

**PROSPECTUS REGARDING ADMISSION TO TRADING
ON THE CORPORATE BOND LIST OF
NASDAQ STOCKHOLM OF UP TO
SEK 600,000,000**

SENIOR SECURED FLOATING RATE NOTES

RNB RETAIL AND BRANDS (PUBL)

RNB RETAIL AND BRANDS

16 March 2018

**Bookrunner and Issuing Agent:
Danske Bank, A/S, Danmark, Sverige Filial**

TÖRNGREN MAGNELL

IMPORTANT INFORMATION

On 2 February 2018 RNB Retail and Brands AB (publ) (the “**Company**”) issued senior secured floating rate notes under a loan amounting up to a maximum of SEK 600,000,000 (the “**Notes**”). This prospectus (the “**Prospectus**”) has been prepared by the Company in order to apply for listing of the issued Notes on the Corporate Bond List of Nasdaq Stockholm. References to the Company in this Prospectus refer to RNB Retail and Brands AB (publ) and its subsidiaries (together with the Company the “**Group**”), depending on the context. Advokatfirman Törngren Magnell KB and Danske Bank A/S, Danmark, Sverige Filial have been acting as advisors to the Company in connection with the issue of the Notes and Advokatfirman Törngren Magnell KB has been acting as advisor in connection with the admission to trading of the Notes.

This Prospectus has been prepared in accordance with the Swedish Financial Instruments Trading Act (Sw. *Lag (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”) and Commission Regulation (EU) No. 809/2004 of 29 April 2004 implementing the European Parliament and Council Directive 2003/71/EC, as this regulation was amended by Commission Regulation (EC) no. 486/2012. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) in accordance with the provisions Chapter 2, Sections 25 and 26 of the Trading Act. The SFSA’s approval and registration do not imply that the SFSA guarantees that the information in this Prospectus is correct or complete. The Prospectus will be available via the websites of the SFSA (www.fi.se) and the Company (www.rnb.se). Paper copies may be obtained from the Company. The Prospectus has been prepared solely for listing of the loan constituted by the Notes for trading at Nasdaq Stockholm and does not constitute at any part an offer by the Company for subscription or purchase of the Notes in any jurisdiction.

Investing in notes is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Notes in light of its own circumstances. In particular, each investor should (A) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Notes, (ii) the merits and risks of investing in the Notes, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements; (B) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Notes and the impact that such investment will have on the investor’s overall investment portfolio; (C) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor’s own currency; (D) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and (E) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor’s ability to bear the risks.

This Prospectus is governed by Swedish law. The Prospectus may not be distributed in any jurisdiction where such distribution or sale would require any additional prospectus, registration or other measures than those required by Swedish law or otherwise would conflict with regulations in such jurisdiction. Holders of the Prospectus or Noteholders must therefore inform themselves about, and observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as applicable at any time, or under any U.S. state securities legislation. Furthermore, the Company has not registered the Notes under the securities legislation of any other country. The Noteholder may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject.

The Prospectus, including the documents incorporated by reference (see section 6 (*Documents incorporated by reference* below)) as well as any supplements to the Prospectus, contains statements regarding the prospects of the Company made by the board of directors. Such statements are based on the board of directors’ knowledge of current circumstances regarding the Company’s business, the market conditions, the current global environment in which the Company operates and other prevailing external factors. The reader should observe that forward-looking statements always are associated with uncertainty. An investment in the Notes is associated with risks and risk taking. Anyone considering investing in the Notes is therefore encouraged to carefully study the Prospectus, in particular section 1 (*Risk Factors*). Each potential investor in the Notes must decide upon the suitability of an investment in the light of their own circumstances.

The figures in this Prospectus have in some cases been rounded off, which means that some tables do not always sum up correctly. Disputes regarding this Prospectus shall be exclusively governed by Swedish law and settled by the Swedish courts exclusively.

Definitions and capitalised terms used in this Prospectus have the same meaning as in the Terms and Conditions in section 7 (*Terms and Conditions*) unless otherwise expressly stated in this Prospectus.

TABLE OF CONTENTS

1. RISK FACTORS	1
2. PERSONS RESPONSIBLE FOR THE PROSPECTUS	15
3. THE NOTES IN BRIEF	16
4. DESCRIPTION OF THE COMPANY AND ITS OPERATIONS	22
5. DOCUMENTS AVAILABLE FOR INSPECTION	35
6. DOCUMENTS INCORPORATED BY REFERENCE	35
7. TERMS AND CONDITIONS	39
8. ADDRESSES.....	91

Agent and Security Agent	means Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879.
Notes	means the senior secured floating rate notes with ISIN SE0010625830.
Company	means RNB Retail and Brands AB (publ), Reg. No. 556495-4682.
Euroclear	means Euroclear Sweden AB, Reg. No. 556112-8074.
Group	means the Company together with its subsidiaries.
Group Company	means a company within the Group.
Guarantor	means each Group Company which, at any point in time, is a party to the Guarantee Agreement.
Issuing Agent	means Danske Bank A/S, Danmark, Sverige Filial, Reg. No. 516401-9811.
Noteholder	means the person who is registered on a Securities Account as direct registered owner (<i>Sw. ägare</i>) or nominee (<i>Sw. förvaltare</i>) with respect to a Note.
Terms and Conditions	means the terms and conditions for the Notes.

1. RISK FACTORS

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

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

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

Various forward-looking statements are contained herein, including statements regarding the intent, opinion, belief or current expectations of the Group or its management with respect to, among other things, (i) the Group's target market, (ii) evaluation of the Group's markets, competition and competitive position, (iii) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the risk factors described below.

Terms used but not defined in these risk factors have the same meaning as ascribed to them in the Terms and Conditions.

Risks relating to the Company and the Group

Economic developments and conditions

The Group engages in business in, *inter alia*, Sweden, Norway, Finland, Iceland, England, Scotland, Ireland, Estonia, Latvia and USA. Economic development, such as events related to general business circumstances, interest rate development, currency exchange rates, inflation and deflation levels, taxes and similar costs, the availability of consumer credits, development on the stock market, unemployment rates, other local or global economic factors and the uncertainty about the economic prospects, affects consumer purchasing behaviour and power in all the Group's target market areas. The risk level of the business environment varies in the Group's different geographic markets.

The economic situation in many countries where the Group operates risks to be adversely affected by the general economic conditions and uncertainty in the global financial markets. There is a risk that negative economic developments affect the Group's business in a number of ways, including, among other things, the income, wealth, liquidity and financial condition of the Group's customers. If any of the foregoing

factors materialises, this risks to have a negative impact on the Group's business, result and financial position.

General changes in the economy within the industry

The Group's industry is exposed to general changes in the economy in each of the Group's target market areas. There is a risk that the changes affect the total demand of products and, consequently, the Group's sales. Price increases in the Group's products, including price increases due to inflation pressure or devaluation, would reduce the Group's revenue and profitability. Increases in prices and costs, including changes in prices of raw materials, prices of commodities, real estate rents or operating costs, risks to increase the prices of the Group's products or operating costs and, consequently, reduce the Group's result. It is not certain that the Group will be able to maintain current sales figures or keep the operations profitable, especially if the development of the retail trade in any of its target market areas stagnates or declines. This risks to have a negative impact on the Group's business, result and financial position.

Risks relating to increased production and distribution costs

An essential part of the products sold by the Group is manufactured in countries with a lower cost and salary level than Sweden, which entails lower costs for products and transports. Therefore, the Group is able to sell products for a lower price than what would have been possible if the products would have been manufactured in Sweden. The countries where the Group's products are being manufactured undergo a rapid development and there is a risk that the relatively low cost level will not remain. If the Group's costs for purchased products increase and the Group is not able to sufficiently increase the prices towards the customers or move the manufacturing to other countries, the Group's gross margins will decrease, which risks to have a negative impact on the Group's business, result and financial position.

Risks relating to suppliers

The Group is highly dependent on suppliers and undelayed and uninterrupted product deliveries in order to deliver its products. Approximately half of the purchases are made through suppliers in China, and suppliers in Bangladesh, India, Turkey and the Baltic region represent another major portion of deliveries. Consequently, there is a risk that disruptions in suppliers' businesses have an impact on the Group's sales and earnings. Any trade restrictions on a national or international level risks to force the Group to change its purchasing sources, which in turn risks to have a negative impact on its business, result and financial position. Also, similar measures, or other restrictions in suppliers' ability to deliver goods, increased freight costs and delays in and interruptions of transports risks to have a negative impact on the Group's business, result and financial position.

Some of the Group's suppliers are located in developing countries with working environment and product terms different from the countries in which the Group's products are for sale. The Group is exposed to the risk that the Group's suppliers, within their conduct of business, breach local and international laws, norms and common practice, or apply these in a way that will conflict with the Group's customers' ethical view or demands in relation to working conditions, product quality or environmental impact. There is a risk that negative exposures in such circumstances cause damage to the Group's reputation and brand and lead to a decreased demand of the Group's products, which in turn risks to have a negative impact on the Group's business, result and financial position.

The Group has several smaller suppliers for proprietary brands, who deliver a large volume of the Group's key items. Thus, the Group is dependent on that such suppliers deliver in time and procure that its product deliveries are undelayed and uninterrupted. The Group is exposed to the risk that the suppliers will terminate its agreements with the Group and the occurrence of any interruption in the suppliers' business or deliveries, particularly due to the size and stability of the business of each supplier and as each supplier of the proprietary brands of the Group stands for a large volume of each product group. This risks to have a negative impact on the Group's business, result and financial position.

The Group must be able to distinguish, acquire and sell attractive, innovative and high-quality products to its customers in order to ensure profitability of its business. Further, the Group must be able to anticipate and respond to fashion, trends and customer preferences. Thus, the Group must offer the right

product selection in the different market areas where the Group operates business. The Group is exposed to the risk that the suppliers do not deliver products in accordance with the relevant agreement, leading to lost sales opportunities or sales at reduced prices. This risks to in turn have a negative impact on the Group's business, result and financial position.

Dependency on common business cycle

The demand for the Group's products is affected by changes (actual or expected) in the common business cycle. A positive economic trend in the common business cycle normally has a favourable effect on the Group's sales and earnings trend, while a negative economic trend in the common business cycle involves a risk to have an adverse effect on the Group's sales and earnings trends, in particular if disposable household income declines simultaneously. This risks in turn to have a negative impact on the Group's business, result and financial position.

Demography changes

A change in demography risks to affect the demand of the Group's products. A successive shift toward older age groups during an extended period will result in that people in the ages of 30-60 are gradually accounting for a relatively large proportion of the population, thus also increasing the significance of this age group for the Group. Since the target group for the Group's products is of a younger generation, there is a risk that the Group will not be able to meet the demands of an older population, which in turn risks to have a negative impact on the Group's business, result and financial position.

Variation in weather and seasons

Generally, the retail sales trend varies with the seasons. The sales are at their strongest during the fall and winter, peaking in December when Christmas shopping is a powerful driver. In recent years, the last weekend in November has increased in importance, due to "Black Friday". In addition, the beginning of the school year in August has historically proved to be a strong sales month during which sales of children's clothing increases. The price levels are generally higher for the fall and winter collections, which also has a positive impact on the gross profit during the first quarter (September-November) of the split fiscal year. The major discount months, January, February and July, have an adverse impact on both gross margins and operating margins during these periods, which in turn decreases the Group's working capital before it starts to increase during the periods of stronger sale. There is a risk that the Group's working capital is not sufficient in order to handle the periods of decreased sales, which in turn risks to have a negative impact on the Group's business, result and financial position.

The weather is another factor affecting the sales. Products are being purchased by the Group in order to be sold based on ordinary weather conditions. A change in the ordinary weather conditions affects the sales. A mild fall and winter tends to generally affect the sales negatively, whereas a cold and rainy summer has historically shown to affect the sales positively. If the Group does not adequately adapt its strategies in order to meet both expected and unexpected variations in the market due to the weather conditions, the variations will result in a decreased demand for the Group's products, increased inventory levels and price reductions, which risks to have a negative impact on the Group's business, result and financial position.

Risks relating to fashion and changed consumer habits

The Group is dependent on consumer preferences in terms of design, quality and price of clothing, accessories, cosmetics, jewelry and watches. Rapid changes within the fashion industry risk leading to temporary declines in sales of certain collections. In the long run, the Group further needs to continuously adjust to changes in customers, such as due to demographic or other reasons as well as to changes in customer purchasing behaviour. The ongoing digitalisation and the material increase in e-commerce have and will affect the clothing industry significantly in the upcoming years. Consumers have assumed entirely new habits, are more loyal and have better possibilities to inform themselves about products and prices prior to purchases. This development increases the competition and price pressure. The development of e-commerce has increased the competition and created more informed customers with decreased margins as a result. The Group must be able to anticipate and respond to the changed consumer habits and adjust its strategies in connection with the development of e-commerce in order to meet the consumers' demand. There is a risk that a misjudgement of consumer preferences result in a decreased

demand for the Group's products, increased inventory levels and price reduction, which in turn risks to have a negative impact on the Group's business, result and financial position.

Competition

The market for the Group's products is exposed to a strong competition in terms of products and markets. The Group's market position is dependent on both the Group's own as well as its competitors' resources for marketing, investments and product development and the ability to adapt to the consumers varying preferences. An increased competition will exacerbate pressure on prices and reduce market shares for the Group. There is a risk that the Group will not be able to compete successfully against its current or future competitors. Competitors' activities, such as launching new brands, increasing the number of stores, innovations in pricing, improvements in digitalisation and e-commerce, successful response to consumer habits, improvements in promotional and marketing activities and business strategies, risk to have a negative impact on the Group's business, result and financial position.

Risks relating to distribution centres

A large part of the products for sale in the Group's stores and products sold to franchisees are distributed through the Group's proprietary or external distribution centres. If one of the distribution centres or its equipment is damaged, or its business would be interrupted for any other reason or needed to be shut down, it would entail a risk for the Group by problems or interruption in deliveries to stores. Insurance policies cover property and production interruptions, but there is a risk that such insurance amounts are insufficient or that financial losses cannot be completely recovered, and if such interruptions of the distribution centres cannot be remedied fast and cost effectively it risks to have a negative impact on the Group's business, result and financial position.

Information systems

The Group is dependent on information systems in all parts of the business in order to monitor the flow of goods from purchasing to sales in stores, and in order to coordinate operational and statistical information. The risks comprise both the suitability of existing systems as well as the securing of sensitive operational information. Each long-term interruption, or defective functionality in the information systems, risks to result in the loss of important information or in actions being delayed, particularly if the problems occur during peak season, such as the Christmas period, which in turn risks to have a negative impact on the Group's business, result and financial position.

IT-systems

By the growing digitalisation and material increase in e-commerce the Group's dependency on functioning IT-systems increases. The Group is thereby exposed to the risk of downtime of network servers, attacks by IT-viruses and malware attacks, customer data leaks and other disruptions in the business of the Group. Insufficient IT strategies entails a risk of failure of the Group's IT-systems, which in turn risk to result in transaction errors and disruption of the Group's business. There is a risk that such errors and disruptions have a negative impact on the Group's business, result and financial position.

Operational risks

The Group works continuously with developing the business in form of *inter alia* improvements of IT-systems adapted to the growing e-commerce market, high-quality and attractive products and new business concepts. This entails increased demands on the Group's operations, management and economic systems and processes. If the Group is unable to continuously adjust its organisation, deficiencies in the organisation will have a negative impact on the Group's business, result and financial position.

Franchise agreements

The Group's operations Polarn O. Pyret and Brothers are partially operated through franchisees. There is a risk that these agreements are terminated, which risks to have a negative impact on the Group's business, result and financial position.

The franchisees of the Group conduct business in separate companies and the Group has, in accordance with the franchise agreements, only a limited access to transparency of the businesses of the franchisees. The Group delivers products to its franchisees and is therefore exposed to the risk of the franchisees not being able to pay for the delivered products due to their financial situation. Furthermore, the Group is exposed to the risk that the franchisees become insolvent or go bankrupt. If the franchisees do not comply with the terms of the franchise agreements or act contrary to internal policies or regulations, the Group is exposed to the risk that the trademark of the Company, under which the franchisees are operating, suffer from reputational damages, which in turn risks to lead to customer and sales opportunity losses. These risks, if materialised, risks in turn to have a negative impact on the Group's business, result and financial position.

