

TERMS AND CONDITIONS



KRUK S.A.

EUR 350,000,000

**Senior Unsecured Callable Floating Rate Bonds
2023/2028**

ISIN: NO0012903444

First Issue Date: 10 May 2023

SELLING RESTRICTIONS

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. 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 (the “**U.S. Securities Act**”), 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, except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act.

PRIVACY STATEMENT

Each of the Issuer, the Agent, the Paying Agent and the Joint Bookrunners may collect and process personal data relating to the Bondholders, the Bondholders’ representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other Persons is primarily collected directly from such Persons.

The personal data collected will be processed by the Issuer, the Agent, the Paying Agent and the Joint Bookrunners for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under the Finance Documents, (ii) to manage the administration of the Bonds and payments under the Bonds, (iii) to enable the Bondholders to exercise their rights under the Finance Documents and (iv) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent, the Paying Agent and the Joint Bookrunners in relation to items (i) to (iii) above is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (iv), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent, the Paying Agent or the Joint Bookrunners (as applicable). Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent, the Paying Agent or the Joint Bookrunners (as applicable). In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer’s, the Agent’s, the Paying Agent’s and the Joint Bookrunners’ addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites: www.en.kruk.eu, www.nordictrustee.com, www.arctic.com/secse/en and www.dnb.se.

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TERMS AND CONDITIONS

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 and through which a Bondholder has opened a Securities Account in respect of its Bonds.

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

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the aggregate Nominal Amount of all Bonds owned by a Group Company, an Affiliate of a Group Company or any other person or entity owning any Bonds that has undertaken towards a Group Company or an Affiliate of a Group Company to vote for such Bonds in accordance with the instructions given by a Group Company or an Affiliate of a Group Company, in each case irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreement**” 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 one hundred twenty (120) 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.

“**Agency Agreement**” means the agreement entered into between the Agent and the Issuer on or prior to the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent or any replacement agency agreement entered into after the First Issue Date between the Issuer and the Agent.

“**Agent**” means the Bondholders’ agent under the Terms and Conditions and, if relevant, the Finance Documents, Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden, or another party (being a reputable company with the necessary resources to act as, and which regularly acts as, agent in respect of market loans) replacing it, as Agent, in accordance with these Terms and Conditions.

“**Base Rate**” means three (3) months EURIBOR or any reference rate replacing EURIBOR in accordance with Clause 18 (*Replacement of Base Rate*).

“**Bond**” means debt instruments (*Sw. skuldförbindelser*), each for the Nominal Amount, issued by the Issuer under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds, and any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the CSD Regulations from time to time.

“**Bondholder**” means the bondholders under the Bonds.

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 16.2 (*Bondholders’ Meeting*).

“**Business Day**” means a day in Norway, Sweden or Poland other than a Saturday, Sunday or other public holiday in Norway, Sweden or Poland on which both the relevant CSD settlement system is open and the relevant currency of the Bonds settlement system is open.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“**Call Option Amount**” means:

- (a) an amount equivalent to the sum of (i) 103.25 per cent. of the Nominal Amount of the redeemed Bond and (ii) the remaining interest payments of the redeemed Bond to, but not including, the First Call Date, if the call option is exercised on or after the First Issue Date to, but not including, the First Call Date;
- (b) 103.25 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the First Call Date to, but not including, the date falling forty-two (42) months after the First Issue Date;
- (c) 102.275 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling forty-two (42) months after the First Issue Date to, but not including, the date falling forty-eight (48) months after the First Issue Date;
- (d) 101.30 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling forty-eight (48) months after the First Issue Date to, but not including, the date falling fifty-four (54) months after the First Issue Date; and
- (e) 100.65 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling fifty-four (54) months after the First Issue Date to, but not including, the Final Redemption Date.

“**Cash and Cash Equivalents**” means on any date, the aggregate equivalent in EUR on such date of the then current market value of:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with a reputable bank; and

- (b) time deposits with reputable banks and certificates of deposit issued, and bills of exchange accepted, by a reputable bank,

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access and which is not subject to any security, except for:

- (i) any Security securing only:
 - (A) any liability included in the Total Net Interest Bearing Debt figure; and/or
 - (B) any revolving credit facilities, which, in each case, if drawn, would also constitute Total Net Interest Bearing Debt,including in relation to such Total Net Interest Bearing Debt, *inter alia*, all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) together with all interest, costs, charges and other expenses relating thereto; and
- (ii) any Security constituted by a netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements.

“**Cash EBITDA**” means, in respect of the Reference Period or any other period, the aggregate of the operating profit (EBIT) of the Group (calculated on a consolidated basis) (and for the avoidance of doubt taking into account profit sharing agreements to the extent not included as a Financial Indebtedness):

- (a) *minus* revenue from debt portfolios during such period of the Group on a consolidated basis;
- (b) *plus* negative changes in debt portfolio collection estimates during such period of the Group on a consolidated basis unless such changes are already accounted for in revenue under paragraph (a) above;
- (c) *minus* positive changes in debt portfolio collection estimates during such period of the Group on a consolidated basis unless such changes are already accounted for in revenue under paragraph (a) above;
- (d) *plus* recovery from debt portfolios during such period of the Group on a consolidated basis;
- (e) *plus* any losses arising from exceptional items during such period of the Group in an aggregate amount not exceeding EUR 5,000,000 for each financial year (prior to any adjustments for any such exceptional items);
- (f) *minus* any net profit (and/or *plus* any net losses) during such period of the Group attributable to minority interests, provided however that such subtraction or addition shall only be carried out if the net profit and/or net loss during such period of the Group attributable to minority interests in aggregate amounts to more than EUR 1,000,000;
- (g) *minus* any losses (and/or *plus* any gains) during such period of the Group attributable to disposals of any assets (not being any disposals made in the ordinary course of business);

- (h) *plus* depreciation of tangible fixed assets during such period; and
- (i) *plus* amortisation of intangible fixed assets during such period.

“**Change of Control Event**” means if any person or group of persons acting in concert (other than Polish retirement funds (*Pol. “otwarty fundusz emerytalny”, “OFE”*), their legal successors or entities directly or indirectly owned by the Polish State Treasury) gaining Decisive Influence over the Issuer.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 2 (*Form of Compliance Certificate*), unless otherwise agreed between the Agent and the Issuer.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time, initially Verdipapirsentralen ASA, Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent, the Paying Agent and the Bonds from time to time.

“**Debt Register**” means the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds in which an owner of Bonds is directly registered or an owner’s holding of Bonds is registered in the name of a nominee.

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (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.

“**De-listing Event**” means that the shares of the Issuer are not listed on the Warsaw Stock Exchange or another Regulated Market.

“**Distribution**” means (whether in cash or kind):

- (a) payment of dividend in respect of shares;
- (b) repurchase of own shares;
- (c) redemption or reduction of share capital or other restricted equity with repayment to shareholders;
- (d) payment of principal or accrued or deferred interest (as applicable) under any Subordinated Debt or Shareholder Loan; or
- (e) other similar distribution (including, but not limited to total return swaps related to shares in the Issuer) or transfers of value to the direct and/or indirect shareholders of any Group Company or the Affiliates of such direct and/or indirect shareholders (including group contributions).

“**EURIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Refinitiv screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels

time) on the Quotation Day for the offering of deposits in EUR and for a period comparable to the relevant Interest Period; or

- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Paying Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between:
 - (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period; and
 - (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period,

in each case as of or around 11 a.m. on the Quotation Day, or

- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Paying Agent at its request (such request to be made to at least five (5) banks) quoted by prime banks reasonably selected by the Paying Agent, as the rate at which relevant bank believes one prime bank is quoting to another prime bank for deposits of EUR 10,000,000 for the relevant period; or
- (d) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above and no quotation is available pursuant to paragraph (c) above, the Interest Rate which according to the reasonable assessment of the Paying Agent best reflects the Interest Rate for deposits in EUR offered for the relevant period and which is also being applied by the Paying Agent in same capacity to other bonds of similar nature,

and if any such rate is below zero (0), EURIBOR will be deemed to be zero (0).

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

“**Event of Default**” means an event or circumstance specified as such in Clause 15 (*Termination of the Bonds*).

