness referred to under (i) and (ii) above, individually or in aggregate is less than SEK 25,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

(e) **Insolvency:**

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

(f) **Insolvency proceedings:** any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets; or
- (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Group Company;

(g) **Creditors' process:** any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 25,000,000 and is not discharged within thirty (30) calendar days;

- (h) **Impossibility or illegality:** it is or becomes impossible or unlawful for any Group Company to fulfill or perform any of the material provisions of the Finance Documents or if the obligations (as a whole) under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable;
  - (i) **Continuation of the business:** The Issuer or any other Group Company ceases to carry on its business (except if due to (i) a permitted merger or demerger as stipulated in Clauses 12.8 (*Mergers*) and 12.9 (*De-mergers*) or (ii) a permitted disposal as stipulated in Clause 12.11 (*Disposals of assets*)).
- 15.2 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 15.3 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 15.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 15.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 15.1 and provide the Agent with all documents that may be of significance for the application of this Clause 15.
- 15.4 The Issuer is only obliged to inform the Agent according to Clause 15.3 if informing the Agent would not conflict with any statute or the Issuer's registration contract with NASDAQ OMX Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 15.3.
- 15.5 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 15.1, the Agent shall decide, within ten (10) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 17 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and whether such event has a Material Adverse Effect.

- 15.6 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 17 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient Security for such indemnity.
- 15.7 If the Bonds are declared due and payable in accordance with the provisions in this Clause 15, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 15.8 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 15 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 17 (*Decisions by Holders*).
- 15.9 If the Bonds are declared due and payable, the Issuer shall redeem all Bonds with an amount per Bond equal to 102.60 per cent. of the Nominal Amount or, if the Bonds are declared due and payable on or after the First Call Date, at the applicable Call Option Amount.

## **16. DISTRIBUTION OF PROCEEDS**

- 16.1 If the Bonds have been declared due and payable due to an Event of Default, all payments by the Issuer relating to the Bonds 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, (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the demand to receive payments under any Guarantees, the enforcement of the Security or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' meeting or a written procedure;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid interest under the Bonds (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents (excluding Acquisition Loan Agreements).

Any excess funds after the application of proceeds in accordance with items (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 16.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.
- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds and/or enforcement of any security provided pursuant to the Security Documents constitute escrow funds (*Sw. redovisningsmedel*) according to the Escrow Funds Act (*Sw. lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.
- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, the Issuer or the Agent, as applicable, shall notify the Holders 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 9.1 shall apply.

## **17. DECISIONS BY HOLDERS**

- 17.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 17.2 Any request from the Issuer or a Holder (or Holders) representing at least 10.00 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 17.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders 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.
- 17.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 19.3, in respect of a Written Procedure,

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

- 17.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3:
- (a) waive a breach of or amend an undertaking set out in Clause 12 (*Special undertakings*);
  - (b) release the Security provided under the Security Documents;
  - (c) reduce the principal amount, Interest Rate or interest amount which shall be paid by the Issuer;
  - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking, or
  - (e) amend the provisions in this Clause 17.5.
- 17.6 Any matter not covered by Clause 17.5 shall require the consent of Holders representing more than 50.00 per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3. This includes, but is not limited to, any amendment to or waiver of the terms of the Finance Documents that does not require a higher majority (other than an amendment permitted pursuant to paragraph (a), (b) or (c) of Clause 20.1), a termination of the Bonds or the enforcement of any Guarantees or Security created under the Security Documents.
- 17.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Agent in a Written Procedure, will prevail.
- 17.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least one half (1/2) of the Adjusted Nominal Amount:
- (a) if at a Holders' 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.
- 17.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 17.8 shall not apply to such second Holders' Meeting or Written Procedure.

- 17.10 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.
- 17.11 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' 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.
- 17.13 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 17.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.15 If a decision shall be taken by the Holders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 17.16 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

## **18. HOLDERS' MEETING**

- 18.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 18.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 18.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 21.4.3, 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 Holders' Meeting in accordance with Clause 18.1.