Termination of agreements

The Group has entered into *inter alia* rental agreements and purchase agreements, which together are essential to the Group's business. If several agreements, such as the rental agreements, would be terminated at the same time and the Group is not able to replace such agreements on equal or reasonable terms, such terminations risk to have a negative impact on the Group's business, result and financial position.

Dependency on certain suppliers and store locations

The concept Departments & Stores, which is operated through the subsidiary Departments & Stores Europe AB, operates business focused on sales of a wide range of premium and luxury products in the NK department stores in Stockholm and Gothenburg. The business is dependent on the access to commercial leases of attractive store locations throughout the department stores and agreements with suppliers and retailers within premium and luxury brands. Further, both Polarn O. Pyret and Brothers are also dependent on accessing stores in attractive locations in their different market locations. The Group's access to attractive store locations may affect the expansion of the retail business.

The commercial lease agreements within the Departments & Stores include provisions which aim to maintain the current department stores' exclusivity by imposing requirements on the Group's stores in relation to its product and brand supply. The agreements with suppliers in turn often include requirements that the supplier's products may only be sold in stores located in attractive store locations in environments dominated by stores which sells luxury and premium products.

If the Group, due to breach of an agreement or circumstances outside the Group's control, loses the lease agreement to one or more of its stores in the NK department stores or if the aforementioned department stores or any department stores nearby change the supply of products and brands in a way that the Group can no longer meet the demands from some of the Group's suppliers, the Group risks termination of agreements with suppliers which are material for the business area Departments & Stores. If the Group is unable to immediately replace such agreements with other agreement on equal terms, the terminations risk to have a negative impact on the Group's business, result and financial position.

Risks relating to acquisitions

The Group acquire companies from time to time that are in line with the Group's strategic objectives and thus increase its market share. The Group is thereby exposed to the risk of unexpectedly increased transaction costs or cancelled acquisitions, which will have a negative effect on the Group's financial position and results. There is a risk that such acquisition activities result in risks related to integration and separation of businesses, increased merging costs and organisational costs and challenges presented by acquisitions not being able to achieve sales levels, synergies and profitability that justify the investments made. Such increased costs and integration difficulties risk to have a negative impact on the Group's business, result and financial position.

The interests of the major shareholder differ from the interests of other shareholders and the Noteholders
Konsumentföreningen Stockholm med omnejd ekonomisk förening (the "Major Shareholder") holds approximately 33 percent of the share capital and approximately 33 percent of the voting power of the Company. By virtue of its ownership and voting interest in the Company, the Major Shareholder will have

an interest in the Company and will have a significant influence over matters submitted to voting at general meetings of the Company, including matters such as adoption of the annual financial statements, capital increases and amendments to the articles of association. In certain cases the interests of this Major Shareholder differ from those of other shareholders or the Noteholders. Decisions or actions by the Major Shareholder that are not in line with the interests of the Group risk to have a negative impact on the Company's business, result and financial position.

Dependency on key individuals

The Group's operational and financial performance is partly dependent on the contribution of its key individuals. Key individuals include a number of employees in key positions. These individuals contribute with high competence and substantial experience, which is important to the Group's business. Loss of one or more of these key individuals and inability to replace these key individuals risk to have a negative impact on the Group's business, result and financial position.

Disputes

Companies within the Group are from time to time involved in disputes and other legal proceedings within the frame of the general business activities and thereby risk to be exposed to compensation claims and other claims due to, for example, agreement disputes. Such claims, disputes and/or legal proceedings risk to be time consuming and difficult to predict the outcome of, and furthermore risk to imply costs for the Group which are difficult to estimate, which in turn risk to have a negative impact on the Group's business, result and financial position.

Risks relating to intellectual property rights

The Group is at risk of third-party infringement of both rights (including trademarks, company names and domain names) that can be obtained by registration and rights that cannot be registered. Such infringement, such as by using the Group's trademarks on pirate copies, would furthermore damage the Group's market reputation. If an infringement would occur, the Group risks to be forced to bring action for the infringement, leading to costs for the Group. The Group also risks to lose such dispute and thereby the right to the disputed intellectual property. All of these factors risk to lead to a negative impact on the Group's business, result and financial position.

Within the industry where the Group operates, the designers sometimes follow the same trends and design trends, which implies a risk that the Group's products are similar to other designers' or stores' products. This, in turn, implies a risk of third-party claims relating to infringement of the third-party's intellectual property. There is a risk that such dispute lead to costs, which in turn risk to lead to a negative impact on the Group's result and financial position.

The Group has, by entering certain agreements, received licenses to certain trademarks. These agreements limit the Group's use of the trademarks and obliges the Group to protect these trademarks. If the Group, due to a circumstance within or outside its control, fails to comply with the restrictions imposed by the agreements in question, or violates its contractual obligations, the Group risks third-party right holders bring claims against it, or ultimately disputes. This entails costs for the Group and also brings loss of the right to sell, or in other circumstances use, certain trademarks, which in turn risk to have a negative impact on the Group's business, result and financial position.

Insurance risks

Under the Group's insurance agreements, certain events may not be insured, and under certain circumstances, the insurance company is not obliged to compensate a damage in full or at all. The Group has no insurance coverage against such damage that is not insurable or against which there is no insurance available at financially reasonable terms. Moreover, there is a risk that the Group's current insurance coverage will be terminated or that it will not be available in the future at financially reasonable terms. If a damage occurs, there is a risk that such insurance amount is not sufficient or that economic damages are not fully recovered, or recovered at all, which risks to have a negative impact on the Group's business, result and financial position.

Regulatory risks

The Group's business is regulated by and must be conducted in accordance with several laws and regulations. The Group operates part of its business outside of Sweden, where foreign law applies on certain agreements and operations.

There is a risk that the Group's interpretation of applicable laws and regulations is incorrect and the Group is not able to monitor and predict future initiatives or amendments in applicable laws and is therefore not able to and comply with such changes. If the Group is in breach of any applicable laws or regulations, this risks to have a negative impact on the Group's business, result and financial position.

New laws or regulations, or changes concerning the application of existing laws or regulations that are applicable to the Group's business activities risk to affect the Group's operations or ability to expand its business, which risk to have a negative impact on the Group's business, result and financial position.

Credit and counterparty risk

Credit risks or counterparty risks are risks for loss if the counterparty does not fulfil its obligations. The Group's credit risks primarily consist of counterparty risks in connection with delivery of products to franchisees. If such counterparty does not fulfil its obligations, such as payment obligations, it risks to have a negative impact on the Group's business, result and financial position.

Currency risks

Currency risk is the risk that fair value or future cash flows will fluctuate due to changes in foreign exchange rates. Approximately 45-50 per cent of the currency exposure of the Group is due to the fact that the Group's product purchases are made in foreign currencies while the major part of the sales is made in SEK. There is a risk that fluctuating currency rates increase the costs of purchases, which risk to have a negative impact on the Group's business, result and financial position.

Also, the Group reports income statements and balance sheets in SEK while parts of the Group report in other currencies. This entails that the Group's consolidated income and equity is exposed to currency fluctuations. This currency risk is called translation exposure and is not hedged. There is a risk that the translation exposure cause a lower reported consolidated income and equity, which risk to have a negative impact on the Group's result and financial position.

Interest risk

Interest-rate risk is the risk that fair value or future cash flows will fluctuate due to changes in market interest rates. The Group's exposure to interest risks mainly refers to loans and the risk of interest exposes depends on, *inter alia*, the applicable interest periods. An increase of the credit interest rate, bank interest rate or reference rate would increase the interest costs of the Group, which risk to have a negative impact on the Group's business, result and financial position.

Financing risks

Financing risk is the risk that the Group is unable to obtain sufficient financing at a reasonable cost or can be obtained only to highly increased costs. The Group aims to create and maintain a balance between continuity and flexibility in its financing by credit facilities and overdraft facilities. Customer credits, the amount of due receivables, credits from suppliers and capital tied up in stock affects the need for cash. If such financing cannot be obtained at all or at financially reasonable terms, it risks to have a negative impact on the Group's business, result and financial position.

There is a risk that the Group will need additional financing in the future. The availability of additional financing is affected by a number of factors such as current market conditions, the general availability of credits and the Group's creditworthiness and credit capacity. In addition, the availability of financing is dependent on the market's view of the Group's short term and long term financial prospects, which risk to be adversely affected by, for example, large losses or a decrease in the demand for the Group's products due to deterioration in the economic climate. Also, disturbance, uncertainty and volatility in the capital and credit markets risk to limit the access to required capital in order to operate and develop the business of the Group. The market conditions furthermore risk to limit the Group's ability to pay debts

when they fall due and further to repay interest or principal amounts of existing financing. The limitations of the Group's possibilities to obtain financing on reasonable terms and the risk of not being able to repay existing financing risk to have a negative impact on the Group's business, result and financial position.

If a Group Company is in breach of any of its covenants under existing financing arrangements (e.g. financial covenants), there is a risk that loans are being accelerated, leading to immediate repayment or the creditor taking possession of security. Further, certain loan agreements contain cross-default provisions which risk to trigger the acceleration of other payment obligations within the Group. There is a risk that a breach of any covenant have a negative impact on the Company's and the Group's business, results of operations and financial position.

Tax risks

The business of the Group, including transactions between Group companies, is operated in accordance with the Group's interpretation of applicable tax legislation and practice. However, there is a risk that the Group's interpretation of applicable tax legislation and practice is inaccurate or that the rules and practice will be amended, potentially with retroactive effect. The Group's recent and current tax situation risks to be impaired due to decisions by tax authorities, which risk to have a negative impact on the Group's result and financial position.

Risks relating to intellectual property valuation

The Group's balance sheet largely consists of intellectual property such as goodwill and trademarks. The valuation of such intellectual property is based on assumptions on future development, growth, profitability, interest rates and other parameters. Even if the Group currently does not plan to make any write downs of its intellectual property, there is a risk that there will be a write down in the future, which risks to have a negative impact on the Group's result and financial position.

Inventory risks

Inventory risks implies a risk that the Group's inventory is not sold for a value exceeding the acquisition value, so called inventory obsolescence. If inventory obsolescence occurs, the Group has to write down the inventory value, which risks to have a negative impact on the Group's result and financial position.

Risks relating to the Notes

Credit risks

Investors in the Notes are exposed to credit risk in relation to the Company and the Group. An investor's possibility to obtain payment in accordance with the Terms and Conditions is dependent on the Company's ability to meet its payment obligations, which in turn is dependent on the operations and financial situation of the Group.

There is a risk that an increased credit risk causes the Notes to be attached with a higher risk premium by the market, which would affect the Notes value and price in the secondary market negatively. Another aspect of the credit risk is that a deteriorating financial position would cause the Company's credit rating to decrease, which risks to negatively affect the possibility for the Company to refinance the Notes at maturity.

Currency risks

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

will have an impact on the currency exchange rate. There is a risk that the result is that a Noteholder receives a lower rate of return, final payment or nominal amount than expected.

Refinancing risk

The Group will eventually be required to refinance certain or all of its outstanding debt, including the Notes. The ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. There is a risk that the Group's access to financing sources will not be available on favorable terms, or at all. The Group's inability to refinance its debt obligations on favorable terms, or at all, risks to have a negative impact on the Group's business, financial condition and earnings results and on the Noteholder's recovery under the Notes.

Interest-rate risks

The value of the Notes depends on several factors, one of the most significant over time being the level of market interest given that the Notes will carry a floating rate interest. Investments in the Notes involve a risk that the market value of the Notes will be adversely affected by changes in market interest rates.

Risks relating to the Transaction Security and the Guarantees

The Company's obligations under the Secured Finance Documents (as defined in the Intercreditor Agreement) will be secured by the Transaction Security, consisting of pledges over the shares in certain of the Company's Subsidiaries, under which the Noteholders share the security interest with other Secured Parties as set out in and subject to the terms of the Intercreditor Agreement.

Further, certain subsidiaries of the Company will grant Guarantees in favour of the Secured Parties in relation to the obligations of each of the Group Companies under the Secured Finance Documents towards the Secured Parties. The Noteholders share interest under the Guarantees with other Secured Parties as set out in and subject to the Intercreditor Agreement. The Secured Parties' right to payment under the Guarantees is subject to the availability of funds and the terms of the indebtedness of each Guarantor.

According to the Terms and Conditions, the Company may issue subsequent Notes and the holders of such notes will become Secured Parties entitled to share the Transaction Security and Guarantees that have been granted to the existing Noteholders. In addition, the Company may in accordance with the Terms and Conditions assume New Debt (as defined in the Intercreditor Agreement) and provide security and guarantees for such debt, provided that such security and/or guarantees are granted to the Noteholders on a *pro rata* basis. There is a risk that the issue of subsequent Notes or the granting of security or guarantees for New Debt will have an adverse effect on the value of the Transaction Security and Guarantees that have been granted to the Noteholders.

The Notes are subordinated pursuant to the Intercreditor Agreement. The Intercreditor Agreement implements principles which will limit the Noteholders right to receive payment and enforce the Transaction Security. The Noteholders will, pursuant to the Intercreditor Agreement, receive proceeds from an enforcement of the Transaction Security or recoveries by the Security Agent under the Guarantees only after the full repayment of the Financial Indebtedness owed under the Super Senior Facility and the Super Senior Hedges. Also, following a Payment Block Event, which is triggered by the occurrence of an event of default under the Super Senior Facility (after the expiration of any applicable grace period in respect of the default giving rise to the event of default) relating to e.g. non-payment, cross default or insolvency, and for as long as the Payment Block Event is continuing, no payments of principal or interest is permitted to be made by the Company to the Noteholders under or in respect of the Notes. The failure by the Company to timely make any payments due under the Notes will constitute an Event of Default and the unpaid amount will carry default interest pursuant to the Terms and Conditions.

There is a risk that the value of the assets covered by the Transaction Security is not sufficient to cover all amounts due to the Noteholders. Furthermore, if the outstanding obligations of the Group Companies

towards the creditors under the Super Senior Facility and the Super Senior Hedges increase or the Company issues additional Notes, the security position of the current Noteholders risk to be impaired.

If a Subsidiary of the Company, whose shares are pledged in favour of the Secured Parties is subject to any foreclosure (Sw. *utmätning*), dissolution, winding-up (Sw. *likvidation*), liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings (Sw. *konkurs- eller insolvensförfarande*), the shares pledged risk to have limited value since all of the Subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the Subsidiary for the Secured Parties, including the Noteholders. As a result, the Noteholders risk to not recover full or any value in case of an enforcement sale of such pledged shares. In addition, there is a risk that the value of the shares subject to the Transaction Security decline over time.

If the proceeds from an enforcement are not sufficient to repay all amounts due under or in respect of the Notes, the Noteholders will only have an unsecured claim against the remaining assets (if any) of the Company for the amounts which remain outstanding under or in respect of the Notes. In relation to unsecured claims, under bankruptcy law, certain debts and claims must be paid in priority to other debts and claims (for example, costs and expenses of a liquidator and certain payments to employees). Any enforcement proceedings and the release of security will be subject to the provisions of the Intercreditor Agreement.

Risks relating to enforcement of the Transaction Security

The enforceability of the Transaction Security risks to be subject to a certain degree of uncertainty. There is a risk that the Transaction Security is unenforceable and that the enforcement of the Transaction Security is delayed if and to the extent the granting of the Transaction Security would contravene mandatory legislation. The Transaction Security risks to not be perfected if, inter alia, the Security Agent or the relevant security provider is unable to or does not take the actions necessary to perfect or maintain the perfection of the Transaction Security as required by applicable law. Such failure can in turn result in the invalidity of the relevant Transaction Security or adversely affect the priority of such security interest in relation to third parties, including a receiver in bankruptcy (Sw. *konkursförvaltare*) and other creditors who claim a security interest in the same Transaction Security. Further, the Transaction Security is subject to certain hardening periods during which time the Noteholders do not fully, or at all, benefit from the Transaction Security.