“**Existing Bonds**” means the following bonds issued by the Issuer:

- (a) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRRK0000754 and maturity date on 20 February 2028
- (b) the maximum PLN 120,000,000 senior unsecured floating rate bonds with ISIN PLO163600037 and maturity date on 4 January 2029;
- (c) the maximum PLN 35,000,000 unsecured floating rate bonds with ISIN PLKRRK0000739 and maturity date on 28 November 2027;
- (d) the maximum PLN 60,000,000 unsecured floating rate bonds with ISIN PLKRRK0000713 and maturity date on 12 August 2027;
- (e) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRRK0000705 and maturity date on 2 June 2027;

- (f) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRK0000697 and maturity date on 8 February 2027;
- (g) the maximum PLN 350,000,000 senior unsecured floating rate bonds with ISIN PLO163600029 and maturity date on 2 February 2028;
- (h) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRK0000689 and maturity date on 16 December 2026;
- (i) the maximum PLN 65,000,000 unsecured fixed rate bonds with ISIN PLKRK0000648 and maturity date on 9 July 2026;
- (j) the maximum PLN 330,000,000 senior unsecured floating rate bonds with ISIN PLO163600011 and maturity date on 28 June 2027;
- (k) the maximum PLN 70,000,000 unsecured fixed rate bonds with ISIN PLKRK0000630 and maturity date on 10 June 2026;
- (l) the maximum PLN 20,000,000 unsecured fixed rate bonds with ISIN PLKRK0000622 and maturity date on 18 February 2026;
- (m) the maximum PLN 25,000,000 unsecured fixed rate bonds with ISIN PLKRK0000580 and maturity date on 25 September 2025;
- (n) the maximum PLN 25,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000572 and maturity date on 2 September 2024;
- (o) the maximum PLN 50,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000564 and maturity date on 28 June 2025;
- (p) the maximum PLN 115,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000556 and maturity date on 27 March 2025;
- (q) the maximum PLN 25,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000549 and maturity date on 6 February 2024;
- (r) the maximum PLN 30,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000531 and maturity date on 27 November 2023; and
- (s) the maximum PLN 35,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000523 and maturity date on 12 October 2023.

“**Existing Secured Debt**” means the facilities granted to Group Companies under the following facility agreements:

- (a) the PLN 225,000,000 facility agreement dated 8 April 2011 (as amended) and made between Santander Bank Polska S.A. as lender and the Issuer as borrower;
- (b) the PLN 260,000,000 facility agreement dated 31 March 2014 (as amended) and made between Getin Noble Bank S.A. (currently VELOBANK S.A.) as lender and the Issuer as borrower;
- (c) the PLN 140,000,000 facility agreement dated 2 July 2015 (as amended) and made between mBank S.A. as lender and Prokura NS FIZ as borrower;

- (d) the EUR 446,000,000 multicurrency facility dated 3 July 2017 (as amended) and made between DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A. and Bank Handlowy w Warszawie S.A. as lenders and InvestCapital Ltd, KRUK Romania S. R. L., KRUK Espana S.L.U. and Prokura NS FIZ as borrowers;
- (e) the PLN 50,000,000 facility agreement dated 19 December 2018 and made between Bank Pocztowy S.A. as lender and the Issuer as borrower; and
- (f) the PLN 29,760,000 facility agreement dated 21 September 2021 (as amended) and made between Powszechna Kasa Oszczędności Bank Polski S.A. as lender and Prokura NS FIZ as borrower;
- (g) the PLN 57,200,000 facility agreement dated 14 December 2021 (as amended) and made between Powszechna Kasa Oszczędności Bank Polski S.A. as lender and Prokura NS FIZ as borrower;
- (h) the PLN 100,000,000 facility agreement dated 22 December 2021 (as amended) and made between Getin Noble Bank S.A. (currently VELOBANK S.A.) as lender and the Issuer as borrower
- (i) the PLN 40,000,000 facility agreement dated 1 February 2022 (as amended) and made between Bank Pekao S.A. as lender and the Issuer as borrower;
- (j) the PLN 80,000,000 facility agreement dated 1 February 2022 (as amended) and made between Bank Pekao S.A. as lender and Prokura NS FIZ as borrower; and
- (k) the PLN 52,800,000 facility agreement dated 22 August 2022 and made between Powszechna Kasa Oszczędności Bank Polski S.A. as lender and Prokura NS FIZ as borrower.

“External Experts” means any reputable external experts appointed by the Agent in accordance with these Terms and Conditions and, if no Event of Default is continuing, as approved by the Issuer in writing (acting reasonably), and subject to the Agent obtaining fee quotes from at least three reputable external experts, and including quotes from one reputable external expert indicated by the Issuer, and the Issuer approving one of the fee quotes provided by such external experts.

“Final Redemption Date” means 10 May 2028.

“Finance Documents” means the Terms and Conditions, the Agency Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

“Finance Lease” means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability.

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

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;

- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) 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); and
- (h) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above,

provided that any credit arrangement or deferred settlement agreement with a term not exceeding three (3) months granted by a seller of a portfolio in connection with an acquisition shall, for the avoidance of doubt, not be deemed to constitute Financial Indebtedness.

“**Financial Statements**” the annual audited consolidated financial statements of the Group and/or (as applicable) the quarterly interim unaudited consolidated financial statements of the Group, which shall be prepared and made available according to Clause 12.1 (*Financial Statements*).

“**Financial Support**” means any loans, guarantees, Security or other financial assistance in any form (whether actual or contingent).

“**First Call Date**” means date falling thirty-six (36) months after the First Issue Date.

“**First Issue Date**” means 10 May 2023.

“**Force Majeure Event**” has the meaning set forth in Clause 25.1.

“**Group**” means the Issuer and each of its Subsidiaries from time to time.

“**Group Book Value**” means the consolidated aggregate book value according to the latest Financial Statements (calculated on a consolidated basis) in accordance with the Accounting Principles of (i) all debt portfolios and/or REO Properties owned by any Group Company, however adjusted for any profit sharing arrangements entered into by any Group Company to the extent such arrangements constitute Financial Indebtedness, and (ii) the Group’s interests in any joint venture(s) owning debt portfolios and/or REO Properties.

“**Group Company**” means the Issuer or any of its Subsidiaries.

“**Initial Bond**” means any Bond issued on the First Issue Date.

“**Initial Bond Issue**” has the meaning set forth in Clause 3.3.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.4.

“**Interest Cover Ratio**” means the ratio of Pro Forma Adjusted Cash EBITDA to Net Interest Expense.

“**Interest Payment Date**” means 10 February, 10 May, 10 August and 10 November 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 August 2023 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).

“**Interest Period**” means in respect of the first Interest Period, the period from, and including, the First Issue Date to, but excluding, the first Interest Payment Date (or a shorter period if relevant), and in respect of subsequent Interest Periods, the period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date (or a shorter period if relevant). Any Subsequent Bonds will carry interest at the Interest Rate from, and including, the Interest Payment Date falling immediately prior to their issuance (or the First Issue Date, if none) to, but excluding, the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the Base Rate plus 650 basis points *per annum* as adjusted by any application of Clause 18 (*Replacement of Base Rate*). For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

“**Issue Date**” means the First Issue Date or any date when Subsequent Bonds are issued.

“**Issuer**” means KRUK S.A., a joint stock company (*spółka akcyjna*) incorporated in Poland and entered in the register of entrepreneurs of the National Court Register (*rejestr przedsiębiorców Krajowego Rejestru Sądowego*) under number 0000240829 (and with LEI-code 259400T1FZYBIW8XUJ78).

“**Joint Bookrunners**” means Arctic Securities AS, reg. no. 991125175, and DNB Bank ASA, Sweden branch, reg. no. 516406-0161.

“**Leverage Ratio**” means the ratio of Total Net Interest Bearing Debt to Pro Forma Adjusted Cash EBITDA.

“**Listing Failure Event**” means a situation where:

- (a) the Initial Bonds have not been admitted to trading on any Regulated Market or MTF one (1) Business Day before Record Date for the first Interest Payment Date (being 7 August 2023);
- (b) the Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within twelve (12) months after the First Issue Date;
- (c) any Subsequent Bonds have not been admitted to trading on the same Regulated Market and/or MTF within ninety (90) calendar days after the relevant Issue Date, unless, in relation only to any Regulated Market, the Subsequent Bonds are issued before the date falling twelve (12) months after the First Issue Date in which case such Subsequent Bonds shall be admitted to trading on the same Regulated Market within the later of (i) twelve (12) months after the First Issue Date and (ii) the date falling ninety (90) calendar days after the relevant Issue Date; or

- (d) any Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market or MTF, cease to be admitted to trading thereon (however, taking into account the rules and regulations of the relevant Regulated Market or MTF and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds), provided that the Bonds may be delisted from an MTF in connection with the admission to trading of the Bonds on a Regulated Market.

“**Maintenance Test**” has the meaning set forth in Clause 13.1 (*Maintenance Test*).

“**Material Adverse Effect**” means:

- (a) a change in the business, operations, property, financial condition or assets of the Group taken as a whole; or in regulatory frameworks, or the loss of a licence or other public authorisation; in each case, which would have a material adverse effect on the Issuer’s ability to perform and comply with its payment obligations under any of the Finance Documents; or
- (b) a change to the validity or enforceability of any of the Finance Documents, in a manner which is materially adverse to the interests of the Bondholders, subject to thirty (30) calendar day remedy period.