- 18.3 The notice pursuant to Clause 18.1 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 Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 18.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 18.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within ten (10) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 18.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 18.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

## **19. WRITTEN PROCEDURE**

- 19.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(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 Holder on the Business Day prior to the date on which the communication is sent.
- 19.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19.1 to each Holder with a copy to the Agent.
- 19.3 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Holders, (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 Holder 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 Holder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to Clause 19.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 19.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within ten (10) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 19.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17.5 and 17.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5 or 17.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20. AMENDMENTS AND WAIVERS**

- 20.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend the Finance Documents or waive any provision in a Finance Documents, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Holders, 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;
  - (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
  - (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 17 (*Decisions by Holders*).
- 20.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- 20.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 20.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 20.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Holders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **21. APPOINTMENT AND REPLACEMENT OF THE AGENT OR SECURITY AGENT**

### **21.1 Appointment of Agent**

- 21.1.1 By subscribing for Bonds, each initial Holder appoints the Agent/Security Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent/Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent/Security Agent to act on its behalf.
- 21.1.2 Each Holder shall immediately upon request by the Agent/Security Agent provide the Agent/Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent/Security Agent), as the Agent/Security Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent/Security Agent is under no obligation to represent a Holder which does not comply with such request.
- 21.1.3 The Issuer shall promptly upon request provide the Agent/Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent/Security Agent), that the Agent/Security Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 21.1.4 The Agent/Security 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 Agent's/Security Agent's obligations as agent or security agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 21.1.5 The Agent/Security Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **21.2 Duties of the Agent/Security Agent**

- 21.2.1 The Agent/Security Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent/Security Agent is not responsible for the execution or enforceability of the Finance Documents, subordination agreements relating to Subordinated Loans or other documents entered into by the Agent/Security Agent relating to these Terms and Conditions. The Agent/Security Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent/Security Agent.
- 21.2.2 The Agent/Security Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent/Security Agent in doing so.

- 21.2.3 When acting in accordance with the Finance Documents, the Agent/Security Agent is always acting with binding effect on behalf of the Holders. The Agent/Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 21.2.4 The Agent/Security Agent is entitled to delegate its duties to other professional parties, but the Agent/Security Agent shall remain liable for the actions of such parties under the Finance Documents.
- 21.2.5 The Agent/Security Agent shall treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders 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.
- 21.2.6 The Agent/Security Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent/Security Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 21.2.7 The Agent/Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent/Security Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent/Security Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent/Security Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (iii) when the Agent/Security Agent is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Agent/Security Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of proceeds*).
- 21.2.8 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent/Security 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.
- 21.2.9 If in the Agent's/Security Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent/Security Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent/Security 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.
- 21.2.10 The Agent/Security Agent shall give a notice to the Holders (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/Security Agent under the Finance Documents, or (ii) if it refrains from acting for any reason described in Clause 21.2.9.

### 21.3 **Limited liability for the Agent/Security Agent**

- 21.3.1 The Agent/Security Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with the Finance Documents, unless directly caused by its negligence or wilful misconduct. The Agent/Security Agent shall never be responsible for indirect loss.
- 21.3.2 The Agent/Security 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/Security Agent or if the Agent/Security Agent has acted with reasonable care in a situation when the Agent/Security Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 21.3.3 The Agent/Security 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/Security Agent to the Holders, provided that the Agent/Security 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/Security Agent for that purpose.
- 21.3.4 The Agent/Security Agent shall have no liability to the Holders for damage caused by the Agent/Security Agent acting in accordance with instructions of the Holders given in accordance with Clause 17 (*Decisions by Holders*).
- 21.3.5 Any liability towards the Issuer which is incurred by the Agent/Security 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 Holders under these Terms and Conditions.