If the Company is unable to make payments under the Notes and a court would render a judgement that the Transaction Security granted in respect of the Notes was unenforceable, there is a risk that the Noteholders will find it difficult or impossible to recover the amounts due to them under the Notes. Therefore, there is a risk that the Transaction Security granted in respect of the Notes is void or ineffective in respect of any of the Company's obligations under the Notes in the event the Company becomes insolvent. In addition, any enforcement risks to be delayed due to any inability to sell the assets subject to the Transaction Security in an efficient and timely manner.

If the Security Agent wishes to enforce any Transaction Security, it must first consult with certain of the Secured Parties (in the event there is no agreement on the proposed enforcement action) for a certain period set out in the Intercreditor Agreement after which the Security Agent is able to take such action. Other Secured Parties thus have a possibility to delay enforcement which the Noteholders believe is necessary. Furthermore, there is a risk that the Security Agent act in a manner that a Noteholder believes is to its detriment. In some situations (e.g. where another Secured Party has requested enforcement action to be taken but the Noteholders have not provided any enforcement instruction to the Security Agent within a certain period set out in the Intercreditor Agreement after the end of the consultation period, or where enforcement action requested by the Noteholders has not resulted in any enforcement proceeds being made available to the Security Agent), there is a risk that the other Secured Parties give enforcement instructions to the Security Agent.

Risks relating to the Security Agent acting on behalf of the Noteholders

The Noteholders will be represented by the Security Agent in all matters relating to the Transaction Security and the Guarantees. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security.

The Security Agent shall take enforcement instructions of from the Noteholders. In addition, the Security Agent is entitled to enter into agreements with the Company or a third party or take such other actions necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or the Guarantees or for the purpose of settling amongst others the Noteholders' rights to the Transaction Security or the Guarantees. There is a risk that the Security Agent will act in a manner not preferable to the Noteholders in relation to such enforcement instructions, agreements and actions.

Risks relating to the turnover positions in the Intercreditor Agreement

If a Secured Party makes a recovery in respect of any amounts owed by any ICA Group Company (as defined in the Intercreditor Agreement) in excess of what is permitted in the Intercreditor Agreement, such Secured Party is obligated to share such proceeds or payments in accordance with the provisions of the Intercreditor Agreement. If such Secured Party would go into insolvency prior to the making of such sharing payment, it is not certain that a receiver in bankruptcy would respect the provisions of the Intercreditor Agreement, which risks to adversely affect the other Secured Parties.

Corporate benefit limitations in providing security and guarantees in favour of third parties

When a Swedish limited liability company guarantees, or provides security for, another party's obligations or subordinates any of its rights to the benefit of a third party without deriving sufficient corporate benefit therefrom, the guarantee, security or subordination will only be granted if the consent of all shareholders of the grantor has been obtained and to the extent the amount the company granting the security, providing the guarantee or undertaking to subordinate any rights could have distributed a dividend to its shareholders at the time the guarantee, security or subordination was provided. To the extent that a company does not obtain corporate benefit from the provided guarantee or security or subordination undertaking, such guarantee, security or subordination will be limited in value as stated above. Consequently, there is a risk that the Transaction Security or Guarantee granted or subordination undertaken by a Subsidiary of the Company will be limited in accordance with the aforesaid, which risk to have an adverse effect on the Noteholders' security position.

Dependency on other Group Companies

The Company is the ultimate parent company in the Group and is partly dependent on its Subsidiaries' businesses. The Company's ability to make required payments of interest on its debts and funding is affected by the ability of its Subsidiaries to transfer available cash resources to it. The transfer of funds to the Company from its Subsidiaries risks to be restricted or prohibited by legal and contractual requirements applicable to the respective Subsidiaries. Limitations or restrictions on the transfer of funds between companies within the Group risk to become more restrictive in the event that the Group experiences difficulties with respect to liquidity and its financial position. There is a risk that such limitations have a negative impact on the Group's business, result and financial position, and the Noteholders' recovery under the Notes.

Bankruptcy, structural subordination and similar events and risk of priority

The Group has, as part of its financing, incurred debt to credit institutions and other lenders. Such loans normally constitute a preferential claim on the Group. The Terms and Conditions of the Notes include restriction on the ability of the Company and any Group Company to incur additional financial indebtedness and to grant security over its assets. The Terms and Conditions include a so called "negative pledge" undertaking and hence the Company and any Group Company is prohibited to grant security over any of its/their assets to secure any Financial Indebtedness, except for any Permitted Security.

The Company is thus able to create or allow to subsist, retain, provide, extend and renew any Permitted Security to secure, *inter alia*, any lien arising by operation of law and in the ordinary course of trading and

any Security over assets leased by the Group if such leases constitute Permitted Debt. The Security provided, either via the Company itself or any other Group Company, entails security interests normally constituting a preferential claim on the borrower.

The Notes constitute direct, general, unconditional and secured obligations of the Company and shall at all times rank (i) behind the Super Senior Facility and the Super Senior Hedges pursuant to the terms of the Intercreditor Agreement, (ii) *pari passu* without any preference among them, and (iii) at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Company, except obligations which are preferred by mandatory law and except as otherwise provided in the Finance Documents. This means that a Noteholder will normally receive payment after any prioritised creditors', such as the Super Senior Creditor's and other secured creditors' that are not party to the Intercreditor Agreement, receipt of payment in full in the event of the Company's liquidation, company reorganisation or bankruptcy. Every investor should be aware that by investing in the Notes, it risks losing the entire, or parts of its, investment in the event of the Company's liquidation, bankruptcy or company reorganisation.

The Notes will constitute structurally subordinated liabilities of the Company's Subsidiaries, meaning that creditors of claims against a Subsidiary will be entitled to payment out of the assets of such Subsidiary before the Company. The Subsidiaries are legally separate entities and distinct from the Company, and have no obligation to settle or fulfil the Company's obligations, other than to the extent that follows from security agreements to which the Subsidiaries are parties. In the event of insolvency of a Subsidiary, the creditors of such Subsidiary will generally be prioritised due to their position in the capital structure and will generally be entitled to payment in full from the sale or other disposal of the assets of such a Subsidiary before the Company, as a direct or indirect shareholder, and will be entitled to receive any distributions from such a Subsidiary. There is a risk that the insolvency of the Subsidiaries affect the financial position of the Company negatively, and have effects on the Company's ability to make payments under the Notes.

The Noteholders (and the other Secured Parties) benefit from Guarantees provided by certain of the Company's Subsidiaries. In the event of insolvency, liquidation or a similar event relating to one of the Guarantors, all other creditors of such Guarantor would be entitled to be paid out of the assets of such Guarantor with the same priority as the Secured Parties, to the extent that the Guarantees are valid.

Upon the occurrence of an insolvency event in respect of a Subsidiary which is not a Guarantor, an entity within the Group (i.e. the shareholder of the relevant Subsidiary and, directly or indirectly, the Company) would not be entitled to any payments until the other creditors have received payment in full for their claims. The Notes are, in the latter case, structurally subordinated to the liabilities of such Subsidiaries.

Voluntary and mandatory redemption

The Company has, under the Terms and Conditions, reserved the possibility to redeem all outstanding Notes prior to the final redemption date at any time from and including the First Issue Date. If the Notes are redeemed prior to the final redemption date, the Noteholders have the right, in most cases, to receive an early redemption amount which exceeds the nominal amount of the Notes. If it becomes unlawful for the Company to perform its obligations under the Finance Documents, the Company has a right to redeem all outstanding Notes at an amount equal to the nominal amount without payment of any premium exceeding the nominal amount. The Noteholders will in such cases not receive an early redemption amount. In addition, the Terms and Conditions contain certain mandatory prepayment rights in favour of the Noteholders and certain mandatory total redemption requirements. Should an early, voluntary or mandatory, redemption or a mandatory repurchase occur, there is a risk that the market value of the Notes will be higher than the early redemption or repurchase amount or that the Company lacks sufficient funds at the time of the redemption or repurchase to make the redemption or repurchase.

According to the Terms and Conditions the Notes may be declared due and payable upon the occurrence of certain circumstances constituting an Event of Default, such as non-payment, invalidity, cross payment and cross acceleration, insolvency and insolvency proceedings, creditors' process, mergers and demergers and discontinuation of the business. Under an Event of Default, the Company shall redeem all

Notes at an amount equal to the redemption amount specified under the provisions for voluntary total redemption (call option) under the Terms and Conditions, as applicable considering when the redemption occurs.

If an Event of Default occurs when the market value of the Notes is higher than the relevant redemption price, this risks to affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Notes. There is also a risk that the Company will not have sufficient funds at the time of the redemption to make the required redemption.

Market and liquidity risk

Pursuant to the Terms and Conditions, the Company shall apply for registration of the Notes on Nasdaq Stockholm (or another Regulated Market) but there is a risk that the Notes are not approved for admission of trading. A failure to obtain such listing in time will lead to that investors holding Notes on an investment savings account (*ISK* or *IS-konto*) will no longer be able to hold the Notes on such account and thus affecting such investor's tax situation, and also risk to have a negative impact on the market value of the Notes. Even if a listing will occur, the Company cannot assure that a liquid trading of the Notes will occur and be maintained. There is a risk that demand for and trading in the Notes will not develop or, if developed, is not sustained and further result in a Noteholder being unable to re-sell its Note(s) and liquidate its investment. This means that a Noteholder is be exposed to the risks related to the Group until the Notes reach the maturity date.

In addition, the liquidity and trading price of the Notes risk to vary as a result of numerous factors, including general market movements and irrespective of the Company's performance. This entails a risk that a Noteholder cannot sell its Notes at the desired time or at a yield which is comparable to similar investments that have an existing and functioning market. A lack of liquidity in the market risks to have a negative impact on the market value of the Notes. An investment in the Notes should only be made by a Noteholder that is capable of bearing the risks associated with a lack of liquidity of the Notes and that is prepared to hold the Note until its maturity.

Euroclear Sweden

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

Meeting of Noteholders

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

Noteholders representation

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. Thus, a Noteholder is not entitled to bring any actions against the Company relating to the Notes, unless such actions are supported by the required majority pursuant to the Terms and Conditions. However, this does not rule out the possibility that a Noteholder, in certain situations, bring their own

action against the Company, which risks to affect an acceleration of the Notes or other actions against the Company negatively. To enable the Agent to represent the Noteholders in court, the Noteholders are subject to the risk to have to submit a written power of attorney for legal proceedings. Should such power of attorney not be submitted by all Noteholders, there is a risk that enforcement of the Notes is adversely affected. Under the Terms and Conditions, the Agent has the right in some cases to make decisions and take measures that bind all Noteholders.

Ability to comply with the Terms and Conditions

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

Changes in legislation

The Terms and Conditions are based on Swedish law applicable at the date thereof. There is a risk that future amendments of legislation or new legislation or administrative practice adversely affect the Company's operations, result and financial position. This risks in turn to affect the Company's ability to make payments under the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

2. PERSONS RESPONSIBLE FOR THE PROSPECTUS

The Company issued Notes of an initial amount of SEK 400,000,000 on 2 February 2018, based on a resolution taken by the board of directors of the Company on 22 January 2018. This Prospectus has been prepared in connection with the Company applying for admission of trading of the Notes on the Corporate Bond List at Nasdaq Stockholm and in accordance with the Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act.

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

Stockholm 16 March 2018

RNB Retail and Brands AB (publ)

The board of directors

3. THE NOTES IN BRIEF

This section contains general description of the Notes. It does not claim to be comprehensive or cover all details of the Notes. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Notes. The Terms and Conditions for the Notes can be found in section 7 (*Terms and Conditions*). Terms defined in the Terms and Conditions shall have the same meaning in this overview unless otherwise expressly defined or a contrary intention appears.

The Issuer:	RNB Retail and Brands AB (publ), a public limited liability company incorporated under the laws of Sweden with company registration number 556495-4682.
The Notes:	The total aggregate amount of the bond loan amount to a maximum of SEK 600,000,000. The Issuer may choose not to issue the full amount of Notes on an issue date and may choose to issue the remaining amount of Notes at one or more subsequent dates which will be listed under this Prospectus (during the validity of this Prospectus, i.e. one (1) year from the date of its approval). As of the date of this Prospectus, an initial amount of Notes of SEK 400,000,000 was issued on 2 February 2018. In addition, the volume of Notes listed under this Prospectus may, as of the date of this Prospectus, be increased with another SEK 200,000,000 Notes, upon issue of Subsequent Notes under the Terms and Conditions and will be listed under this Prospectus in accordance with Clause 13.9 (<i>Admission to trading of Notes</i>) of the Terms and Conditions.
Number of Notes:	The total number of Notes is 600 of which 400 have been issued as of the date of this Prospectus.
Type of securities:	Senior secured floating rate Notes.
ISIN:	SE0010625830.
First Issue Date:	2 February 2018.
Issue Price:	100 per. cent.
Interest Rate:	Interest on the Notes will be paid at a floating rate of three-month STIBOR plus 6.00 per cent. per annum.
Interest Payment Date:	1 March, 1 June, 1 September and 1 December of each year, with a first Interest Payment Date on 1 March 2018. Interest will accrue from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date.
Nominal Amount:	The nominal amount of each Note is SEK 1,000,000.
Noteholder:	means the person who is registered on a Securities Account as direct registered owner (ägare) or nominee (förvaltare) with respect to a Note.
Denomination and Status of the Notes:	The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
Type and rank of debt:	The Notes constitute direct, general, unconditional and secured obligations of the Issuer and shall at all times rank

- (i) behind the Super Senior Facility and the Super Senior Hedges pursuant to the terms of the Intercreditor Agreement;
- (ii) *pari passu* without any preference among them; and
- (iii) at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory law and except as otherwise provided in the Finance Documents.

Guarantee Agreement: The Notes are guaranteed by the Guarantors as principal obligors (*proprieborgen*) in accordance the Guarantee Agreement entered into between the Guarantors and the Security Agent.

Guarantors: As of the date of this Prospectus, the Guarantors are:

- (i) the Issuer;
- (ii) Polarn O. Pyret Aktiebolag, with company registration number 556235-7383;
- (iii) Portwear Aktiebolag, with company registration number 556188-7513;
- (iv) Departments & Stores Europe AB, with company registration number 556541-8778;
- (v) Brothers & Sisters AB, with company registration number 556468-8991; and
- (vi) Brothers & Sisters Sverige AB, with company registration number 556513-6826.

Transaction Security: The Transaction Security, securing *inter alia* the Notes, consist of:

- (i) a Swedish law governed pledge agreement over all shares in Brothers & Sisters AB granted by the Issuer;
- (ii) a Swedish law governed pledge agreement over all shares in Brothers & Sisters Sverige AB granted by Brothers & Sisters AB;
- (iii) a Swedish law governed pledge agreement over all shares in Departments & Stores Europe AB granted by Portwear Aktiebolag;
- (iv) a Swedish law governed pledge agreement over all shares in Polarn O. Pyret Aktiebolag granted by the Issuer; and
- (v) a Swedish law governed pledge agreement over all shares in Portwear Aktiebolag granted by the Issuer.

Intercreditor Agreement: The Notes are subject to an intercreditor agreement entered into between the Issuer, the Original Super Senior Facility Creditor, the Original Super Senior Facility Representative, the Original Hedge Counterparty, the Original ICA Group Companies, the Original Notes Agent and the Original Security Agent regulating *inter alia* the ranking of certain debt of the Group, including the Notes, the sharing of the Transaction Security and Guarantees and when enforcement actions may be taken.

Final Maturity Date: 2 February 2021.

Issuer's purchase of Notes: The Issuer and any Group Company has the right to purchase Notes on the market or in any other way at any time and at any price. The Issuer and a Group Company may retain or sell such Notes held by it and, the Issuer may in addition cancel such Notes held by it.