“**MTF**” means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments (MiFID II), as amended).

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden.

“**Net Interest Expense**” means, for any Reference Period, the aggregate amount of the accrued interest, in respect of Financial Indebtedness, paid or payable by any Group Company according to the latest Financial Statements (calculated on a consolidated basis) in cash in respect of that Reference Period, after deducting any interest payable for that Reference Period to any Group Company (for avoidance of doubt, not deducting any interest payable for that Reference Period from any debt portfolios owned by any Group Company); and after deducting any interest income relating to Cash and Cash Equivalents of the Group, and:

- (a) excluding any upfront fees or costs;
 - (b) including the interest (but not the capital) element of payments in respect of any Finance Lease; and
 - (c) including any interest payments paid by (and deducting any such amounts paid to) any Group Company under any interest rate hedging arrangement (including, for avoidance of doubt, cross-currency interest rate hedging arrangements), and excluding any other amounts relating to any hedging arrangements; and
 - (d) excluding any interest in respect of any Subordinated Debt and any Shareholder Loan;
- and so that no amount shall be added (or deducted) more than once.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue after deduction has been made for the transaction costs payable by the Issuer to the Joint

Bookrunners and the relevant bookrunner(s) (if they have requested that their respective fees and costs shall be deducted) for the services provided in relation to the placement and issuance of the Bonds.

“**Nominal Amount**” has the meaning set forth in Clause 3.3.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD from time to time, initially Arctic Securities AS, reg. no. 991125175.

“**Permitted Financial Indebtedness**” means:

- (a) any Financial Indebtedness incurred under the Finance Documents;
- (b) any Financial Indebtedness provided by a reputable financial institution or bank, or a syndicate of reputable financial institutions or banks (including the Existing Secured Debt);
- (c) any Financial Indebtedness incurred by the Issuer under the Existing Bonds;
- (d) any new capital markets debt, including any bonds or notes, incurred by the Issuer or another Group Company (including such debt supported by a guarantee from another Group Company);
- (e) any Financial Indebtedness granted by a Group Company to another Group Company;
- (f) any Financial indebtedness incurred by any joint venture;
- (g) any deposits collected by Group Companies;
- (h) any Financial Indebtedness incurred under any Shareholder Loan;
- (i) any Financial Indebtedness incurred under any Subordinated Debt;
- (j) any Financial Indebtedness arising under any hedging arrangements as part of the Group’s ordinary course of business and for non-speculative purposes;
- (k) any Financial Indebtedness in form of leases in respect of real property or premises in the ordinary course of business;
- (l) any Financial Indebtedness of an entity acquired by any Group Company after the First Issue Date, if such Financial Indebtedness exists at the completion of the acquisition and is discharged within ninety (90) calendar days of the completion of the acquisition;
- (m) any Vendor Loans;
- (n) any Financial Indebtedness incurred in the ordinary course of business under Advance Purchase Agreements;
- (o) any Financial Indebtedness of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business;
- (p) any other Financial Indebtedness not otherwise included in paragraphs (a) to (o) above incurred in an aggregate amount at any time not exceeding EUR 10,000,000 (or its equivalent in any other currency or currencies);

- (q) any refinancing, amendment or replacement of any of any Financial Indebtedness incurred pursuant to paragraphs (a) to (p) above from time to time; and
- (r) any Financial Indebtedness arising under any guarantee issued by any Group Company in the ordinary course of business, including any guarantee for any of the items referred to in paragraphs (a) to (q) above.

“Permitted Security” means:

- (a) any Security granted in relation to any Permitted Financial Indebtedness other than in relation to paragraphs (c) and (d) of that definition;
- (b) any Security granted in relation to Permitted Financial Indebtedness set out in paragraph (d) of that definition, provided that the Agent is offered Security on the same (or substantially the same) terms
- (c) any lien arising by operation of law 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 Security in respect of any monies borrowed or raised);
- (d) 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);
- (e) any Security provided in relation to a refinancing of the Bonds in full; and
- (f) any Security for obligations or liability incurred by any Group Company in the ordinary course of business and as part of the daily operation by any such Group Company.

“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.

“Polish Civil Code” means the Polish Civil Code dated 23 April 1964, as amended from time to time.

“Pro Forma Adjusted Cash EBITDA” means, in respect of any Reference Period, the Cash EBITDA, adjusted by including eighty (80.00) per cent. of the Pro Forma Adjustments (without double counting).

“Pro Forma Adjustments” means, in respect of any Reference Period, the *pro forma* projected recoveries for all portfolios without full twelve (12) months trading for a Group Company, but only taking into account the *pro forma* projected recoveries for the remaining period as if such portfolios has been trading for twelve (12) months.

“Quotation Day” means, in relation to:

- (a) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or, in respect of the first Interest Period, two (2) Business Days before the First Issue Date); or

- (b) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, (i) the second (2nd) Business Day prior to any Interest Payment Date or Redemption Date or (ii) any other date designated as the Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote with regard to Clause 16 (*Decisions by Bondholders*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Agent.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed, in full or in part (as applicable), or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

“**Reference Period**” means each period of twelve (12) consecutive calendar months ending on a Reference Date.

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments (MiFID II), as amended).

“**REO Properties**” means real estate assets, including, but not limited to, apartments, houses, town homes, hotels, commercial buildings, parking lots, storage houses and land, or holding companies owning such assets, and which assets (i) stems from realized mortgages or security for a receivable owned by, or (ii) are acquired as an integral part of an acquisition of debt by any Group Company or a joint venture where any member of the Group has an equity interest of fifty (50.00) per cent. or less.

“**Secured Loan to Value Ratio**” means the ratio of (i) the aggregate outstanding amount under facilities and loans as described in paragraph (b) of the definition Permitted Financial Indebtedness in accordance with the Accounting Principles secured by any debt portfolios and/or REO Properties held by any Group Company, or secured by shares or investment certificates issued by any Group Company holding debt portfolios, plus aggregate outstanding amount under any Vendor Loans that constitutes Financial Indebtedness, less the aggregate amount of Cash and Cash Equivalents of the Group (in each case, calculated on a consolidated basis), to (ii) Group Book Value.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD in which an owner of such securities is directly registered or an owner’s holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect (however, for avoidance of doubt, not including any guarantee or indemnity).

“Shareholder Loan” means any loan from a shareholder of the Issuer to the Issuer as a debtor, if such shareholder loan is unsecured and *provided that*:

- (a) according to its terms or pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Finance Documents; and
- (b) any payment or prepayment of any principal amount or accrued or deferred interest (as applicable) under such loan shall only be made if permitted under Clause 14.1 (*Distributions*).

“Subordinated Debt” means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the Issuer as debtor from a creditor, if such debt:

- (a) according to its terms or pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Redemption Date, save for payments which are permitted under Clause 14.1 (*Distributions*); and
- (d) is designated by the Issuer by notice to the Agent as a subordinated debt pursuant to this definition.

“Subsequent Bond” means any Bond issued after the First Issue Date on one or more occasions.

“Subsequent Bond Issue” means any issue of Subsequent Bonds.

“Subsidiary” means, in relation to a Person, any legal entity (whether incorporated or not), in respect of which that Person has Decisive Influence.

“Total Net Interest Bearing Debt” means the aggregate outstanding principal, capital or nominal amount of all obligations of the Group for or in respect of interest-bearing Financial Indebtedness of the Group at any time (calculated on a consolidated basis) in accordance with the Accounting Principles but (without double counting):

- (a) for the avoidance of doubt, excluding any debt obligations to any other member of the Group;
- (b) excluding any Bonds owned by the Issuer or any Group Company;
- (c) excluding any Subordinated Debt and any Shareholder Loan;
- (d) including, in the case of Finance Leases only, their capitalised value;
- (e) deducting the aggregate amount of free Cash and Cash Equivalents of the Group; and
- (f) excluding any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**Vendor Loan**” means any credit arrangement or deferred settlement agreement granted by a seller of a portfolio in connection with an acquisition.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16.3 (*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 law, regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website (www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.2.6 The selling and distribution restrictions and the privacy statement contained in this document before the table of contents do not form part of the Terms and Conditions and may be updated without the consent of the Bondholders and the Agent (save for the privacy statement insofar it relates to the Agent).

2. **STATUS OF THE BONDS**

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

3. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

- 3.1 The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Bondholder confirms these Terms and Conditions.
- 3.3 The total aggregate nominal amount of the Initial Bonds is EUR 150,000,000 (“**Initial Bond Issue**”), which will be represented by Bonds, each of a nominal amount of EUR 100,000 (the “**Nominal Amount**”).
- 3.4 All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 3.5 The minimum permissible investment in connection with the Initial Bond Issue is EUR 100,000.
- 3.6 The ISIN for the Bonds is NO0012903444.
- 3.7 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals EUR 350,000,000, provided that no Event of Default is continuing or would result from the Subsequent Bond Issue. Any Subsequent Bond shall, for the avoidance of doubt, benefit from and be subject to the Finance Documents and the ISIN (to the extent a temporary ISIN is not required prior to listing thereof), the Interest Rate, the Nominal Amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The price of the Subsequent Bonds may be set at par, a discount or a premium compared to the Nominal Amount.