### 21.4 **Replacement of the Agent/Security Agent**

- 21.4.1 Subject to Clause 21.4.6, the Agent/Security Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent/Security Agent at a Holders' Meeting convened by the retiring Agent/Security Agent or by way of Written Procedure initiated by the retiring Agent/Security Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent/Security Agent is insolvent, the Agent/Security Agent shall be deemed to resign as Agent/Security Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent/Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Holder (or Holders) representing at least 10.00 per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent/Security Agent and appointing a new Agent/Security Agent. The Issuer may, at a Holders' Meeting convened by

it or by way of Written Procedure initiated by it, propose to the Holders that the Agent/Security Agent be dismissed and a new Agent/Security Agent appointed.

- 21.4.4 If the Holders have not appointed a successor Agent/Security Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent/Security Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent/Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.5 The retiring Agent/Security Agent shall, at its own cost, make available to the successor Agent/Security Agent such documents and records and provide such assistance as the successor Agent/Security Agent may reasonably request for the purposes of performing its functions as Agent/Security Agent under the Finance Documents.
- 21.4.6 The Agent's/Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor and acceptance by such successor Agent/Security Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent/Security Agent.
- 21.4.7 Upon the appointment of a successor, the retiring Agent/Security 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/Security Agent. Its successor, the Issuer and each of the Holders 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/Security Agent.
- 21.4.8 In the event that there is a change of the Agent/Security Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent/Security Agent may reasonably require for the purpose of vesting in such new Agent/Security Agent the rights, powers and obligation of the Agent/Security Agent and releasing the retiring Agent/Security Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent/Security Agent agrees otherwise, the new Agent/Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent/Security Agent.

## **22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 22.1 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 Bonds.
- 22.2 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/manager in accordance with these Terms and Conditions.

## **23. NO DIRECT ACTIONS BY HOLDERS**

- 23.1 A Holder may not take any steps whatsoever against the Issuer or a Subsidiary 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 or a Subsidiary in relation to any of the liabilities of the Issuer or an Obligor under the Finance Documents.
- 23.2 Clause 23.1 shall not apply if the Agent/Security Agent has been instructed by the Holders 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 Holder to provide documents in accordance with Clause 21.1.2), 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/Security Agent under the Finance Documents or by any reason described in Clause 21.2.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.10 before a Holder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Holders.

## **24. TIME-BAR**

- 24.1 The right to receive repayment of the Nominal Amount shall be time-barred and become void ten (10) years from the Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred 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 Holders' right to receive payment has been time-barred and has become void.
- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## 25. NOTICES AND PRESS RELEASES

### 25.1 Notices

25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent/Security 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/Security 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/Security Agent, to such email address notified by the Issuer to the Agent/Security Agent from time to time; and
- (c) if to the Holders, 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 Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent/Security Agent.

25.1.2 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/Security 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 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent/Security Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.

25.1.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

### 25.2 Press releases

25.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.3 (*Early voluntary redemption by the Issuer (call option)*), 11.4 (*Mandatory repurchase due to a Change of Control Event (put option)*) 0 (e), 15.5, 17.16, 18.1, 19.1 and 20.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

25.3 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders 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 Holders 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 Holders, the Agent shall be entitled to issue such press release.

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

- 26.1 Neither the Agent/Security Agent nor the Managers 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/Security Agent or the Managers itself takes such measures, or is subject to such measures.
- 26.2 A Manager shall have no liability to the Holders if it has observed reasonable care. A Manager shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 26.3 Should a Force Majeure Event arise which prevents the Agent/Security Agent or the Managers from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27. GOVERNING LAW AND JURISDICTION**

- 27.1 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.
- 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 27.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent/Security Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

**ADDRESSES**

**ISSUER**

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**LEGAL COUNSEL**

**Roschier Advokatbyrå AB**

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**AGENT**

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

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**AUDITOR**

**KPMG AB**

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**CENTRAL SECURITIES DEPOSITORY**

**Euroclear Sweden AB**

P.O. Box 191  
SE-101 23 Stockholm  
Sweden