Voluntary total redemption (call option): The Issuer has the right to, in accordance with Clause 10.3 (*Voluntary total redemption (call option)*) of the Terms and Conditions, redeem outstanding Notes in full at the applicable amount set out below:

- (a) at an amount per Note equal to 103.00 per cent. of the Nominal Amount, if the call option is exercised on or after the First Call Date to, but excluding, the date falling twenty-four (24) months after the First Issue Date;
- (b) at an amount per Note equal to 101.50 per cent. of the Nominal Amount, if the call option is exercised on or after the date falling on or after twenty-four (24) months after the First Issue Date to, but excluding, the date falling thirty (30) months after the First Issue Date;
- (c) at an amount per Note equal to 100.75 per cent. of the Nominal Amount, if the call option is exercised on or after the date falling thirty (30) months after the First Issue Date to, but excluding, the Final Maturity Date; and
- (d) notwithstanding paragraph (c) above, provided that the redemption is financed in full by way of one or several Market Loan issues, at any time from and including the date falling three (3) months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

Early redemption due to illegality and repurchase due to a tax event (call option)

In the event that it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents, the Issuer has the right to, in accordance with Clause 10.4 (*Early redemption due to illegality and repurchase due to a tax event (call option)*) of the Terms and Conditions, redeem outstanding Notes at 100 per cent of the Nominal Amount.

Further, the Issuer has the right to repurchase the relevant Notes at an amount equal to 100 per cent of the Nominal Amount if, as a result of any change in, or amendment to, laws or regulations in Sweden, which amendment or change is effective on or after the First Issue Date, the Issuer has or will become required to pay any Additional Amount in relation to such Notes and this obligation cannot be avoided by reasonable measures available to the Issuer.

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

Upon the occurrence of a Change of Control Event, each Noteholder shall have the right to, in accordance with Clause 10.5 (*Mandatory repurchase due to a Change of Control event or Listing Failure Event (put option)*), request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount (together with accrued but unpaid Interest) during a period of twenty (20) Business Days from a notice from the Issuer of the Change of Control Event.

Upon the occurrence of a Listing Failure Event, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount (together with accrued but unpaid Interest) during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Listing Failure Event.

First Call Date:

2 August 2019.

Change of Control Event:

Means the occurrence of an event or series of events whereby (i) the shares of the Issuer are delisted from Nasdaq Stockholm or (ii) any person, other than the Main Shareholder, acquires control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than thirty (30) per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the

whole or a majority of the members of the board of directors of the Issuer.

Market Loans:

The Issuer is prohibited to, other than in the form of Subsequent Notes, and shall procure that no other Group Companies:

- (a) issue any Market Loans with scheduled or intended redemption, in full or in part, before the Final Maturity Date; or
- (b) create or permit to subsist any Security (including guarantees) in respect of Market Loans.

Incurrence Test:

The Terms and Conditions contain an incurrence test, which is met if:

- (a) the Interest Coverage Ratio (after adjustments in accordance with Clause 14.5 (*Calculation Adjustments*) of the Terms and Conditions) is equal to or exceeds 3.00:1;
- (b) the Leverage Ratio (after adjustments in accordance with Clause 14.5 (*Calculation Adjustments*) of the Terms and Conditions) does not exceed:
 - (i) 3.50:1 from and including the First Issue Date to and including 31 December 2018;
 - (ii) 3.25:1 from and including 1 January 2019 to and including 31 December 2019;
 - (iii) 3.00:1 from and including 1 January 2020 to and including 31 December 2020; and
 - (iv) 2.75:1 from and including 1 January 2021 to and including the Final Maturity Date.

Certain Events of Default:

The Terms and Conditions contain certain events of default, upon which the Agent is entitled to, subject to the provisions of the Intercreditor Agreement, on behalf of the Noteholders declare all of the outstanding Notes due and payable (together with any other amounts payable under the Finance Documents) and exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if *inter alia*

- (a)
 - (i) any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
 - (ii) any commitment for a Financial Indebtedness of any Group Company is cancelled or suspended by a creditor as a result of an event of default however described,

however, in each case, individually or in the aggregate exceeds an amount corresponding to SEK 20,000,000;

- (b) a decision is made that:
 - (i) any Group Company (other than the Issuer) shall be merged or demerged with a company which is not a Group Company, unless (A) if such Group Company is the surviving entity, it is not a Material Subsidiary and such merger or demerger does not have a Material Adverse Effect or (B) if such Group Company is not the surviving entity, such merger or demerger would have been allowed pursuant to Clause 13.7 (Disposal of assets); or

- (ii) the Issuer or a Material Subsidiary shall be merged with any other person, or is subject to a demerger, unless the Issuer or the Material Subsidiary (as applicable) is the surviving entity and that it does not have a Material Adverse Effect; or
- (c) the Issuer or any Material Subsidiary ceases to carry on its business (except if due to a permitted disposal as stipulated in Clause 13.7 (*Disposal of assets*) of the Terms and Conditions.

See Clause 15 (*Acceleration of the Notes*) of the Terms and Conditions for further details.

Negative pledge:	The Terms and Conditions contain a negative pledge clause, restricting the Issuer and any of the Group Companies to, create or allow to subsist, retain, provide, extend or renew any guarantee or Security over any of its/their assets (present or future) to secure any Financial Indebtedness (except if it constitutes a Permitted Security).
Admission to trading:	The Issuer shall on a best efforts basis (a) ensure that the Initial Notes are listed on the Regulated Market of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, in each case within thirty (30) calendar days after the First Issue Date, (b) ensure that the Initial Notes (and any Subsequent Notes (as applicable)), once admitted to trading continue being listed, and (c) ensure that, upon any Subsequent Notes issue, the volume of Notes already listed promptly is increased accordingly.
Central Securities Depository (the "CSD"):	<p>The Issuer's central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.</p> <p>The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act.</p>
Agent:	Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it as agent, in accordance with the Terms and Conditions.
Security Agent:	Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it as security agent, holding the Transaction Security on behalf of the Secured Parties.
Transferability:	The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
Prescription:	<p>The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date.</p> <p>The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.</p>
Governing Law and Jurisdiction:	The 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.

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

4. DESCRIPTION OF THE COMPANY AND ITS OPERATIONS

4.1. Company description

RNB Retail and Brands AB (publ), Reg. No. 556495-4682, is a Swedish public limited liability company having its registered office in Stockholm. The Company was founded and registered with the Swedish Companies Registration Office on 3 October 1994 under the name VänerKompaniet Handels Aktiebolag. Company has been operating its business since 1997.

The Company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

The object of the Company's business is to directly or indirectly promote and financially and administratively contribute to the establishment of sales stores in Sweden and abroad, providing financial and administrative services for the Group and support, education and marketing services, own and manage properties and intellectual property and to practise related business.

The Group was established through Polarn O. Pyret's, the Company's subsidiary, acquisition of the Portwear group in June 2000. The Company's shares was listed on the O list of Nasdaq Stockholm on 26 June 2001.

4.2. Business overview

General

The Company owns, operates and develops fashion wear, ready-to-wear clothing, accessories, jewellery and cosmetics stores. The Company operates business in ten different countries through a total of 266 stores and e-commerce platforms. Sales are conducted through the concepts Brothers, Man of a kind and Polarn O. Pyret. Within the Departments & Stores business area, departments are managed in the department store NK in Stockholm and in Gothenburg.

Business idea

The Group's business concept is to realize synergies through active ownership that develops and distributes brands through distinct concepts and stores offering an attractive range of fashion wear, ready-to-wear clothing, accessories, jewelery and cosmetics where the goal is to provide paying customers excellent service and a world-class shopping experience.

Vision, goals and strategy

The Company's overall goal is to create value for the shareholders and other stakeholders by a profitable and sustainable growth.

The Company has a strategy to invest, support and develop the business in order to:

- be the highest experienced service in all segments
- be the most sustainable retailer
- be industry leader in digital communication with a high proportion of e-commerce
- have the industry's highest competence and best employees.

The Company further has the following financial goals for its business:

- the Group shall achieve a long-term EBIT margin of five (5) per cent
- Departments & Stores shall achieve a long-term EBIT margin of six to seven (6-7) per cent
- Polarn O. Pyret shall achieve a long-term EBIT margin of ten (10) per cent
- Brothers shall achieve a long-term EBIT margin of four to six (4-6) per cent.

The Group's online sales is conducted through the concepts Polarn O. Pyret and Brothers and in 2016 Man of a kind was launched in order to increase the Group's distribution within the e-commerce sector. With a growing e-commerce segment the Company has taken certain initiatives to transform and adapt to such change on the market and to meet shifting customer requirements.

Sustainability goals and vision

The Company strives to achieve customers and employees' expectations of the Company's own brands and the activities the Company conduct based on its Corporate Social Responsibility (CSR) matters. The Company further strives to build a company that surpasses customer expectations of good quality, environment and ethics throughout the entire business by having a responsible production and an attractive range and sustainable products.

Concepts

The concept Brothers has an upper/mid-market position within men's fashion and offers its own premium clothing brands with some external brands as supplement. The aim with the Brothers concept is to provide a "value-for-money" alternative where the look, quality and service aligns with premium brands. Brothers has reallocated and closed down most of the non-profitable stores. The strategy is to continue the reallocation of stores and strengthen its position upper/mid-market position with increased share of proprietary brands. The work to increase digitalisation and awareness of Brothers continues.

The concept Departments & Stores conducts sales within women's, men's and children's wear and accessories, jewellery and cosmetics at the NK department stores in Stockholm and Gothenburg, in which Departments & Stores rents store spaces. The aim with the Departments & Stores concept is to provide a world-class shopping experience reflecting NK's vision, Sweden's only luxury department store, to be a world-class department store. Departments & Stores has a strategy to increase the margin to target levels by intensified work with digitalisation in collaboration with Man of a kind. Further, Departments & Stores is working on a comprehensive business project in close collaboration with NK in order to upgrade the department store to become more luxury and premium.

Polarn O. Pyret conducts sales within children's wear with an in-house design, production and distribution, known for clothes with high quality and functionality, child safety and sustainability. Polarn O. Pyret has a leading position within the quality segment and a unique premium position in all markets and is the most preferred brand for children's outerwear in Sweden, Finland and Norway. Polarn O. Pyret's strategy is focused on new product range, the gradual rebuilding of the physical stores and the development of the omni-channel offering. The sustainability focus will remain. Its most valuable marketing tool is its loyalty program, through which Polarn O. Pyret develops relationships with existing customers and further facilitates conversation.

Man of a kind has a position within the premium segment of online shopping for men's fashion. The concept was established to fill the gap between small local online retailers and online retailers in the premium segment. Man of a kind has a strong collaboration with Departments & Stores and NK's external brands. The aim is to increase the assortment and further strengthen the collaboration with Departments & Stores.

4.3. Guarantors

4.3.1. Portwear Aktiebolag

The company is a Swedish limited liability company having its registered office in Stockholm. The company was founded and registered with the Swedish Companies Registration Office on 19 December 1974 under the name Nbg Fashion Agency, Nyberg Agenturer Aktiebolag. The company's corporate identity number is 556188-7513. The company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). The company is dormant and owns the shares in Departments & Stores Europe AB.

4.3.2. Departments & Stores Europe AB

The company is a Swedish limited liability company having its registered office in Stockholm. The company was founded and registered with the Swedish Companies Registration Office on 24 April 1997 under the name Startskottet 101554 AB and shortly thereafter under Nordisk Herrkonfektion i City AB. The company has been operating its business since 1997. The company's corporate identity number is 556541-8778. The company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

4.3.3. Polarn O. Pyret Aktiebolag

The company is a Swedish limited liability company having its registered office in Stockholm. The company was founded and registered with the Swedish Companies Registration Office on 19 December 1983 under the name Aktiebolaget Grundstenen 16209 and shortly thereafter Champagne von Rosen Aktiebolag. The company has been operating its business since 1984. The company's corporate identity number is 556235-7383. The company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

4.3.4. Brothers and Sisters AB

The company is a Swedish limited liability company having its registered office in Stockholm. The company was founded and registered with the Swedish Companies Registration Office on 15 June 1993 under the name JC Holding Aktiebolag. The company has been operating its business since 1993. The company's corporate identity number is 556468-8991. The company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

4.3.5. Brothers and Sisters Sverige AB

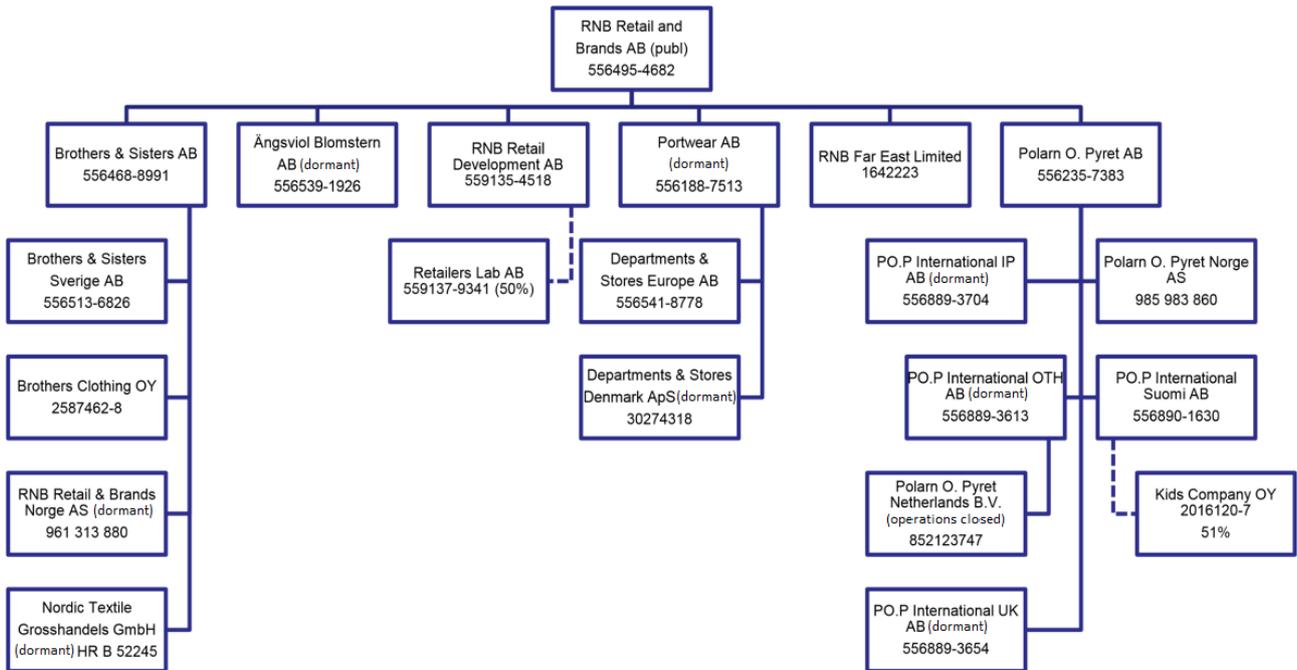
The company is a Swedish limited liability company having its registered office in Stockholm. The company was founded and registered with the Swedish Companies Registration Office on 8 June 1995 under the name Starta Eget Boxen 177 Aktiebolag and shortly thereafter JC I Vänersborg AB. The company has been operating its business since 1995. The company's corporate identity number is 556513-6826. The company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

4.4. Organisational and ownership structure

4.4.1. Organisational structure

The Company is the parent company of 18 directly or indirectly owned subsidiaries, whereof one company is owned by 51% and one company owned by 50 %. The Company's shares are listed on Nasdaq Stockholm (Small Cap).

The table below lists the companies within the Group as of the date of this Prospectus.



4.4.2. Ownership structure

The table below lists the major shareholders in the Company as of 31 January 2018. As far as the Company is aware of, there are no direct or indirect significant ownership or control over the Company in addition to the table below.