4. USE OF PROCEEDS

The Net Proceeds of the Initial Bond Issue and any Subsequent Bond Issue shall be applied towards general corporate purposes (including investments, capital expenditures, acquisitions and repayment of revolving credit facilities) of the Group.

5. CONDITIONS PRECEDENT

5.1 Settlement of the Initial Bond Issue

- 5.1.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), all of the documents and other evidence listed in Part 1 (*Conditions Precedent for Settlement – Initial Bond Issue*) of Schedule 1 (*Conditions Precedent*).
- 5.1.2 The Agent shall promptly confirm to the Paying Agent and the Joint Bookrunners when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in

accordance with Clause 17 (*Amendments and waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Paying Agent and the Joint Bookrunners no later than 11.00 a.m. one (1) Business Days prior to the First Issue Date (or later, if the Paying Agent and the Joint Bookrunners so agree).

- 5.1.3 Following receipt by the Paying Agent and the Joint Bookrunners of the confirmation in accordance with Clause 5.1.2, the Paying Agent shall settle the issuance of the Bonds and the Joint Bookrunners shall transfer the Net Proceeds of the Initial Bond Issue to an account designated by the Issuer on the First Issue Date.

5.2 **Settlement a Subsequent Bond Issue**

- 5.2.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the relevant Issue Date (or such later time as agreed by the Agent), all of the documents and other evidence listed in Part 2 (*Conditions Precedent for Settlement – Subsequent Bond Issue*) of Schedule 1 (*Conditions Precedent*).

- 5.2.2 The Agent shall promptly confirm to the Paying Agent and the Joint Bookrunners when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Paying Agent and the Joint Bookrunners no later than 11.00 a.m. one (1) Business Days prior to the relevant Issue Date (or later, if the Paying Agent and the Joint Bookrunners so agree).

- 5.2.3 Following receipt by the Paying Agent and the Joint Bookrunners of the confirmation in accordance with Clause 5.1.2, the Paying Agent shall settle the issuance of the Bonds and the Joint Bookrunners shall transfer the Net Proceeds of the Subsequent Bond Issue to the Issuer on the relevant Issue Date.

5.3 **No responsibility for documentation**

The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. No documents or evidence delivered in accordance with this Clause 5 are reviewed by the Agent from a legal or commercial perspective of the Bondholders.

6. **THE BONDS AND TRANSFERABILITY**

- 6.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

- 6.2 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.

- 6.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.

- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 For the avoidance of doubt and notwithstanding the above, a Bondholder 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 Bondholder hereunder in each case until such allegations have been resolved.

7. BONDS IN BOOK-ENTRY FORM

- 7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the relevant securities legislation and the CSD Regulations. Registration requests relating to the Bonds shall be directed to an Account Operator. The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation.
- 7.2 The Bonds have not been registered under any other country's legislation than that of the country in which the Bonds are registered, being Norway. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of Norway.
- 7.3 The Agent shall be entitled to obtain information from the Debt Register kept by the CSD in respect of the Bonds. For the purpose of carrying out any administrative procedure that arises out of these Terms and Conditions, the Paying Agent shall in accordance with applicable law be entitled to obtain information from the Debt Register.
- 7.4 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. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 7.5 The Agent and the Paying Agent may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 8.1 If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents it must obtain proof of ownership of the Bonds, acceptable to the Agent. A Bondholder (whether registered as such or proven to the Agent's

satisfaction to be the beneficial owner of the Bond as set out in paragraph 8.1 above may issue on or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.

- 8.2 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clauses 8.1 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 8.3 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (*Sw. förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

9. PAYMENTS IN RESPECT OF THE BONDS

- 9.1 The Issuer will unconditionally make available to or to the order of the Agent and/or the Paying Agent all amounts due on the relevant payment date pursuant to the terms of these Terms and Conditions at least two (2) Business Days prior to the relevant payment date (or at such other time as may be required by CSD regulations, in which case the Agent and/or the Paying Agent will notify the Issuer promptly upon becoming aware of such requirement) and to such accounts as specified by the Agent and/or the Paying Agent in advance of the relevant payment date or when other payments are due and payable pursuant to these Terms and Conditions.
- 9.2 All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the relevant Record Date, by, if no specific order is made by the Agent, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- 9.3 Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under the Finance Documents will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its Securities Account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- 9.4 If any relevant payment date to the Bondholders pursuant to the Finance Documents falls on a day which is not a Business Day, the payment shall be made on the Business Day following from an application of the Business Day Convention.
- 9.5 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 10.6 during such postponement.
- 9.6 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

- 9.7 All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 3.1. If, however, the denomination differs from the currency of the bank account connected to a Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- 9.8 Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its Account Operator in the CSD) within five (5) Business Days prior to a payment date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.
- 9.9 Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payments made in relation thereto shall be made in accordance with, the CSD Regulations.
- 9.10 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent 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. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

10. INTEREST

- 10.1 Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (and including) the Interest Payment Date falling immediately prior to its Issue Date (or the First Issue Date if there is no such Interest Payment Date) up to (but excluding) the relevant Redemption Date.
- 10.2 Notwithstanding anything to the contrary in these Terms and Conditions, should the Interest Rate or any payment of Interest at any time exceed the maximum permitted level for interest rates (the "**Maximum Interest Rate**") and/or maximum permitted amount for interest payments (the "**Maximum Interest Payment Amount**") for the Issuer, in each case in accordance with Article 359 §2 of the Polish Civil Code from time to time (such maximum permitted level of interest being equal to two (2) times the Polish statutory interest rate, i.e. the reference rate announced by the National Bank of Poland from time to time plus 3.5 percentage points), the Interest Rate shall, only for as long as it is above the Maximum Interest Rate, be deemed to be equal to the Maximum Interest Rate and no payments of Interest in excess of the Maximum Interest Payment Amount shall be made to the Bondholders (each

referred to as a “**Mandatory Interest Event**”). Upon the occurrence of a Mandatory Interest Event, the Issuer shall promptly after having received knowledge of such event give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 24 (*Notices and press releases*) and such notice shall specify the date of the Mandatory Interest Event and the new applicable Interest Rate and/or or the Maximum Interest Payment Amount. Should the Maximum Interest Rate at any time following a Mandatory Interest Event again be higher than the Interest Rate and/or the Maximum Interest Payment Amount again be higher than the payments of Interest, the Issuer shall promptly give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 24 (*Notices and press releases*). The occurrence of the Mandatory Interest Event shall be supported by a legal opinion and the Issuer shall procure that such legal opinion is issued to the Agent and the Paying Agent by a reputable law firm.

- 10.3 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 10.4 Interest shall be calculated on the basis of the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Agent will notify the Issuer and the Paying Agent of the new Interest Rate and the actual number of calendar days for the next Interest Period on each Quotation Day.
- 10.5 Upon the occurrence of a Listing Failure Event in any Interest Period, the Interest Rate on the Bonds shall be increased by one hundred (100) basis points *per annum* with effect from (and including) the next succeeding Interest Period after the date of the Listing Failure Event up to (but excluding) the next succeeding Interest Period after the date such Listing Failure Event has been remedied or waived. If the Listing Failure Event occurs and is remedied or waived during the same Interest Period, the Interest Rate on the Bonds shall not be increased. The increase of the Interest Rate pursuant to this Clause shall in any case be subject to the application of Clause 10.2 for as long as any Mandatory Interest Event is outstanding.
- 10.6 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to and including the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate, but shall be subject to the application of Clause 10.2 for as long as any Mandatory Interest Event is outstanding. The 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 REPURCHASE OF THE BONDS

11.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date with an amount per Bond equal to one hundred (100.00) per cent. of the Nominal Amount together with accrued but unpaid Interest. If the Final Redemption Date is not a Business Day, the redemption shall to the extent permitted under the CSD Regulations occur on the Business

Day following from an application of the Business Day Convention or, if not permitted under the CSD Regulations, on the first following Business Day.

11.2 **Purchase of Bonds by Group Companies**

Each Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. Any Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full or repurchase of all Bonds not already held by the Group Companies.

11.3 **Early voluntary total redemption (call option)**

11.3.1 The Issuer may redeem all or part of the Bonds on any Business Day falling on or after the First Issue Date up to (but excluding) the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest. No partial redemption may be made by the Issuer under this Clause if the total aggregate outstanding Nominal Amount of the Bonds as a result of such redemption would be lower than EUR 100,000,000 unless the Bonds are redeemed in full.