Shareholder	Total number of shares	Shares %	Votes, %
Konsumentföreningen Stockholm	11,246,598	33.16 %	33.16 %
Novobis AB	4,000,000	11.8 %	11.8 %
Försäkringsaktiebolaget Avanza Pension	2,203,992	6.5%	6.5%
Catella Småbolagsfond	2,125,728	6.27%	6.27%
Hawk Invest AS	986,249	2.91 %	2.91 %
Nordnet Pensionsförsäkring AB	936,866	2.76%	2.76%
Hans Björstrand	704,000	2.08%	2.08%
Karl Johan Anders Fahlin	334,403	0.99%	0.99%
Skandia Lebensip 203, Skandia Leben	320,000	0.94%	0.94%
Clients Account-DCS	234,030	0.69 %	0.69 %
Christian Axel Kock	228,374	0.67%	0.67%
Swedbank Försäkring	186,515	0.55%	0.55%
Anders Olsson	160,000	0.47 %	0.47 %
Maria Orre	160,000	0.47 %	0.47 %
Sönerna Carlsson Family Office AB	160,000	0.47 %	0.47 %
Mellon Omnibus 15%, Agent f its clients	159,093	0.47%	0.47%
Kjell Martin Andersson	150,000	0.44 %	0.44 %
Jan Åström Spindel	147,575	0.44%	0.44%
Andra AP-Fonden	146,195	0.43 %	0.43 %
Jan Kling	140,000	0.41 %	0.41 %
Banque Carnegie Luxembourg SA	129,856	0.38 %	0.38 %
Ekdahls Kontorsservice AB	121,756	0.36 %	0.36 %
Arpeggio AB	120,000	0.35 %	0.35 %
SEB Sverige Indexfond	119,975	0.35 %	0.35 %
Netfonds ASA	116,950	0.34%	0.34%
<i>Others</i>	8,507,808	25.1%	25.1%
Total	33,912,176	100 %	100 %

4.5. The board of directors, management and auditors

The board of directors of the Company consists of six (6) members. The board of directors and management can be reached at the Company's address Drottninggatan 33, SE-103 23 Stockholm, telephone +46 8 410 520 00. Each Guarantor may be contacted through the address of the Company.

4.5.1. Board of directors of the Company

Kriss Laszlo

Chairman of the board (since 2011. Member of the board since 2009)

Experience: Former Managing Director of Konsumentföreningen Stockholm and former chairman of Atrium Ljungberg AB.

Other significant ongoing assignments: Board member of Frostlight Solutions AB.

Education: Engineer, Nyköping Technical School.

Shareholding in the Company: 20,500. Kriss Laszlo is independent in relation to the Company, the management and to the major shareholders.

Per Thunell

Member of the board (since 2012)

Experience: CFO of Konsumentföreningen Stockholm.

Other significant ongoing assignments: -

Education: Master of Science (Economics and Business), Stockholm School of Economics.

Shareholding in the Company: 0. Per Thunell is independent in relation to the Company and the management but not in relation to the major shareholders.

Monika Elling

Member of the board (since 2014)

Experience: Former board member of Aktiebolag Lindex, Björn Borg AB and MQ Holding AB, former CEO of Poolia AB and former analyst at Skandinaviska Enskilda Banken AB.

Other significant ongoing assignments: Chairman of the board of Talent Eye AB and board member of Ljung & Sjöberg Aktiebolag.

Education: Master of Science (Economics and Business), Stockholm School of Economics and Mechanical Engineer.

Shareholding in the Company: 37,300. Monika Elling is independent in relation to the Company, the management and to the major shareholders.

Sara Wimmercranz

Member of the board (since 2015)

Experience: CO-Founder of Footway, Founding Partner and CEO of the investment company BackingMinds Invest AB.

Other significant ongoing assignments: Board member of Stampen AB, Dynamic Code AB, Horsemeup AB and BackingMinds AB.

Education: Human resources specialist.

Shareholding in the Company: 0. Sara Wimmercraz is not independent in relation to the Company and the management. Independent to the major shareholders.

Joel Lindeman

Member of the board (since 2017)

Experience: CEO of Future Securities in Scandinavia AB and Novobis AB.

Other significant ongoing assignments: Board member of Online Brands Nordic AB and Intervex AB.

Education: Master of Science (Business and Economics), University of Gothenburg.

Shareholding in the Company: 7,700. Joel Lindeman is independent in relation to the Company and the management. Not independent to the major shareholders.

Michael Lemner

Member of the board (since 2013)

Experience: CEO and consultant of Tim-Tam Consulting SPRL (Belgium).

Other significant ongoing assignments: Chairman of Doors & Fashion (Belgium), board member of Fashion3 (AFM Fashion Brands, Rougegorge, Jules, Pimkie, Grain de Malice (all in France), Orsay Group GmbH (Germany) Orsay (Poland), Co-Founder and board member of Retviews SA (Belgium).

Education: Degree in Economics, Stockholm University.

Shareholding in the Company: 0. Michael Lemner is not independent in relation to the Company or the management, however he is independent in relation to the major shareholders.

4.5.2. Board of directors of the Guarantors

4.5.2.1. Portwear Aktiebolag

Magnus Håkansson

Chairman of the board (since 2011)

Experience: CEO and former chairman of RNB Retails and Brands AB (publ), former Managing Director of Expert Sverige AB and former CFO of the KF Group.

Other significant ongoing assignments outside the RNB Group: Chairman of Tenant & Partner Group AB and GS1 Sweden AB, board member of Mekonomen Group.

Education: Master of Science (Economics and Business), Stockholm School of Economics and MBA.

Shareholding in the Company: 71,500 shares in the Company. Magnus Håkansson is not independent in relation to the Company or the management, however he is independent in relation to the major shareholders.

Kristian Lustin

Member of the board (since 2015)

Experience: Chief Financial Officer of RNB Retail and Brands AB (publ), former Controller at Modern Times Group MTG AB (publ), former Finance Director at Munters AB (publ) and former Authorised Public Accountant at Deloitte.

Other significant ongoing assignments outside the RNB Group: -

Education: Degree of Master of Science in Business and Economics, Uppsala University.

Shareholding in the Company: 10,000 shares in the Company. Kristian Lustin is not independent in relation to the Company or the management, however he is independent in relation to the major shareholders.

Nanna Hedlund

Member of the board (since 2018)

Experience: CEO of Polarn O. Pyret Aktiebolag, former Marketing Director of Kicks Kosmetikkedjan AB, former Marketing Manager of Mio AB and former Communication Manager of JC AB.

Other significant ongoing assignments outside the RNB Group: -

Education: Master of Science in Business and Economics, Stockholm University.

Shareholding in the Company: 0. Nanna Hedlund is not independent in relation to the Company or the management, however she is independent in relation to the major shareholders.

4.5.2.2. Departments & Stores Europe AB

Magnus Håkansson

Chairman of the board (since 2011)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Kristian Lustin

Member of the board (since 2015)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Nanna Hedlund

Member of the board (since 2016)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

4.5.2.3. Polarn O. Pyret Aktiebolag

Magnus Håkansson

Chairman of the board (since 2011)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Kristian Lustin

Member of the board (since 2015)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Peter Bondelid

Member of the board (since 2016)

Experience: CEO of Brothers & Sisters Sverige AB, former CEO of JC Sverige AB, former Global Supply Chain Director at RNB Group and former Management Consultant at Accenture and Monitor Group.

Other significant ongoing assignments outside the RNB Group: -

Education: Master of Science (Economics and Business), Stockholm School of Economics.

Shareholding in the Company: 0. Peter Bondelid is not independent in relation to the Company or the management, however he is independent in relation to the major shareholders.

4.5.2.4. Brothers & Sisters AB

Kristian Lustin

Chairman of the board (since 2015)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Magnus Håkansson

Member of the board (since 2011)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Peter Bondelid

Member of the board (since 2012)

Please see Clause 4.5.2.3 (*Polarn O. Pyret Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

4.5.2.5. Brothers & Sisters Sverige AB

Magnus Håkansson

Chairman of the board (since 2011)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Kristian Lustin

Member of the board (since 2015)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

Nanna Hedlund

Member of the board (since 2018)

Please see Clause 4.5.2.1 (*Portwear Aktiebolag*) above for experience, significant ongoing assignments, education, shareholding and dependency.

4.5.3. Management

Magnus Håkansson – CEO of the Company and the Group (since 2011)

Kristian Lustin – Chief Financial Officer (CFO) (since 2015)

Peter Bondelid – CEO Brothers (since 2014). Employed since 2012

Nanna Hedlund – CEO Polarn O. Pyret and acting CEO of Departments & Stores (since 2016)

Mia Bystedt – IT Manager (since 2014). Employed since 2008

Ann Surtell – HR Director (since 2016)

David Backman – Deputy IT Manager and CDO (since 2017). Employed since 2015

Martin Jonasson Jungerts – Head of Logistics (since 2017). Employed since 2015

Lina Söderqvist – Incoming CEO of Departments & Stores (starting 2018)

Three (3) of the board members of the Company own, either directly or indirectly, shares in the Company. Further, two (2) of the members of the management own, either directly or indirectly, shares in the Company, which could entail a potential conflict of interests. There are two (2) of the board members of the Guarantors who own, either directly or indirectly, shares in the Company. There are no other conflicts of interest between the private interests of the board members of the Company, the management or the board members of the Guarantors and the Company's interests.

4.5.4. Auditors

Ernst & Young was the Company's and the Guarantors' auditor during the financial year 2016/2017 and 2015/2016. Johan Eklund, born 1975, was the auditor in charge during the financial year 2016/2017 and 2015/2016 of the Company and the Guarantors. Johan Eklund was during the time as auditor in charge, authorised public accountant and member of FAR SRS, the professional institute for accountants in Sweden.

4.6. Material agreements

4.6.1. Acquisition and transfer agreements

Acquisition of Frontmen.com

As part of the Company's strategy to increase the focus on becoming the destination for exclusive men's fashion online, Frontmen.com was acquired. Frontmen is an established online player within men's fashion. The acquisition is partly based on sales generated by the acquisition during the first 18 months and the acquisition was consolidated as of 1 November 2017.

Acquisition of Finnish master franchise business

On 1 March 2016, the Group acquired 51 per. cent. of the Finnish master franchise business in the Polarn O. Pyret segment, Kids Company Oy. The acquisition agreement included a combined put/call option, which generated a debt to the selling party relating to the estimated purchase consideration. This liability is valued at fair value, which is estimated to amount to SEK 19,009,000 as of 31 August 2017. The option the liability is based on can be exercised by 2020 at the earliest.

4.6.2. Financial agreements

Previous existing financing from KFS

The Company was prior to the Notes party to a SEK 380,000,000 term loan and revolving loan facilities agreement with Konsumentföreningen Stockholm med omnejd ekonomisk förening (“**KFS**”), the major shareholder of the Company, originally dated 30 March 2010 as amended and amended and restated from time to time (the “**KFS Financing**”). The KFS Financing was guaranteed by some of the subsidiaries of the Company and secured by a first ranking share pledge regarding the shares in Polarn O. Pyret AB, Reg. No. 556235-7383, and the shares in Department and Stores Europe AB, Reg. No. 556541-8778. The KFS Financing was repaid and released in connection with the issue of the Initial Notes, which also constituted part of the purpose of the issue of the Notes. In connection with the repayment the guarantees and security were released.

Super Senior Facility Agreement

The Company and certain subsidiaries have in connection with the issue of the Notes entered into a SEK 80,000,000 working capital facility and SEK 40,000,000 guarantee facility with Danske Bank A/S, Danmark, Sverige filial (the “**Overdraft Facility**”). The Overdraft Facility replaces earlier working capital and guarantee facilities and the current working capital facility has been reduced from SEK 100,000,000 to SEK 80,000,000. The Overdraft Facility is entered into on customary terms and has a super senior status ranking senior to the Notes.

Intercreditor Agreement

The Company has in connection with the Notes entered into an intercreditor agreement with, amongst others, Danske Bank A/S, Danmark, Sverige filial as Original Super Senior Facility Creditor and Original Super Senior Facility Representative and Nordic Trustee & Agency AB (publ) as Agent on behalf of the Noteholders and as Security Agent on behalf of the Secured Parties, dated 5 February 2018 (the “**Intercreditor Agreement**”). The Intercreditor Agreement include provisions regulating, *inter alia*, the ranking of the Group’s debt (including the Notes and the Overdraft Facility), the ranking of interest in the Transaction Security Documents, the sharing of the Transaction Security and Guarantees and when payments may be made and when enforcement actions may be taken. The Intercreditor Agreement further contains provisions on turnover of non-permitted payments and subordination of debt due to insolvency events. The Intercreditor Agreement is governed by Swedish law.

Guarantee Agreement

The Company and certain subsidiaries have in connection with the issue of the Notes entered into a guarantee agreement with the Security Agent, dated 5 February 2018 (the “**Guarantee Agreement**”). The Guarantors have in accordance with the Guarantee Agreement irrevocably and unconditionally jointly and severally as a principal obligor (*proprieborgen*) guaranteed to each Secured Party the punctual performance by each Obligor of all of that Obligor’s Secured Obligations and agreed with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability such Secured Party incurs as a result of a Guarantor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Secured Finance Document on the date when it would have been due. The guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Secured Finance Documents, regardless of any intermediate payment or discharge in whole or in part. The Guarantee Agreement is governed by Swedish law.

Transaction Security

The Company has in connection with the Notes entered into three share pledge agreements with the Security Agent dated 5 February 2018, pursuant to which the Company has pledged as a first priority pledge all shares in Brothers & Sisters AB, Polarn O. Pyret Aktiebolag and Portwear Aktiebolag, constituting continuing security for the due and punctual fulfilment of the Secured Obligations. Further,

Brothers & Sisters AB has in connection with the issue of the Notes entered into a share pledge agreement with the Security Agent dated 5 February 2018, pursuant to which Brothers & Sisters AB has pledged as a first priority pledge all shares in Brothers & Sisters Sverige AB, constituting continuing security for the due and punctual fulfilment of the Secured Obligations. Similarly, Portwear Aktiebolag has also in connection with the issue of the Notes entered into a share pledge agreement with the Security Agent dated 5 February 2018, pursuant to which Portwear Aktiebolag has pledged as a first priority pledge all shares in Departments & Stores Europe AB, constituting continuing security for the due and punctual fulfilment of the Secured Obligations. The aforementioned share pledge agreements are jointly referred to as the “**Transaction Security Documents**”. The Transaction Security Documents include provisions regulating *inter alia* the right of the each pledgor to pay dividend or other payments in respect of the shares being subject to the pledge and the right to exercise of shareholder rights. The Transaction Security Documents are governed by Swedish law.

4.6.3. Other material agreements

Franchisees

The Group owns 266 stores and e-commerce platforms in 10 countries, including 66 which are operated by franchisees. RNB runs stores under its own management for all concepts and concludes franchise agreements within the concepts Brothers and Polarn O. Pyret.

Polarn O. Pyret has two kind of franchise forms – regular Franchisees and Master Franchisees, meanwhile Brothers only has regular Franchisees. Regular Franchisees have in general two to five-year long contracts with exclusivity only in the city where they operate. Master Franchisees (UK, US, Estonia, Latvia, Iceland) have in general five-year long contracts with exclusivity within their whole territory/country. The franchise contract stipulates in detailed terms, the franchisees right of using the IPR (intellectual property rights), i.e. brands, product labels, store front banner, in-store signage and advertising. The franchisee has no right to re-sell or in any other way wholesale products and brands in other channels than in the contracted store. The franchise contract includes a non-disclosure clause encompassing business practice, operating model, campaign planning, pricing, and other trade secrets.

Retailers

The Company has entered into a large number of distribution agreements through its subsidiary Department & Stores Europe AB in relation to products sold at the NK department stores in Stockholm and Gothenburg. Department & Stores Europe AB has 42 stores and its sales amounts to 43 per cent of the net sales of the Company. The duration of the distribution agreements are usually three years with a notice period with respect to termination of six months and furthermore contains customary terms. It can be noted that some of the distribution agreements include terms giving the retailer a right to terminate the agreement if the business, the selection or the geographical location of the NK department stores would change.