11.3.2 For the purpose of calculating the remaining interest payments pursuant to paragraph (a) of the definition of Call Option Amount and subject to the application of Clause 10.2, it shall be assumed that the Interest Rate of the redeemed Bonds for the period from the relevant Record Date to and including the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is sent to the Bondholders in accordance with Clause 11.3.3. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.

11.3.3 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. Any such notice shall state the Redemption Date and the relevant Record Date. Such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be fulfilled or waived at least three (3) Business Days prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

11.3.4 Any redemption in accordance with Clause 11.3.1 exercised in part will be used for *pro rata* payment to the Bondholders in accordance with the applicable regulations of the CSD.

11.4 **Early voluntary total redemption due to illegality (call option)**

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

11.4.2 The applicability of Clause 11.4.1 shall be supported by a legal opinion issued by a reputable law firm.

11.4.3 The Issuer may give notice of redemption pursuant to Clause 11.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). Upon receipt of such notice, the Agent shall inform the Paying Agent. The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.

11.5 Mandatory repurchase due to a Change of Control Event or De-listing Event (put option)

11.5.1 Upon the occurrence of a Change of Control Event or a De-listing Event, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) Business Days following a notice from the Issuer of the Change of Control Event or De-listing Event (as applicable) pursuant to paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*). The fifteen (15) Business Days' period may not start earlier than upon the occurrence of the relevant event.

11.5.2 The notice from the Issuer pursuant to paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, 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 (a)(i) of Clause 12.4 (*Information: miscellaneous*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.5.1.

11.5.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 11.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 11.5 by virtue of the conflict.

11.5.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5, if a third party in connection with the occurrence of a Change of Control Event or a De-listing Event (as applicable) offers to purchase all Bonds in the manner and on the terms set out in this Clause 11.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

11.5.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5 in connection with the occurrence of a Change of Control Event if the call option has been exercised in relation to a redemption of the Bonds in full pursuant to Clause 11.3 (*Early*

voluntary total redemption (call option)) by way of a call notice which has become unconditional on or before the end of the exercise period.

11.5.6 Any Bonds repurchased by the Issuer pursuant to this Clause 11.5 may at the Issuer's discretion be retained or sold, but not cancelled except in connection with a redemption of the Bonds in full or repurchase of all Bonds not already held by the Issuer.

11.6 **Clean-up early voluntary total redemption (call option)**

11.6.1 For as long as the Issuer together with any Group Companies holds more than 90.00 per cent. of the total aggregate outstanding Nominal Amount of the Bonds, the Issuer shall be entitled to redeem all, but not only some, of the Bonds in full at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest.

11.6.2 Redemption in accordance with Clause 11.6.1 shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. Any such notice shall state the Redemption Date and the relevant Record Date. Such notice is irrevocable. Upon expiry of such notice, the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.

12. **INFORMATION UNDERTAKINGS**

12.1 **Financial Statements**

The Issuer shall prepare and make available to the Agent and the Bondholders by publication on the Group's website (or alternatively by arranging for publication on another relevant information platform):

- (a) as soon as they are available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group for that financial year; and
- (b) as soon as they are available, but in any event within two (2) months after the end of each quarter of each of its financial years, the consolidated financial statements or year-end report (as applicable) of the Group for that financial quarter.

12.2 **Requirements as to Financial Statements**

12.2.1 The Issuer shall prepare the Financial Statements in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm or any other Regulated Market or MTF on which the Issuer's securities from time to time are listed (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time) (as applicable).

12.2.2 Each of the Financial Statements shall include a profit and loss account, a balance sheet and a cash flow statement.

12.3 **Compliance Certificate**

12.3.1 The Issuer shall issue a Compliance Certificate to the Agent signed by the CEO or any other duly authorised signatory of the Issuer:

- (a) within five (5) Business Days after the consolidated Financial Statements are made available to the Agent in accordance with Clause 12.1 (*Financial Statements*); and
- (b) at the Agent's reasonable request, within twenty (20) Business Days from such request.

12.3.2 In each Compliance Certificate, the Issuer shall:

- (a) certify that, so far as it is aware, no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; and
- (b) if provided in connection with the quarterly interim Financial Statements being made available, certify that the Maintenance Test is met as per the Reference Date to which the Compliance Certificate refers to, including calculations and figures in respect of the Maintenance Test.

12.4 **Information: miscellaneous**

The Issuer shall:

- (a) promptly notify:
 - (i) the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, a De-listing Event or a Listing Failure Event; and
 - (ii) the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice;
- (b) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on the Group's website; and
- (c) procure that all information to the Bondholders, including the Financial Statements, shall be in English.

12.5 **Restrictions**

The Issuer is only obliged to provide any information to the Agent and/or the Bondholders if providing such information to the Agent and/or the Bondholders would not conflict with any applicable laws or the Issuer's registration contract with Nasdaq Stockholm or any other Regulated Market or MTF on which the Issuer's securities from time to time are listed (as amended from time to time). If such conflict would exist pursuant to the listing contract with a Regulated Market or MTF, the Issuer shall however be obliged to either seek approval from that Regulated Market or MTF 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 Finance Documents.

13. FINANCIAL COVENANTS

13.1 Maintenance Test

13.1.1 The Maintenance Test shall be tested quarterly, on each Reference Date from and including 30 June 2023, on the basis of the consolidated interim Financial Statements of the Group in relation to the relevant Reference Date, including the previous Financial Statements necessary to cover the relevant Reference Period, and shall be reported in the Compliance Certificate delivered in connection with such Financial Statements.

13.1.2 The Maintenance Test is met if:

- (a) the Interest Cover Ratio exceeds 3.00:1;
- (b) the Leverage Ratio is less than 4.00:1; and
- (c) the Secured Loan to Value Ratio is less than 0.55:1.

13.2 Equity Cure

13.2.1 If there is a breach of the Maintenance Test, no Event of Default will occur if, within thirty (30) Business Days of the earlier of:

- (a) the delivery of the relevant Compliance Certificate evidencing that breach; and
- (b) the date when such Compliance Certificate should have been delivered in accordance with the Terms and Conditions,

the Issuer has received an equity injection in cash in the form of a share issue, an unconditional shareholder contribution or Subordinated Debt in an amount sufficient to ensure compliance with the Maintenance Test as at the relevant Reference Date (the “**Cure Amount**”) (an “**Equity Cure**”).

13.2.2 For the purpose of the calculation of the Maintenance Test, the relevant debt shall be deemed reduced on the relevant Reference Date with an amount equal to the Cure Amount. For the avoidance of doubt, there shall be no EBITDA cure.

13.2.3 Any Equity Cure must be made in cash and no more than two (2) Equity Cures may be made over the lifetime of the Bonds. Equity Cures may not be made in respect of any consecutive Reference Dates. Any Equity Cure made in respect of any Reference Date shall be included until such time as that Reference Date falls outside the Reference Period.

14. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the undertakings set forth in this Clause 14.

14.1 Distributions

- (a) The Issuer shall not, and shall ensure that no other Group Company will, declare or make any Distribution.
- (b) Notwithstanding paragraph (a) above, a Distribution may be declared and made, provided that such Distribution is permitted by law:

- (i) if made to the Issuer or a direct or indirect wholly-owned Subsidiary of the Issuer;
- (ii) by:
 - (A) the Issuer (if no Event of Default is continuing or would result from such Distribution); or
 - (B) any Subsidiary which is not directly or indirectly wholly-owned by the Issuer, if made also to the Issuer or any Group Company on at least a *pro rata* basis to its shareholding;

provided that at the time of such Distribution, the aggregate amount of all such Distributions (including the Distribution in question) made to any shareholder outside the Group does not exceed fifty (50.00) per cent. of the Group's consolidated net profit after taxes for the period from the first day of the most recent financial year ending prior to the First Issue Date to the end of the most recent financial year ending prior to the date of such Distribution for which Financial Statements of the Group are available (treated as one accounting period), in each case calculated according to the annual audited consolidated Financial Statements of the Group for such period;

- (iii) if made by any Group Company subject to joint venture or co-investment, in each case if made in accordance with the relevant business terms or agreements for such joint venture or co-investment;
- (iv) if no Event of Default is continuing or would result from such Distribution, if made to pay principal and/or interest under Subordinated Debt, provided that such payment is financed in full by an incurrence of new Subordinated Debt or an equity injection in cash by way of a share issue in the Issuer or an unconditional shareholder contribution to the Issuer;
- (v) if no Event of Default is continuing or would result from such Distribution, if made to pay principal and/or interest under any Vendor Loan; or
- (vi) if such Distribution is required to be made pursuant to mandatory law.

14.2 **Nature of business**

The Issuer shall ensure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect (for the avoidance of doubt this shall not prevent any member of the Group from engaging in any ancillary or related business).

14.3 **Financial Indebtedness**

The Issuer shall not, and shall ensure that no other Group Company will, incur, maintain, prolong, renew or extend any Financial Indebtedness, provided however that the Group Companies have a right to incur, maintain, prolong, renew or extend Financial Indebtedness that constitutes Permitted Financial Indebtedness.

14.4 **Financial support**

The Issuer shall not, and shall ensure that no other Group Company will, be a creditor in respect of any Financial Support, other than:

- (a) in the ordinary course of business of the relevant Group Company (including, for the avoidance of doubt, in the form of shareholder loans granted by a Group Company to a joint venture in which the relevant Group Company holds an interest);
- (b) any Financial Support made, granted or given by any Group Company to or for the benefit of any Group Company (including any Financial Support granted by a Group Company to or for the benefit of a joint venture in which any Group Company holds an interest);
- (c) any Financial Support granted in connection with leases in respect of real property or premises in the ordinary course of business of the relevant Group Company;
- (d) in the form of guarantees from any Group Company granted in relation to any Permitted Financial Indebtedness; or
- (e) any Permitted Security.

14.5 **Negative Pledge**

The Issuer shall not, and shall ensure that no other Group Company will, provide, prolong or renew any Security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Group Companies have a right to provide, prolong and renew any Permitted Security.

14.6 **Disposal of assets**

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of all or substantially all of its assets (including shares or other securities in any person) or operations to any person not being a Group Company, unless to the best of its knowledge and belief at the time of the transaction (having made due and careful enquiry), the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

14.7 **Dealings with related parties**

The Issuer shall, and shall ensure that each other Group Company will, to the best of its knowledge and belief at the time of the transaction (having made due and careful enquiry), conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders on arm's length terms.

14.8 **Compliance with laws and authorisations**

The Issuer shall, and shall ensure that each other Group Company will:

- (a) comply with all laws and regulations applicable from time to time (including but not limited to the rules and regulations of any Regulated Market or MTF on which a Group Company's securities from time to time are listed or admitted to trading); and

- (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence, registration or other permit required for the business carried out by a Group Company,

in each case, if failure to do so has or will have a Material Adverse Effect.

14.9 **Agency Agreement**

- (a) The Issuer shall, in accordance with the Agency Agreement:
 - (i) pay fees to the Agent and/or indemnify the Agent for costs, losses and liabilities, in each case as duly requested by the Agent in writing and duly received by the Issuer;
 - (ii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent within a reasonable time and scope agreed between both parties (acting in good faith); and
 - (iii) not act in a way which would result in the Agent terminating the Agency Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

14.10 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations, if failure to comply would render payments via CSD impossible.

15. **TERMINATION OF THE BONDS**

Each of the events or circumstances set out in this Clause 15 is an Event of Default (save for Clause 15.11 (*Termination*) and Clause 15.12 (*Distribution of proceeds*)). For avoidance of doubt, any application of Clause 10.2 following a Mandatory Interest Event shall not constitute an Event of Default.

15.1 **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 its due date.

15.2 **Maintenance Test**

Subject to the Equity Cure, the Issuer fails to comply with the Maintenance Test on any Reference Date.

15.3 **Other obligations**

- (a) The Issuer does not comply with its obligations under the Finance Documents (other than as set out under Clause 15.1 (*Non-payment*)) or Clause 15.2 (*Maintenance Test*))

provided in each case that the non-compliance has or will have a Material Adverse Effect.

- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of being remedied and is remedied within fifteen (15) Business Days of the earlier of:
 - (i) the Agent giving notice to the Issuer; and
 - (ii) the Issuer becoming aware of the failure to comply.

15.4 **Cross payment default and cross acceleration**

- (a) Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described).
- (b) No Event of Default will occur under this Clause 15.4 if:
 - (i) the Financial Indebtedness is owed by a Group Company to another Group Company; or
 - (ii) the aggregate amount of Financial Indebtedness falling within paragraph (a) above is less than ten (10.00) per cent. of the total equity of the Group calculated on a consolidated basis according to the latest Financial Statements.

15.5 **Insolvency**

- (a) The Issuer is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (other than under the Terms and Conditions) with a view to rescheduling its Financial Indebtedness, in each case if such event has or will have a Material Adverse Effect.
- (b) A moratorium is declared in respect of the Financial Indebtedness of the Issuer.

15.6 **Insolvency proceedings**

- (a) Any corporate action, legal proceedings or other procedures are taken in relation to:
 - (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any of its assets; or
 - (iii) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer.
- (b) Paragraph (a) above shall not apply to:

- (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within ninety (90) calendar days of commencement or, if earlier, the date on which it is advertised;
- (ii) proceedings, actions or petitions which are being disputed in good faith, if the Issuer will submit evidence satisfactory to the Agent, in its sole discretion, that such was illegitimate, frivolous or vexatious, within ninety (90) calendar days of commencement or, if earlier, the date on which it is advertised; or
- (iii) in relation to Group Companies, other than the Issuer, solvent liquidation.

15.7 **Mergers and demergers**

A decision is made that the Issuer shall be demerged or merged if such merger or demerger has or will have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default.

15.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer to satisfy claims having an aggregate value equal to or exceeding ten (10.00) per cent. of the total equity of the Group calculated on a consolidated basis according to the latest Financial Statements and is not discharged within ninety (90) calendar days.

15.9 **Impossibility or illegality**

- (a) It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents, or if any such obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable, in each case provided that it has or will have a Material Adverse Effect.
- (b) No Event of Default will occur under this Clause 15.9 due to illegality of the Issuer to perform its obligations under Clause 14 (*Special undertakings*) or its payment obligations under the Finance Documents:
 - (i) until expiry of the period for notice of redemption pursuant to Clause 11.4 (*Early voluntary total redemption due to illegality (call option)*);
 - (ii) until expiry of the period for notice of redemption pursuant to Clause 11.6 (*Clean-up early voluntary total redemption due to illegality (call option)*); or
 - (iii) if the Issuer has given notice of a redemption in full pursuant to Clause 11.4 (*Early voluntary total redemption due to illegality (call option)*) and provided that such redemption is duly exercised.

15.10 **Cessation of business**

The Issuer ceases to carry on its business if such discontinuation has or will have a Material Adverse Effect.

15.11 Termination

- 15.11.1 If an Event of Default has occurred and is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 15.11.3 or 15.11.5, on behalf of the Bondholders, by notice to the Issuer terminate the Bonds and to declare all, but not some only, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration) and exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 15.11.2 The Agent may not terminate the Bonds in accordance with Clause 15.11.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the grounds mentioned under Clause 15.11.1.
- 15.11.3 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received notice of or gained actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to Clause 15.1 (*Non-payment*)) up until the time stipulated in Clause 15.11.4 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 15.11.4 The Agent shall, within twenty (20) Business Days of the date on which the Agent received notice of or otherwise gained actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 16 (*Decisions by Bondholders*). If the Bondholders 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 Bondholders 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.
- 15.11.5 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Bondholders*), 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 Bondholders 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.

- 15.11.6 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.
- 15.11.7 If the right to terminate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 15.11.8 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 Bondholders' pursuant to Clause 16 (*Decisions by Bondholders*).
- 15.11.9 If the Bonds are declared due and payable in accordance with this Clause 15, the Issuer shall redeem all Bonds with an amount per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest.

15.12 **Distribution of proceeds**

15.12.1 If the Bonds have been declared due and payable in accordance with this Clause 15, 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) *firstly*, in or towards payment *pro rata* of:
- (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent under the Finance Documents;
 - (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
 - (iii) any non-reimbursed costs incurred by the Agent for External Experts under the Finance Documents; and
 - (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' 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, including any default interest.

Any excess funds after the application of proceeds in accordance with paragraphs (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 Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 15.12.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.12.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.12.1.
- 15.12.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15.12 as soon as reasonably practicable.
- 15.12.4 If the Issuer or the Agent shall make any payment under this Clause 15.12, the Issuer or the Agent, as applicable, shall notify the Paying Agent and the Bondholders of any such payment at least ten (10) 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. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such payment.

16. DECISIONS BY BONDHOLDERS

16.1 Request for a decision

- 16.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 16.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given or the suggested decision is not in accordance with applicable regulations.
- 16.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 16.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Person requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, itself. If the requesting Person is a

Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. If no Person has been appointed by the Agent to open the Bondholders' Meeting, the meeting shall be opened by a Person appointed by the requesting Person.

- 16.1.6 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16.2.1 or instigate a Written Procedure by sending communication in accordance with Clause 16.3.1. After a request from the Bondholders pursuant to Clause 19.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16.2.1. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

16.2 **Bondholders' Meeting**

- 16.2.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder through the CSD no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.