Suppliers

RNB uses several suppliers in its business. All purchases from suppliers in respect of products produced for its own brands are made through a purchase agreement on arm’s length terms. Certain terms, such as purchase volume, pricing and delivery, are continuously agreed upon between RNB and the suppliers in connection with the manufacturing of the products. If a purchase is made directly from the manufacturer, RNB orders the counterparty to follow a code of conduct consisting of terms such as prohibition of discrimination and working conditions and environmental impact.

In addition, certain Group Companies have entered into a suppliers’ agreement in respect of other brands. Agreements in regarding the brands Kavat, Lee, Saddler and Jofama are examples of suppliers’ agreements representing a high purchase volume.

Premises

The Group has several operating leases in relation to the rental of premises. The leases typically run for a period of 3-5 years with automatic renewal, with a nine months' notice period. The rent is usually based on the store's turnover, with a fixed and an index-based base rent. The leases have customary terms for the industry.

4.7. Conflicts of interest

The Issuing Agent have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and/or the Group in the ordinary course of business. In particular, it should be noted that the Issuing Agent might be a lender under certain credit facilities with the Company or with a Group Company as borrower. Therefore, conflicts of interest may exist or may arise as a result of the Issuing Agent having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. The existence of conflicts of interests for the Issuing Agent which investors consider harmful for the Notes could have a negative effect on the market value of the Notes.

Advokatfirman Törngren Magnell KB has acted as legal advisor to the Company in connection with the issue and listing of the Notes, and has no conflicting interests with the Company or the Group.

4.8. Disputes and litigation

During the recent years, the Company has been involved in litigation matters with franchisees within Brothers who have not paid their debts and this has led to legal action, in the form of application for bankruptcy and legal action to demand payment of remaining claims.

No other material litigations are ongoing or threatening in relation to the Company or the Guarantors.

4.9. Significant adverse changes and recent events

There have been no material adverse changes in neither the Company's nor any of the Guarantors' financial position or market position since the date of publication of the Company's and the Guarantors' last audited financial reports.

4.10. Costs relating to the listing

The Company expects total costs in connection with the admission to trading to amount to no more than SEK 230,000.

5. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for review during the period of validity of this Prospectus at the Company's head office at Drottninggatan 33, SE-103 23 Stockholm.

- the Company's, its subsidiaries' and the Guarantors' articles of association;
- the agreement governing the Agent's representation of noteholders;
- the annual reports for the Company, its subsidiaries' and the Guarantors, for the financial years 2015/2016 and 2016/2017;
- the certificate of registration of the Company, its subsidiaries' and the Guarantors; and
- all documents that have been incorporated by reference in this Prospectus.

6. DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus consists of, in addition to this document, the following documents which are incorporated by reference. The annual reports for the financial year 2016/2017 and 2015/2016 below are audited. No other information in this Prospectus is either audited or reviewed.

- Extract from the Company's consolidated [annual report for the financial year 2016/2017](#), including:
 - the consolidated income statement, page 24;
 - the consolidated balance sheet, pages 26-27;
 - the consolidated statement of changes in equity, page 28;
 - the consolidated cash flow analysis, page 25;
 - the Company's income statement, page 29;
 - the Company's balance sheet, pages 30-31;
 - the Company's statement of changes in equity, page 33;
 - the Company's cash flow analysis, page 32;
 - the notes, pages 34-56;
 - the auditor's report, pages 57-59.
- Extract from the Company's consolidated [annual report for the financial year 2015/2016](#), including:
 - the consolidated income statement, page 24;
 - the consolidated balance sheet, page 26-27;
 - the consolidated statement of changes in equity, page 28;
 - the consolidated cash flow analysis, page 25;
 - the Company's income statement, page 29;
 - the Company's balance sheet, pages 30-31;
 - the Company's statement of changes in equity, page 33;
 - the Company's cash flow analysis, page 32;
 - the notes, pages 34-56;
 - the auditor's report, pages 57-59.

- Extract from the Company's [interim report for the period of 1 September 2017 to 30 November 2017](#), including:
 - the consolidated income statement, page 12;
 - the consolidated balance sheet, pages 14;
 - the consolidated cash flow analysis, page 13;
 - the Company's income statement, page 17;
 - the Company's balance sheet, pages 17;
 - the Company's cash flow analysis, page 13.

- Extract from the Portwear Aktiebolag's [annual report for the financial year 2016/2017](#), including:
 - income statement, page 4;
 - balance sheet, pages 5;
 - statement of changes in equity, page 6;
 - the notes, pages 7-9;
 - the auditor's report, page 10-11.

- Extract from the Portwear Aktiebolag's [annual report for the financial year 2015/2016](#), including:
 - income statement, page 4;
 - balance sheet, pages 5;
 - the notes, pages 6-8;
 - the auditor's report, page 10.

- Extract from the Polarn O. Pyret Aktiebolag's [annual report for the financial year 2016/2017](#), including:
 - income statement, page 8;
 - balance sheet, pages 9-10;
 - statement of changes in equity, pages 11;
 - cash flow analysis, pages 12;
 - the notes, pages 13-25;
 - the auditor's report, page 27-28.

- Extract from the Polarn O. Pyret Aktiebolag's [annual report for the financial year 2015/2016](#), including:
 - income statement, page 8;
 - balance sheet, pages 9-10;
 - cash flow analysis, pages 11;
 - the notes, pages 12-24;
 - the auditor's report, page 26.

- Extract from the Departments and Stores Europe AB's [annual report for the financial year 2016/2017](#), including:
 - income statement, page 8;
 - balance sheet, pages 9-10;
 - statement of changes in equity, pages 11;
 - cash flow analysis, pages 12;

- the notes, pages 13-24;
 - the auditor’s report, page 25-26.
- Extract from the Departments and Stores Europe AB’s [annual report for the financial year 2015/2016](#), including:
 - income statement, page 7;
 - balance sheet, pages 8-9;
 - cash flow analysis, pages 10;
 - the notes, pages 11-20;
 - the auditor’s report, page 22.
 - Extract from the Brothers & Sisters AB’s [annual report for the financial year 2016/2017](#), including:
 - income statement, page 4;
 - balance sheet, pages 5-6;
 - statement of changes in equity, pages 7;
 - cash flow analysis, pages 8;
 - the notes, pages 9-13;
 - the auditor’s report, page 15-16.
 - Extract from the Brothers & Sisters AB’s [annual report for the financial year 2015/2016](#), including:
 - income statement, page 4;
 - balance sheet, pages 5-6;
 - cash flow analysis, pages 7;
 - the notes, pages 8-14;
 - the auditor’s report, page 15.
 - Extract from the Brothers & Sisters Sverige AB’s [annual report for the financial year 2016/2017](#), including:
 - income statement, page 8;
 - balance sheet, pages 9-10;
 - statement of changes in equity, pages 11;
 - cash flow analysis, pages 12;
 - the notes, pages 13-23;
 - the auditor’s report, page 25-26.
 - Extract from the Brothers & Sisters Sverige AB’s [annual report for the financial year 2015/2016](#), including:
 - income statement, page 7;
 - balance sheet, pages 8-9;
 - cash flow analysis, pages 10;
 - the notes, pages 11-21;
 - the auditor’s report, page 23.

The Company’s financial information for the financial years 2015/2016 and 2016/2017 have been prepared in accordance with the Swedish Annual Accounts Act and the International Financial Reporting

Standards (IFRS), as approved by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Company's interim report for the period of 1 September 2017 – 30 November 2017 has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2—Accounting for Legal Entities. The accounting policies applied correspond to the information provided in the Annual Report 2015/2016.

The Guarantors' financial information for the financial years 2015/2016 and 2016/2017 have been prepared in accordance in accordance with Swedish law by application of the Swedish Accounting Standards Board's, BFNAR 2012:1 Annual and consolidated report (K3).

7. TERMS AND CONDITIONS

Execution version

RNB RETAIL AND BRANDS

**TERMS AND CONDITIONS FOR
RNB RETAIL AND BRANDS AB (publ)
UP TO SEK 600,000,000
SENIOR SECURED FLOATING RATE NOTES**

ISIN: SE0010625830

No action is being taken that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

 **MANNHEIMER SWARTLING**
WWW.MANNHEIMERSWARTLING.SE

TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION	1
2.	STATUS OF THE NOTES	13
3.	USE OF PROCEEDS	15
4.	CONDITIONS FOR DISBURSEMENT	15
5.	ESCROW OF PROCEEDS	15
6.	NOTES IN BOOK-ENTRY FORM	17
7.	RIGHT TO ACT ON BEHALF OF A NOTEHOLDER	17
8.	PAYMENTS IN RESPECT OF THE NOTES	18
9.	INTEREST	19
10.	REDEMPTION AND REPURCHASE OF THE NOTES	19
11.	TRANSACTION SECURITY AND GUARANTEES	22
12.	INFORMATION TO NOTEHOLDERS	23
13.	GENERAL UNDERTAKINGS	25
14.	INCURRENCE TEST	29
15.	ACCELERATION OF THE NOTES	32
16.	DISTRIBUTION OF PROCEEDS	35
17.	DECISIONS BY NOTEHOLDERS	36
18.	NOTEHOLDERS' MEETING	39
19.	WRITTEN PROCEDURE	40
20.	AMENDMENTS AND WAIVERS	40
21.	APPOINTMENT AND REPLACEMENT OF THE AGENT	41
22.	APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT	44
23.	APPOINTMENT AND REPLACEMENT OF THE CSD	45
24.	NO DIRECT ACTIONS BY NOTEHOLDERS	45
25.	PRESCRIPTION	45
26.	NOTICES AND PRESS RELEASES	46
27.	FORCE MAJEURE AND LIMITATION OF LIABILITY	47
28.	GOVERNING LAW AND JURISDICTION	47

SCHEDULES

1.	FORM OF COMPLIANCE CERTIFICATE	49
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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**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).

“**Additional Amounts**” has the meaning set forth in Clause 8.6.

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

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

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

“**Agent**” means Nordic Trustec & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Bookrunner**” means Danske Bank A/S, Danmark, Sverige Filial.

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

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

“**Change of Control Event**” means the occurrence of an event or series of events whereby (i) the shares of the Issuer are delisted from Nasdaq Stockholm or (ii) one or more persons, not being the Main Shareholder, acting together, acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than thirty (30) per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the members of the board of directors of the Issuer.

“**Completion Date**” means the date of the Agent’s approval of the disbursement of the proceeds from the Escrow Account.

“**Compliance Certificate**” means a certificate, in the form appended to these Terms and Conditions as Schedule 1 (*Form of Compliance Certificate*), signed by the CEO or the CFO or any authorised signatory of the Issuer on behalf of the Issuer, certifying (a) that, so far as the Issuer 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) that the Incurrence Test is met and including calculations and figures in respect thereof, if relevant.

“**Conditions Precedent Failure**” has the meaning set forth in Clause 5.4.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

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

“**EBITDA**” has the meaning set forth in Clause 14.1 (*Definitions*).

“**Escrow Account**” means the interest bearing bank account held by the Issuer with the Escrow Bank for the purpose of the arrangement specified in Clause 5 (*Escrow of proceeds*).

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

“**Escrow Bank**” means Danske Bank A/S, Danmark, Sverige Filial.

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

“**Existing Facility**” means the SEK 140,000,000 overdraft and guarantee facility made available to, *inter alios*, the Issuer by Danske Bank A/S, Danmark, Sverige Filial under an overdraft and guarantee facility agreement originally dated 15 April 2014 and amended on 23 July 2014.

“**Final Discharge Date**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Final Maturity Date**” means the date falling three (3) years after the First Issue Date.

“**Finance Documents**” means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Security Documents;

- (d) the Guarantee Agreement;
- (e) the Escrow Account Pledge Agreement;
- (f) the Intercreditor Agreement; and
- (g) any other document designated by the Issuer and the Agent (on behalf of itself and the Noteholders) as a Finance Document.

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

- (a) monies borrowed or raised (including under any bank financing or Market Loans);
- (b) the amount of any liability under any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis), provided that the requirements for de-recognition under the Accounting Principles are met;
- (d) any amount raised under any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Principles (including forward sale or purchase arrangements);
- (e) the marked-to-market value of any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, Market Loan, standby or documentary letter of credit or any other instruments issued by a bank or financial institution; and
- (g) (without double-counting) liabilities under any guarantee or other assurance against financial loss in respect of indebtedness referred to in paragraphs (a) to (f) above.

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

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, or any report required for the purpose of a Compliance Certificate to be delivered to the Agent pursuant to these Terms and Conditions.

“**First Call Date**” means the date falling eighteen (18) months after the First Issue Date.

“**First Issue Date**” means 2 February 2018.

“**Force Majeure Event**” has the meaning set forth in Clause 27.1.

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

“**Guarantee**” means the guarantees in relation to the Secured Obligations provided by the Guarantors pursuant to the Guarantee Agreement.

“**Guarantee Agreement**” means the guarantee agreement dated on or prior to the Completion Date between the Issuer, each Guarantor and the Security Agent pursuant to which, amongst other things, the Secured Obligations are guaranteed by the Guarantors.

“**Guarantor**” means each Group Company which, at any point in time, is a party to the Guarantee Agreement.

“**Hedge Counterparty**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**ICA Group Company**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Incurrence Test**” means the test pursuant to Clause 14.2 (*Incurrence Test*).

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

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

“**Intercompany Debt**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Intercreditor Agreement**” means the intercreditor agreement entered into between, amongst other, the Issuer, the Super Senior Creditors, the Security Agent and the Agent (representing the Noteholders).

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 9.1 to 9.3.

“**Interest Payment Date**” means 1 March, 1 June, 1 September and 1 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes

shall be 1 March 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means:

- (a) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date; and
- (b) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means STIBOR plus the Margin.

“**Issuer**” means RNB Retail and Brands AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556495-4682.

“**Issuing Agent**” means Danske Bank A/S, Danmark, Sverige Filial, Swedish Reg. No. 516401-9811, P.O. Box 7523, SE-103 92 Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“**KFS Financing**” means the SEK 380,000,000 financing provided by the Main Shareholder to the Issuer under a facilities agreement originally dated 30 March 2010 as amended from time to time.

“**KFS Financing Repayment Instructions**” means the evidence of the amount required to repay the KFS Financing (including all accrued but unpaid interest) on the Completion Date and that the Security and guarantees in respect of the KFS Financing will be discharged upon such payment, including duly executed release notice(s) from the Main Shareholder under the KFS Financing.

“**Listing Failure Event**” means that (i) the Notes are not admitted to trading on Nasdaq Stockholm (or another Regulated Market) within the Listing Period, or (ii) following a successful listing and subsequent de-listing of the Notes from the corporate bond list of Nasdaq Stockholm (or another Regulated Market) the Notes are not re-listed by the date falling sixty (60) calendar days from the date of the de-listing.

“**Listing Period**” means sixty (60) calendar days from (and excluding) the First Issue Date.

“**Main Shareholder**” means Konsumentföreningen Stockholm med omnejd ekonomisk förening, a cooperative (*ekonomisk förening*) with registration number 702002-1445.

“**Margin**” means 6.00 per cent. *per annum*.

“**Market Loan**” means any loan or other indebtedness in the form of commercial paper, certificates, convertibles, subordinated debentures, notes or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on any Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

“**Material Adverse Effect**” means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer’s ability to perform

and comply with its payment undertakings under the Finance Documents, (c) the validity or enforceability of the Finance Documents, or (d) the effectiveness or ranking of any Transaction Security.

“**Material Subsidiary**” means (i) a Guarantor, and (ii) a Subsidiary of the Issuer which, together with its Subsidiaries on a consolidated basis, has earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 7.5 per cent. or more of EBITDA or has turnover or gross assets representing 7.5 per cent. or more of the turnover or gross assets of the Group, in each case calculated on a consolidated basis, calculated by reference to the financial statements most recently made available on the Issuer’s website in accordance with Clause 12.1.1.

For this purpose:

- (i) the contribution of the Group Company will be determined from its financial statements (consolidated if it has Subsidiaries) upon which the latest audited financial statements of the Group have been based;
- (ii) if it becomes a Group Company after the date on which the latest audited financial statements of the Group have been prepared, the contribution of that Group Company will be determined from its latest audited financial statements (the first test date for any such company shall be the date on which it becomes a Group Company);
- (iii) the EBITDA, turnover and gross assets of the Group will be determined from its latest audited financial statements, adjusted (where appropriate) to reflect the EBITDA, turnover and gross assets of any company or business subsequently acquired or disposed of;
- (iv) if a Material Subsidiary disposes of all or substantially all of its assets to another Group Company, it will immediately cease to be a Material Subsidiary and the other Group Company (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Group Companies and the Group will be used to determine whether those Group Companies are Material Subsidiaries or not;
- (v) if a Group Company is not wholly owned (directly or indirectly) by the Issuer, the EBITDA and turnover of that Group Company shall when determining whether that Group Company is a Material Subsidiary be adjusted and calculated *pro rata* to the ownership portion held by the Issuer (directly or indirectly) in that Group Company; and
- (vi) EBITDA of a Group Company will be determined applying the same principles as when determining EBITDA.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer will, in the absence of manifest error, be conclusive.

“**Net Proceeds**” means the gross proceeds from the offering of the relevant Notes, minus (i) in respect of the Initial Notes, the fees payable to the Bookrunner and (ii) in respect of any Subsequent Notes, the costs incurred by the Issuer in conjunction with the issuance thereof, which shall be transferred to the Issuer and used in accordance with Clause 3 (*Use of proceeds*).

“**New Debt Documents**” shall have the meaning ascribed to it in the Intercreditor Agreement.

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

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

“**Note Issue**” means the issue of Notes by the Issuer pursuant to these Terms and Conditions.

“**Note Loan**” means the loan constituted by these Terms and Conditions and evidenced by the Notes.

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

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

“**Original Super Senior Facility**” means the SEK 120,000,000 overdraft and guarantee facility agreement between, *inter alios*, the Issuer, as borrower, and Danske Bank A/S, Danmark, Sverige Filial, as lender, dated on or about the Completion Date (as amended from time to time).

“**Payment Block Event**” shall have the meaning ascribed to it in the Intercreditor Agreement.

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

- (a) until the Completion Date, incurred under the KFS Financing and the Existing Facility;
- (b) incurred under the Super Senior Facility up to an amount not exceeding the higher of SEK 120,000,000 and 0.5x EBITDA of the Group pursuant to the most recently delivered audited annual report;
- (c) incurred under the Initial Notes;
- (d) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and (i) is incurred as a result of a Note Issue of Subsequent Notes under the Terms and Conditions, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Terms and Conditions, and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date, and in each case provided that no Event of Default is outstanding;
- (e) arising as a result of a contemplated refinancing of the Notes in full (a “**Refinancing**”) provided that such debt is held in escrow until full repayment of the Notes;

- (f) incurred by Polarn O. Pyret Norge AS under any customary cash pooling arrangements in the ordinary course of business for the purposes of netting debit and credit balances, and owing to the Issuer, provided that such Financial Indebtedness does not exceed SEK 30,000,000 at any time;
- (g) incurred by Brothers Clothing OY under any customary cash pooling arrangements in the ordinary course of business for the purposes of netting debit and credit balances, and owing to the Issuer, provided that such Financial Indebtedness does not exceed SEK 5,000,000 at any time;
- (h) incurred (i) between the Issuer and a Guarantor or between Guarantors as a result of group contributions (*koncernbidrag*), provided that no cash is transferred or (ii) between the Issuer or a Guarantor and a Group Company (other than the Issuer) that is not a Guarantor as a result of group contributions (*koncernbidrag*), provided that no cash is transferred as a result of the group contribution and that the debt is set-off against a dividend by the Group Company making the group contribution as soon as possible;
- (i) between the Issuer and a Guarantor or between Guarantors;
- (j) between Group Companies (other than the Issuer) that are not Guarantors;
- (k) between the Issuer or a Guarantor and a Group Company (other than the Issuer) that is not a Guarantor provided that such Financial Indebtedness is on arm's length terms and the aggregate amount for any such Financial Indebtedness for the Group taken as whole does not exceed SEK 10,000,000 at any time;
- (l) arising under any guarantee for the obligations of another Group Company, provided that such guarantee would have been permitted pursuant to paragraphs (i) to (k) above had it instead been a loan to that Group Company.
- (m) arising in the ordinary course of trading with suppliers of goods with a maximum duration of one hundred and twenty (120) days or under guarantees of such debt made for the benefit of such suppliers;
- (n) incurred in the ordinary course of business by any Group Company under any pension and tax liabilities;
- (o) of any person acquired by a Group Company after the First Issue Date which has been incurred under arrangements in existence at the date of acquisition, but not incurred, increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six (6) months following the date of the acquisition ("**Acquired Debt**"), provided that to the extent any amount of the Acquired Debt is in excess of any available and undrawn commitment under the Super Senior Facility (such amount to remain available under the Super Senior Facility until the Acquired Debt has been cancelled and repaid in full), the Incurrence Test is met (calculated on a pro forma basis including the excess amount) at the date of completion of the relevant acquisition in respect of such excess amount;
- (p) incurred pursuant to any finance lease, to the extent the arrangement is treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date up to a maximum individually or in the aggregate amount of SEK 10,000,000; and

- (q) if not permitted by any of paragraphs (a) to (p) above which does not in aggregate at any time exceed SEK 20,000,000.

“**Permitted Distribution Amount**” means fifty (50) per cent. of the consolidated net profit (defined as profit / loss) as it appears on the Group’s income statement (prepared in accordance with the Accounting Principles) for the previous financial year.

“**Permitted Security**” means:

- (a) up until the Completion Date, any Security provided in respect of the KFS Financing and the Existing Facility;
- (b) any Security created under the Security Documents (subject to any restrictions set out in Clause 13.3 (*Market Loans*) or Clause 13.4 (*Financial Indebtedness*), including any Security and/or guarantees granted for new Financial Indebtedness incurred under item (d) of the definition of Permitted Debt, provided that such Security and/or guarantee are granted to the Secured Parties (including the new provider of Financial Indebtedness) on a *pro rata* basis and the new creditor accedes to the Intercreditor Agreement *pari passu* with the Noteholders as further set out in the Intercreditor Agreement);
- (c) any Security provided in respect of the Super Senior Facility and the Super Senior Hedges;
- (d) any right of netting or set off over credit balances on bank accounts arising in the ordinary course of banking arrangements of the Group;
- (e) any payment or close out netting or set-off arrangement pursuant to any hedging transaction other than the Super Senior Hedges entered into by a Group Company for the purpose of:
- (i) hedging any risk to which any Group Company is exposed in its ordinary course of trading; or
- (ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only, excluding, in each case, any Security under a credit support arrangement in relation to a hedging transaction (for the avoidance of doubt, other than a Super Senior Hedge);
- (f) any lien arising by operation of law and in the ordinary course of trading;
- (g) any Security over any escrow account for the purpose of securing indemnity and warranty claims of a purchaser in connection with a disposal of assets not prohibited under these Terms and Conditions;
- (h) any Security over any rental deposits in respect of real estate leased or licensed to a Group Company;
- (i) any Security over or affecting any asset acquired by a Group Company after the First Issue Date if:

- (i) the Security was not created in contemplation of the acquisition of that asset by a Group Company;
 - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a Group Company; and
 - (iii) the Security is removed or discharged within six (6) months of the date of acquisition of such asset;
- (j) any Security over or affecting any asset of any company which becomes a Group Company after the First Issue Date, where the Security is created prior to the date on which that company becomes a Group Company, if:
- (i) the Security was not created in contemplation of the acquisition of that company;
 - (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
 - (iii) the Security is removed or discharged within six (6) months of that company becoming a Group Company;
- (k) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements relating to prepayments or any other arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (l) any Security over assets leased by the Group if such leases constitute Permitted Debt;
- (m) any Security created for purposes of securing obligations to the CSD;
- (n) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a Refinancing are intended to be received (provided that only proceeds from the Refinancing shall stand to the credit of such account);
- (o) any Security created for the benefit of the financing providers in relation to a Refinancing, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Notes in full; and
- (p) any Security which does not in aggregate at any time secure indebtedness exceeding SEK 15,000,000,

provided that, in respect of Security provided for the Super Senior Facility and the Super Senior Hedges, the Noteholders are granted security over any such security assets in accordance with the Intercreditor Agreement.

“**Quarter Date**” has the meaning set forth in Clause 14.1 (*Definitions*).

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

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 16 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Notes*).

“**Reference Banks**” means banks reasonably selected by the Issuing Agent.

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

“**Relevant Period**” means the twelve (12) month period ending on each Quarter Date.

“**Restricted Payment**” has the meaning set forth in Clause 13.1.1.

“**Secured Debt**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Secured Obligations**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Secured Parties**” shall have the meaning ascribed to it in the Intercreditor Agreement.

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

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

“**Security Agent**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Security Documents**” means the following documents:

- (a) each share pledge agreement pursuant to which Security is created over the shares in a Material Subsidiary; and
- (b) any other documents pursuant to which Transaction Security is provided.

“**Senior Debt**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Special Mandatory Redemption**” has the meaning set forth in Clause 5.4.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or

- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subsequent Notes**” means any Notes issued after the First Issue Date on one or more occasions in accordance with Clause 2.4.

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

“**Super Senior Creditors**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Super Senior Facility**” means the Original Super Senior Facility (including any fees, underwriting discount premiums and other costs and expenses incurred with such financing) in an aggregate principal amount not at any time exceeding the higher of SEK 120,000,000 and 0.5x EBITDA of the Group pursuant to the most recently delivered audited annual report, and any general corporate and working capital facilities used to refinance the Original Super Senior Facility or any refinancing of such debt in accordance with the Intercreditor Agreement, for the avoidance of doubt such refinancing not to exceed the aforementioned amount.

“**Super Senior Facility Documents**” shall have the meaning ascribed to it in the Intercreditor Agreement.

“**Super Senior Hedges**” means any and all currency or interest swaps and/or interest cap and/or hedging agreements entered into or to be entered into by the Issuer with the Hedge Counterparty.

“**Super Senior Representative**” shall have the meaning ascribed to it in the Intercreditor Agreement.

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

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other Group Company in connection with (i) the issuance of the Notes and (ii) the listing of the Notes.

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

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

1.2 Construction

- 1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (a) “**assets**” includes present and future properties, revenues and rights of every description;
 - (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (d) a provision of law 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 Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). 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 Sweden promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 These Terms and Conditions are entered into subject to the Intecreditor Agreement and in the event of any inconsistency between these Terms and Conditions and the Intecreditor Agreement, the Intecreditor Agreement shall prevail.

2. STATUS OF THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Initial Note is SEK 1,000,000 (the “**Nominal Amount**”). The maximum aggregate nominal amount of the Initial Notes as at the First Issue Date is SEK 400,000,000. All Initial Notes are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.

- 2.4 The Issuer may, on one or several occasions, issue Subsequent Notes provided that the Financial Indebtedness under such Subsequent Notes constitutes Permitted Debt (for the avoidance of doubt, including that it shall meet the Incurrence Test). Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 600,000,000 unless a consent from the Noteholders is obtained in accordance with Clause 17.7. Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 9.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, general, unconditional and secured obligations of the Issuer and shall at all times rank (i) behind the Super Senior Facility and the Super Senior Hedges pursuant to the terms of the Intercreditor Agreement, (ii) *pari passu* without any preference among them, and (iii) at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory law and except as otherwise provided in the Finance Documents.
- 2.6 Following a Payment Block Event and for as long as it is continuing, no repayments, payments of Interest, repurchase of Notes or any other payments may be made by the Issuer or a Guarantor to the Noteholders under or in relation to the Notes or a Guarantee (notwithstanding any other provisions to the contrary in these Terms and Conditions) other than in accordance with the Intercreditor Agreement. For the avoidance of doubt, the failure by the Issuer or a Guarantor to timely make any payments due under the Notes or a Guarantee shall constitute an Event of Default and the unpaid amount shall carry default interest pursuant to Clause 9.4. If and when the Payment Block Event ceases to exist, the Issuer and/or the Guarantor shall, for the avoidance of doubt, immediately make the payments and/or repurchases they should have done in relation to the Notes or a Guarantee should the Payment Block Event not have occurred (together with the default interest referred to above).
- 2.7 In case of insolvency of the Issuer, the payment obligations of the Issuer under the Notes are subordinated to other payment obligations of the Issuer under the Super Senior Facility and the Super Senior Hedges pursuant to the Intercreditor Agreement.
- 2.8 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.9 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required, and as such the Notes have not been and will not be registered, and may be restricted, in United States, Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Notes may be restricted by law. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. USE OF PROCEEDS

- 3.1 The Net Proceeds from the Initial Notes shall initially be deposited in the Escrow Account.
- 3.2 Upon release from the Escrow Account, the amount standing to the credit of the Escrow Account shall be applied by the Issuer towards (i) *first*, refinancing in full of the KFS Financing on the First Issue Date and (ii) *second*, general corporate purposes of the Group.
- 3.3 The Issuer shall use the Net Proceeds from the issue of any Subsequent Notes for general corporate purposes of the Group.
- 3.4 Notwithstanding Clauses 3.1 and 3.2, the Net Proceeds deposited in the Escrow Account shall in the case of a Conditions Precedent Failure be applied by the Agent in accordance with Clause 5.4.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuing Agent shall pay the Net Proceeds from the issuance of the Initial Notes into the Escrow Account on the later of (i) the First Issue Date and (ii) the date on which the Agent notifies the Issuing Agent that it has received the following:
- (a) copies of the constitutional documents of the Issuer;
 - (b) copies of necessary corporate resolutions (including authorisations) from the Issuer;
 - (c) a duly executed copy of these Terms and Conditions;
 - (d) a duly executed copy of the Agency Agreement;
 - (e) a duly executed Escrow Account Pledge Agreement and evidence (in the form of a signed acknowledgement) that the security interests thereunder have been duly perfected in accordance with the terms thereof; and
 - (f) a duly executed affiliation agreement made between the Issuer and the CSD and evidence that the Initial Notes will be registered with the CSD.
- 4.2 The Agent does not review the documents and evidence referred to in Clause 4.1 from a legal or commercial perspective of the Noteholders. The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 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.
- 4.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 have been satisfied.

5. ESCROW OF PROCEEDS

- 5.1 The funds standing to the credit on the Escrow Account will be blocked and pledged by the Issuer in favour of the Noteholders under the Escrow Account Pledge Agreement.
- 5.2 Provided that no Event of Default is continuing and upon the Issuer providing the following to the Agent or the Agent waiving any such requirement (provided that the Agent is satisfied that such waiver is not detrimental to the interests of the Noteholders),

the Agent shall immediately instruct the Escrow Bank to promptly transfer the funds standing to the credit of the Escrow Account in accordance with the KFS Financing Repayment Instructions and, as regards any remaining amounts after the KFS Financing has been repaid in full, the instructions of the Issuer (as approved by the Agent), and in conjunction therewith release the Security over the Escrow Account:

- (a) a duly executed copy of the Original Super Senior Facility;
 - (b) a duly executed copy of the Intercreditor Agreement;
 - (c) a duly executed copy of the Guarantee Agreement;
 - (d) the Security Documents duly executed by the parties thereto and evidence that the security interests thereunder have been, or will be, duly perfected in accordance with the terms of the relevant Security Document;
 - (e) any other Finance Documents duly executed by the parties thereto;
 - (f) copies of constitutional documents of each Guarantor;
 - (g) copies of necessary corporate resolutions (including authorisations) from each Guarantor;
 - (h) the KFS Financing Repayment Instructions;
 - (i) evidence that the Existing Facility will be cancelled on the Completion Date and that the Security and guarantees in respect of the Existing Facility have been, or will be, discharged upon such cancellation, including a duly executed release notice from the creditor under the Existing Facility;
 - (j) a funds flow statement;
 - (k) a certificate (in form and substance satisfactory to the Agent) from the Issuer certifying that so far as the Issuer is aware no Event of Default is continuing; and
 - (l) such other documents and information as is agreed between the Agent and the Issuer.
- 5.3 The Agent does not review the documents and evidence referred to in Clause 5.2 from a legal or commercial perspective of the Noteholders. The Agent may assume that the documentation delivered to it pursuant to Clause 5.2 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.
- 5.4 If the conditions precedent set out in Clause 5.2 have not been fulfilled to the satisfaction of the Agent (acting reasonably) on or before thirty (30) calendar days after the First Issue Date (a “**Conditions Precedent Failure**”) the Issuer shall redeem all, but not some only, of the outstanding Notes in full at a price equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid interest (a “**Special Mandatory Redemption**”). The Agent may fund a Special Mandatory Redemption with the amounts standing to the credit of the Escrow Account.
- 5.5 A Special Mandatory Redemption shall be made by the Issuer giving notice to the Noteholders and the Agent promptly following the date when the Special Mandatory

Redemption is triggered pursuant to Clause 5.4. The Issuer is bound to redeem the Notes in full at the applicable amount on a date specified in the notice from the Issuer, such date to fall no later than ten (10) Business Days after the effective date of the notice.