- 16.2.2 The notice pursuant to Clause 16.2.1 shall include:

- (a) the time for the meeting;
- (b) the place for the meeting;
- (c) an agenda for the meeting (including each request for a decision by the Bondholders);
- (d) a form of power of attorney; and
- (e) should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting.

- 16.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

- 16.2.4 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' 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 Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.

16.2.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in Person.

16.3 **Written Procedure**

16.3.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each Bondholder through the CSD. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the communication to the Issuer.

16.3.2 A communication pursuant to Clause 16.3.1 shall include:

- (a) each request for a decision by the Bondholders;
- (b) a description of the reasons for each request;
- (c) a specification of the Business Day on which a Person must be a Bondholder (whether registered or a beneficial owner with proof of ownership in accordance with Clause 8 (*Right to act on behalf of a Bondholder*) in order to be entitled to exercise voting rights;
- (d) 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;
- (e) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but no more than twenty (20) Business Days from the communication pursuant to Clause 16.3.1); and
- (f) if the voting shall be made electronically, instructions for such voting.

16.3.3 When the requisite majority consents of the aggregate Adjusted Nominal Amount pursuant to Clause 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16.4 **Majority, quorum and other provisions**

16.4.1 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 Bondholder*) from a Person who is, registered as a Bondholder:

- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

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

- 16.4.2 The following matters shall require consent of Bondholders representing at least sixty-six and two thirds ($66\frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:
- (a) amend the terms of Clause 2 (*Status of the Bonds*);
 - (b) amend the terms of Clause 15.12 (*Distribution of proceeds*);
 - (c) a mandatory exchange of the Bonds for other securities;
 - (d) reduce the principal amount, premiums in connection with redemption or repurchase of any Bonds, Interest Rate or Interest which shall be paid by the Issuer (other than as a result of an application of Clause 10.2 and Clause 18 (*Replacement of Base Rate*));
 - (e) amend any payment day for principal or Interest or waive any breach of a payment undertaking;
 - (f) a change of issuer; or
 - (g) amend the provisions in this Clause 16.4.2 or in Clause 16.4.3.
- 16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Bondholders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) to (f) of Clause 17.1) or a termination of the Bonds.
- 16.4.4 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Bondholders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Bondholders' Meeting shall be appointed by the Bondholders in accordance with Clause 16.4.3.
- 16.4.5 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' 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.
- 16.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16.4.5 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 16.4.7 Any decision which extends or increases the obligations of a Group Company or the Agent, or limits, reduces or extinguishes the rights or benefits of a Group Company or the Agent,

under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

- 16.4.8 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision shall be taken by the Bondholders on a matter relating to these Terms and Conditions, 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.
- 16.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend the Finance Documents or waive any provision in the Finance Documents, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by applicable regulation, a court ruling or a decision by a relevant authority;
 - (d) is necessary for the purpose of having the Bonds admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market or MTF, as applicable),

- provided that such amendment or waiver does not materially adversely affect the rights of the Bondholders;
- (e) is made pursuant to Clause 18 (*Replacement of Base Rate*);
 - (f) has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders; or
- 17.2 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 17.1, 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.
- 17.3 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.
- 17.4 In addition to Clause 17.1, in connection with a full redemption of all outstanding Bonds and subject to the terms in this Clause 17.4, the Agent may agree in writing to waive any or all provisions in the Finance Documents. Any waiver provided in accordance with this Clause 17.4 may be made at the Agent's sole discretion (acting on behalf of the Bondholders) without having to obtain the consent of the Bondholders provided that:
- (a) at the latest on the date on which the waiver becomes effective, an amount corresponding to the total nominal amount outstanding under the Bonds as well as any applicable Call Option Amount and, any accrued but unpaid Interest and any other amounts due to be paid to the Agent and/or the Bondholders under or in respect of the Finance Document until the relevant Redemption Date is transferred to a pledged account held by the Issuer with a reputable Swedish bank subject to duly perfected first ranking security in favour of the Agent and the Bondholders; and
 - (b) the Issuer undertakes to redeem and/or repurchase and cancel all outstanding Bonds in full within four (4) months from the date on which the waiver becomes effective.
- 17.5 Notwithstanding the above, any waiver provided by the Agent will not affect the Issuer's obligations under Clause 14.8 (*Compliance with laws and authorisations*), Clause 14.9 (*Agency Agreement*), or Clause 14.10 (*CSD related undertakings*) or, to the extent such provisions relate to the Issuer, the Agent's and the Bondholders' rights to terminate the Bonds pursuant to Clause 15.1 (*Non-payment*), Clause 15.6 (*Insolvency proceedings*), Clause 15.5 (*Insolvency*) or Clause 15.8 (*Creditors' process*) of Clause 15 (*Acceleration of the Bonds*).
- 17.6 Redemption of the Bonds in full in accordance with this Clause shall be made by the Issuer giving notice to the Bondholders in accordance with Clause 11.3 (*Early voluntary total redemption (call option)*), but such notice may not contain any conditions precedent following the effectiveness of the waiver.

18. REPLACEMENT OF BASE RATE

18.1 General

18.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 18 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

18.1.2 If a Base Rate Event has occurred, this Clause 18 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of EURIBOR.

18.2 Definitions

In this Clause 18:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

“**Base Rate Administrator**” means European Money Markets Institute (EMMI) in relation to EURIBOR or any person replacing it as administrator of the Base Rate.

“**Base Rate Amendments**” has the meaning set forth in Clause 18.3.4.

“**Base Rate Event**” means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;

- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Paying Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*), or in respect of EURIBOR, from the equivalent entity with insolvency or resolution powers over the Base Rate Administrator, containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

“Base Rate Event Announcement” means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

“Independent Adviser” means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

“Relevant Nominating Body” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Board or any part thereof.

“Successor Base Rate” means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Bonds, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or
- (b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply mutatis mutandis to such new Successor Base Rate.

18.3 **Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

18.3.1 Without prejudice to Clause 18.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 18.3.2.

18.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent

Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate.

- 18.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 18.3.2 and does not provide evidence that all commercially reasonable endeavours are being taken to appoint the Independent Advisor, the Bondholders shall, if so decided at a Bondholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 18.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 18.3 to 18.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.
- 18.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- 18.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

18.4 **Interim measures**

- 18.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period, subject to the application of Clause 10.2, shall be:
- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
 - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 18.4.2 For the avoidance of doubt, Clause 18.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 18. This will however not limit the application of Clause 18.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 18 have been taken, but without success.

18.5 **Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 24 (*Notices and press releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

18.6 **Variation upon replacement of Base Rate**

18.6.1 No later than giving the Agent notice pursuant to Clause 18.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 18.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 18. The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Paying Agent and the Bondholders.

18.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 18.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 18.

18.6.3 The Agent and the Paying Agent shall always be entitled to consult with External Experts prior to amendments are effected pursuant to this Clause 18 (the scope of engagement for any such External Experts shall be agreed between the Agent and the Issuer (acting in good faith). Neither the Agent nor the Paying Agent shall be obliged to concur if in the reasonable opinion of the Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Paying Agent in the Finance Documents.

18.7 **Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 18.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or willful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

19. **THE AGENT**

19.1 **Appointment of the Agent**

19.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on

its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer.

- 19.1.2 By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 19.1.1.
- 19.1.3 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney, that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 19.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance, that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.5 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.6 The Agent may act as agent or trustee and/or security agent for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 **Duties of the Agent**

- 19.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents.
- 19.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.
- 19.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 19.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 19.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage External Experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer (the scope of engagement for any External Experts shall be agreed between the Agent and the Issuer (acting in good faith) if no Event of Default has occurred and is continuing, and shall in any case always be reasonable in relation to the Agent's duties as agent pursuant to the Finance Documents). The Agent shall however remain

liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.

- 19.2.6 The Issuer shall on demand by the Agent pay all reasonable costs for External Experts:
- (a) after the occurrence of an Event of Default in connection with the termination of the Bonds;
 - (b) for the purpose of investigating or considering:
 - (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default; or
 - (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents,in each case, initiated after consultation with the Issuer about the relevant event, circumstance or matter;
 - (c) in connection with any Bondholders' Meeting or Written Procedure; or
 - (d) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents.

Any compensation for damages or other recoveries received by the Agent from External Experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15.12 (*Distribution of proceeds*).

- 19.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

- 19.2.8 The Agent may, subject to Issuer's approval, instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

- 19.2.9 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor:
- (a) whether any Event of Default has occurred;
 - (b) the financial condition of the Issuer and the Group;
 - (c) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents; or
 - (d) whether any other event specified in any Finance Document has occurred or is expected to occur.

Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

- 19.2.10 The Agent shall (a) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 12.3.2 and as otherwise agreed between the Issuer and the Agent and (b) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 19.2.10.
- 19.2.11 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 19.2.11. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 19.2.12 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 19.2.13 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 19.2.14 The Agent shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or if it refrains from acting for any reason described in Clause 19.2.13.
- 19.2.15 Upon the reasonable request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.
- 19.2.16 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in connection with these Terms and Conditions, the Agent shall be entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default, which event shall be governed by Clause 15.11.3).

19.3 **Liability for the Agent**

- 19.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

19.4 **Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.7, the Agent may, resign by giving notice to the Issuer and the Bondholders.
- 19.4.2 Subject to Clause 19.4.7, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent.
- 19.4.3 A Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held or a Written Procedure is initiated for the purpose of dismissing the Agent.
- 19.4.4 Following a resignation of the Agent pursuant to Clause 19.4.1 and 19.4.2 above or a dismissal of the Agent pursuant to Clause 19.4.3 above, the Issuer shall within fifteen (15) Business Days appoint a successor Agent, being a reputable agent acceptable for investors in corporate bonds in general in the Swedish market.
- 19.4.5 If the Issuer has not appointed a successor Agent within fifteen (15) Business Days pursuant to Clause 19.4.4, the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

- 19.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.7 The Agent's resignation or dismissal shall only take effect upon the earlier of:
- (a) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent; and
 - (b) ninety (90) days after the conclusion of the Bondholders' Meeting or Written Procedure as set out in Clause 19.4.5 if the Bondholders have not appointed a successor Agent.
- 19.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.9 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. THE PAYING AGENT

- 20.1 The Issuer appoints the Paying Agent to manage certain specified tasks relating to the Bonds, under these Terms and Conditions, in accordance with the legislation, rules and regulations applicable to the Issuer, the Bonds and/or under the CSD Regulations.
- 20.2 The Paying 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 Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.
- 20.3 The Paying Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Paying Agent shall never be responsible for indirect or consequential loss.

21. THE CSD

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market or MTF, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations and be authorised as a central securities depository in accordance with applicable law.

22. NO DIRECT ACTIONS BY BONDHOLDERS

- 22.1 A Bondholder may not take any action or legal steps whatsoever against any Group Company 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 their equivalents in any other jurisdiction) of any Group Company in relation to any of the obligations or liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Bondholders 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 Bondholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.14 before a Bondholder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Bondholder'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 or De-listing Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

23. TIME-BAR

- 23.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant 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 Bondholders' right to receive payment has been time-barred and has become void.
- 23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to

the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to the right to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

24. NOTICES AND PRESS RELEASES

24.1 Notices

24.1.1 Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD with a copy to the Issuer and the applicable Regulated Market or MTF. Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

24.1.2 Written notices to the Bondholders made by the Issuer will be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent and the applicable Regulated Market or MTF.

24.1.3 Notwithstanding Clause 24.1.1 above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Agent on a relevant information platform only. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

24.1.4 Unless otherwise specifically provided, all notices or other communications under or in connection with the Finance Documents between the Agent and the Issuer will be given or made in writing, either by e-mail or by letter and e-mail. Any such notice or communication will be deemed to be given or made as follows:

- (a) if by letter, when delivered at the address of the relevant party;
- (b) if by e-mail, when received; and
- (c) if by publication on a relevant information platform, when published.

24.1.5 The Issuer and the Agent shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone numbers and contact persons.

24.1.6 When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):

- (a) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
- (b) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
- (c) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

24.1.7 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

24.2 **Press releases**

24.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clause 11.3 (*Early voluntary total redemption (call option)*), Clause 11.4 (*Early voluntary total redemption due to illegality (call option)*), Clause 11.5 (*Mandatory repurchase due to a Change of Control Event or De-listing Event (put option)*), Clause 11.6 (*Clean-up early voluntary total redemption due to illegality (call option)*), paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*) or Clauses 15.11.3, 15.12.4, 16.4.13, 16.2.1, 16.3.1, 17.2, 18.5, 19.2.14 or 19.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

24.2.2 In addition to Clause 24.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Bondholders 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 Bondholders give the Issuer the opportunity to issue a press release containing such information within reasonable time. If the Issuer does not within reasonable time 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 Bondholders, the Agent shall be entitled to issue such press release.

25. **FORCE MAJEURE**

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

25.2 Should a Force Majeure Event arise which prevents the Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

25.3 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

26. **ADMISSION TO TRADING**

26.1 The Issuer has the intention and shall use reasonable endeavours (without assuming any legal or contractual obligation other than as specifically set out in Clause 10.5) to ensure that:

- (a) the Initial Bonds are admitted to trading on any Regulated Market or MTF one (1) Business Day before Record Date for the first Interest Payment Date (being 7 August 2023); and

- (b) any Subsequent Bonds are admitted to trading on the same Regulated Market and/or MTF as the Initial Bonds within ninety (90) days from the relevant Issue Date; and
- (c) that the Bonds, once admitted to trading on any Regulated Market or MTF, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds), provided that the Bonds may be delisted from an MTF in connection with the admission to trading of the Bonds on a Regulated Market.

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 City Court of Stockholm (Sw. *Stockholms tingsrätt*) 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 (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
-

SCHEDULE 1

CONDITIONS PRECEDENT

Part 1

Conditions Precedent for Settlement – Initial Bond Issue

1. Corporate documents

- (a) Copies of the constitutional documents of the Issuer.
- (b) Copies of resolutions of the board of directors (and/or other relevant corporate body) of the Issuer:
 - (i) approving the terms of, and the transactions contemplated by, the documents set out in Section 2 (*Finance Documents*) below to which it is a party and resolving that it execute, deliver and perform such documents;
 - (ii) authorising a specified person or persons to execute the documents set out in Section 2 (*Finance Documents*) below to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Initial Bond Issue and the documents set out in Section 2 (*Finance Documents*) below to which it is a party.

2. Finance Documents

- (a) A duly executed copy of the Terms and Conditions.
- (b) A duly executed copy of the Agency Agreement.

3. Miscellaneous

- (a) Polish legal opinion in customary form and content on the capacity and due execution of the Issuer and the validity and enforceability of the Finance Documents issued by a reputable law firm.

Part 2

Conditions Precedent for Settlement – Subsequent Bond Issue

1. Corporate documents

- (a) Copies of the constitutional documents of the Issuer.
- (b) A copy of a resolution from the board of directors (and/or other relevant corporate body) of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into any documents necessary in connection therewith.

2. Miscellaneous

- (a) Such other documents and evidence as agreed between the Agent and the Issuer.

SCHEDULE 2
FORM OF COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE

To: [●] as Agent
From: KRUK S.A. as Issuer
Date: [date]

Dear Sir or Madam,

KRUK S.A.
EUR [350,000,000] senior unsecured callable floating rate bonds 2023/2028
with ISIN: NO0012903444 (the “Bonds”)

(1) We refer to the terms and conditions for the Bonds (the “**Terms and Conditions**”). This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

([2]) **[Maintenance Test**

We confirm that the Maintenance Test is met and that in respect of the Reference Date [date]:

Interest Cover Ratio: Pro Forma Adjusted Cash EBITDA was [●], Net Interest Expense was [●] and therefore the Interest Cover Ratio was [●]:1.00 (and should exceed 3.00:1.00).

Leverage Ratio: Total Net Interest Bearing Debt was [●], Pro Forma Adjusted Cash EBITDA was [●] and therefore the Leverage Ratio was [●]:1.00 (and should not exceed: 4.00:1.00).

Secured Loan to Value Ratio: [Aggregate outstanding amount under the Bonds and all secured facilities and loans as described in paragraph (b) of the definition Permitted Financial Indebtedness was [●], Vendor Loans constituting Financial Indebtedness was [●], [free cash and cash equivalents held by any member of the Group] was [●], Group Book Value was [●]] and therefore the Secured Loan to Value Ratio was [●]:1.00 (and should not exceed: 0.55:1.00).

Computations as to compliance with the Maintenance Test are attached hereto.^{1]2}

([3]) [We confirm that, so far as we are aware, no Event of Default is continuing.]³

KRUK S.A

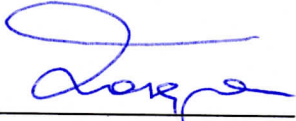
Name:
CEO or duly authorised signatory/ies of the Issuer

¹ The computations shall be based on the template for computations of the Maintenance Test in the form and substance as pre-agreed between the with Agent and the Issuer (or as otherwise agreed from time to time).
² This section to be used if the Compliance Certificate is delivered in connection with the delivery of a Financial Statement.
³ Should be included in each Compliance Certificate. If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

We hereby certify that the above Terms and Conditions are binding upon ourselves.

The Issuer

KRUK S.A

A handwritten signature in blue ink, appearing to read 'Michał Zasepa', written over a horizontal line.

Name: MICHAŁ ZASEPA
BOARD MEMBER

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

The Agent

NORDIC TRUSTEE & AGENCY AB (PUBL)

Name:


Adam Kastengren Sandberg