- 5.6 The Agent shall confirm to the Issuing Agent when the conditions set out in Clause 5.2 have been satisfied.

6. NOTES IN BOOK-ENTRY FORM

- 6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

- 6.4 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 kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 and 6.4 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 Noteholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 7.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.

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

- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force

and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

8. PAYMENTS IN RESPECT OF THE NOTES

- 8.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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.
- 8.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Note Issue, but not in respect of trading in the secondary market (except to the extent required by law).
- 8.6 All amounts payable by the Issuer to the Noteholders shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or any authority thereof or therein unless such withholding or deduction is required by law or regulation or the interpretation or application of such laws or regulations. If such withholding or deduction is required, the Issuer will at the request of the relevant Noteholder pay such additional amounts (the "Additional Amounts") as are necessary in order that the net amount received by the relevant Noteholder, after such withholding or deduction, shall be equal to the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.
- 8.7 Notwithstanding Clause 8.6, no Additional Amounts shall be payable on account of any taxes or duties which:
- (a) are payable by reason of any relevant person having, or having had, some connection with Sweden other than the mere holding of the Note(s);
 - (b) would not be payable if a relevant person made a declaration of non-residence or similar claim for exemption to the relevant tax authority;

- (c) would not be payable if a relevant person could claim an exemption under a tax treaty;
- (d) are withheld or deducted pursuant to any European Union Directive or Regulation concerning the taxation of interest income or any provision of law implementing or complying with such Directive or Regulation; or
- (e) gives rise to a tax credit that may be effectively used by a relevant person.

9. INTEREST

- 9.1 Each Initial Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 9.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made quarterly in arrears to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 9.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.
- 9.5 Pursuant to the terms of the Intercreditor Agreement, following the occurrence of a Payment Block Event and for as long as it is continuing, no payment of Interest or principal in respect of the Notes shall be made to the Noteholders. For the avoidance of doubt, the Notes will carry default interest pursuant to Clause 9.4 during such period.

10. REDEMPTION AND REPURCHASE OF THE NOTES

10.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

10.2 Purchase of Notes by the Issuer

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

10.3 Voluntary total redemption (call option)

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

- (a) any time from and including the First Call Date to, but excluding, the first Business Day falling twenty-four (24) months after the First Issue Date at an amount per Note equal to 103.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (b) any time from and including the first Business Day falling twenty-four (24) months after the First Issue Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date at an amount per Note equal to 101.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling thirty (30) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100.75 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (d) notwithstanding paragraph (c) above, provided that the redemption is financed in full by way of one or several Market Loan issues, at any time from and including the first Business Day falling three (3) months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

10.3.2 For the avoidance of doubt, the Issuer may not redeem any outstanding Notes prior to the First Call Date.

10.3.3 Redemption in accordance with Clause 10.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice and not more than thirty (30) Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

10.4 Early redemption due to illegality and repurchase due to a tax event (call option)

10.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to 100 per cent of 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.

10.4.2 The Issuer may repurchase the relevant Notes if, as a result of any change in, or amendment to, laws or regulations in Sweden, which amendment or change is effective on or after the First Issue Date, the Issuer has or will become required to pay any Additional Amount in relation to such Notes and this obligation cannot be avoided by reasonable measures available to the Issuer. Each such affected Note shall be repurchased at an amount equal to 100 per cent of the Nominal Amount together with accrued but unpaid Interest.

- 10.4.3 The applicability of Clause 10.4.1 or 10.4.2 shall be supported by a legal opinion issued by a reputable law firm.
- 10.4.4 The Issuer may give notice of redemption pursuant to Clause 10.4.1 and repurchase pursuant to Clause 10.4.2 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). 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 Notcholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem, or repurchase (in which case each relevant Notcholder is bound to sell), as the case may be, the Notes in full at the applicable amount on the specified Redemption Date.
- 10.5 **Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)**
- 10.5.1 Upon the occurrence of a Change of Control Event, each Notcholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event pursuant to Clause 12.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- 10.5.2 Upon the occurrence of a Listing Failure Event, each Notcholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Listing Failure Event pursuant to Clause 12.1.2 (after which time period such right shall lapse) have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- 10.5.3 The notice from the Issuer pursuant to Clause 12.1.2 shall specify the Record Date on which a person shall be registered as a Notcholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Notcholder needs to take if it wants Notes held by it to be repurchased. If a Notcholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 12.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 10.5.1 and 10.5.2.
- 10.5.4 If Notcholders representing more than eighty-five (85) per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 10.5, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Clause 10.5.1 or 10.5.2, send a notice to the remaining Notcholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Notcholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Notcholder needs to take if it wants Notes held by it to be repurchased. If a Notcholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 10.5.4. The Redemption

Date must fall no later than twenty (20) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause 10.5.4.

- 10.5.5 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.5, the Issuer may comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.5 by virtue of the conflict.
- 10.5.6 Any Notes repurchased by the Issuer pursuant to this Clause 10.5 may at the Issuer's discretion be retained, sold or cancelled.
- 10.5.7 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 10.5, if a third party in connection with the occurrence of a Change of Control Event or a Listing Failure Event offers to purchase the Notes in the manner and on the terms set out in this Clause 10.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased within the time limits stipulated in this Clause 10.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 10.5.8 No repurchase of Notes pursuant to this Clause 10.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 10.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

10.6 Restrictions on repurchase or redemption upon a Payment Block Event

No repurchases or redemption of Notes may be made by the Issuer or any Group Company for as long as a Payment Block Event is continuing. For the avoidance of doubt, the failure by the Issuer to timely repurchase or redeem the Notes shall constitute an Event of Default and the unpaid amount shall carry default interest pursuant to Clause 9.4 during such period.

11. TRANSACTION SECURITY AND GUARANTEES

- 11.1 Subject to the Intercreditor Agreement and applicable limitation language, as continuing Security for the due and punctual fulfilment of the Secured Obligations, pledges over all shares in each Material Subsidiary are granted as Transaction Security to the Secured Parties (represented by the Security Agent) under the Security Documents.
- 11.2 The Issuer shall procure that all shares in each Guarantor are pledged to the Secured Parties as continuing Security for the due and punctual fulfilment of the Secured Obligations, immediately upon the Guarantor acceding to the Guarantor Agreement and the Intercreditor Agreement.
- 11.3 Subject to the Intercreditor Agreement and applicable limitation language, each Guarantor irrevocably and unconditionally, as principal obligor (*propreiborgen*), guarantees to the Secured Parties the punctual performance by the Issuer of the Secured Obligations in accordance with and subject to the Guarantee Agreement.
- 11.4 Each Subsidiary which is a guarantor under the Super Senior Facility shall be a Guarantor. In addition, the Issuer shall procure that any further Subsidiary of the Issuer that becomes a guarantor under the Super Senior Facility shall simultaneously of becoming a guarantor thereunder accede to the Guarantee Agreement and the Intercreditor Agreement as a Guarantor.

- 11.5 The Issuer shall procure that any Subsidiary accedes to the Guarantee Agreement and the Intercreditor Agreement as a Guarantor no later than ninety (90) days from the day that the Subsidiary meets the requirements for being a Material Subsidiary pursuant to these Terms and Conditions.
- 11.6 Provided that the Super Senior Representative has given its prior written consent, any Subsidiary of the Issuer may, upon request of the Issuer, accede to the Guarantee Agreement and the Intercreditor Agreement as a Guarantor.
- 11.7 Subject to the terms of the Intercreditor Agreement, unless and until the Agent has received instructions from the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security or any Guarantee, creating further Security or Guarantees for the benefit of the Secured Parties or for the purpose of settling the Noteholders' or the Issuer's rights to the Transaction Security or the Guarantees, in each case in accordance with the terms of the Finance Documents, and provided that such actions or agreements are not detrimental to the interests of the Noteholders.
- 11.8 For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD and from which payments under the Notes are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 11.8.
- 11.9 The Security Agent may at any time release Transaction Security and Guarantees in accordance with the terms of the Security Documents, the Guarantee Agreement and the Intercreditor Agreement. Any Transaction Security or Guarantee will always be released *pro rata* between the Secured Parties and the remaining Transaction Security and Guarantees will continue to rank between them as set forth in the Intercreditor Agreement.
- 11.10 Upon an enforcement of the Transaction Security and/or Guarantees, the proceeds shall be distributed in accordance with the Intercreditor Agreement.

12. INFORMATION TO NOTEHOLDERS

12.1 Information from the Issuer

- 12.1.1 The Issuer shall make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same becomes available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year prepared in accordance with the Accounting Principles;
 - (b) as soon as the same becomes available, but in any event within two (2) months after each Quarter Date, the quarterly unaudited consolidated reports or, as applicable and at the frequency required by the applicable provisions of the Nasdaq Stockholm rulebook for issuers from time to time, the year-end report

(*bokslutskommuniké*) of the Group (the first report covering the period ending on 28 February 2018), prepared in accordance with the Accounting Principles; and

- (c) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.
- 12.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a Listing Failure Event or a Payment Block Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event. The Issuer shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware that a Payment Block Event no longer exists.
- 12.1.3 In connection with the publication of the on the website of the Issuer of the financial statements in accordance with Clause 12.1.1(a)-(b), the Issuer shall submit to the Agent a Compliance Certificate (i) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it), (ii) attaching copies of any notices sent to the Regulated Market on which the Note Loan is admitted to trading, and (iii) containing information about acquisitions or disposals, if any, of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer.
- 12.1.4 The Issuer shall in connection with:
- (a) any Financial Indebtedness incurred under the Incurrence Test; and
 - (b) any Restricted Payment made pursuant to paragraph (b) of Clause 13.1.3,
- submit to the Agent a Compliance Certificate containing details of the Financial Indebtedness incurred or the Restricted Payment made (as applicable) evidencing compliance with the Incurrence Test (and including calculations and figures in respect thereof).
- 12.2 Information from the Agent**
- 12.2.1 The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 12.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

12.3 Information among the Noteholders

Upon request by a Noteholder, but subject to applicable laws and regulations, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder 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.

12.4 Publication of Finance Documents

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

12.4.2 The latest versions of the Intercreditor Agreement, the Security Documents and all other Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

13. GENERAL UNDERTAKINGS

13.1 Restricted Payments

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

- (a) pay any dividends on shares;
- (b) repurchase any of its own shares,
- (c) redeem its share capital or other restricted equity (*bundet eget kapital*) with repayment to shareholders;
- (d) repay principal or pay interest under any loans from shareholders or Affiliates; or
- (e) make other similar distributions or transfers of value (*värdeöverföringar*) within the meaning of the Swedish Companies Act to its shareholders or Affiliates.

Events listed in paragraphs (a) – (e) above are together and individually referred to as a “**Restricted Payment**”.

13.1.2 Notwithstanding Clause 13.1.1 but subject to Clause 13.5 (*Cash transfer restriction*) and the Intercreditor Agreement, any Restricted Payment can be made if it is made:

- (a) to the Issuer or a Guarantor (on a *pro rata* basis if such Guarantor is not directly or indirectly wholly-owned by the Issuer);
- (b) as a group contribution (*koncernbidrag*) to (i) the Issuer or a Guarantor or between Guarantors, provided that no cash is transferred or (ii) a Group Company (other than the Issuer) that is not a Guarantor, provided that no cash is transferred and that the Group Company receiving the group contribution makes a shareholder’s contribution in the same amount, and simultaneously with the group contribution, to the grantor of the group contribution; or
- (c) by a Group Company that is not a Guarantor, to any Subsidiary of the Issuer (on a *pro rata* basis if to a Subsidiary that is not directly or indirectly wholly-owned by the Issuer).

13.1.3 Notwithstanding Clause 13.1.1, a Restricted Payment may be made by the Issuer, if at the time of the Restricted Payment:

- (a) no Event of Default is continuing or would result from such Restricted Payment;
- (b) the Issuer successfully meets the requirements of the Incurrence Test (for the avoidance of doubt, on a *pro forma* basis taking into account such Restricted Payment); and
- (c) the amount of the Restricted Payment does not exceed the Permitted Distribution Amount,

provided that any such paid out Permitted Distribution Amount shall decrease the Permitted Distribution Amount accordingly.

13.2 Changes of business

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on as of the First Issue Date.

13.3 Market Loans

13.3.1 Other than in the form of Subsequent Notes, the Issuer shall not, and shall procure that no other Group Companies:

- (a) issue any Market Loans with scheduled or intended redemption, in full or in part, before the Final Maturity Date; or
- (b) create or permit to subsist any Security (including guarantees) in respect of Market Loans.

13.3.2 The Issuer shall procure that no other Group Company issues any Market Loan.

13.4 Financial Indebtedness

The Issuer shall not, and shall procure that none of the other Group Companies shall, incur any new, or maintain or prolong any existing, Financial Indebtedness, provided however that the Group Companies have a right to incur, maintain and prolong any Financial Indebtedness which constitutes Permitted Debt.

13.5 Cash transfer restriction

The Issuer shall procure that no cash or cash equivalent assets are transferred from any Group Company to the Issuer unless such transfer is made for the purpose of satisfying an obligation of the Issuer or making a Restricted Payment which is due within four (4) months from such transfer.

13.6 Clean down period

The Issuer shall procure that during each calendar year, there shall be a period of five (5) consecutive days during which the amount outstanding (excluding any guarantee facilities) under the Super Senior Facility, less cash of the Group, amounts to zero (0) or less. Not less than six (6) months shall elapse between two such periods.

13.7 Disposal of assets

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of any business, assets, operations or shares in Subsidiaries other than disposals (in no event being disposals of shares in a Material Subsidiary):

- (a) between the Issuer and any Guarantor or between Guarantors;
- (b) between Group Companies (other than the Issuer) that are not Guarantors;
- (c) from a Group Company (other than the Issuer) that is not a Guarantor to the Issuer or a Guarantor, provided that such transaction is on arm's length, or more favourable, terms for the Guarantor or the Issuer (as applicable);
- (d) from the Issuer or a Guarantor to a Group Company (other than the Issuer) that is not a Guarantor, provided that such transaction is on arm's length terms and the aggregate amount for any such disposal for the Group taken as whole does not exceed SEK 10,000,000 in aggregate during the period from the First Issue Date to the Final Maturity Date;
- (e) for cash, in the ordinary course of trading of the disposing entity;
- (f) of obsolete and redundant assets;
- (g) in exchange for other assets comparable or superior as to type, value and quality; or
- (h) of any business, assets or shares in Subsidiaries not otherwise permitted by paragraphs (a) – (g) above, provided that the aggregate fair market value of the assets subject to such disposals shall not exceed five (5) per cent. of the gross assets or EBITDA of the Group in any calendar year,

provided that it does not have a Material Adverse Effect and that the disposal is made subject to the terms of the Intercreditor Agreement, and, in respect of paragraph (e) – (h) above, that the transaction is carried out at fair market value and on arm's length terms. The Issuer shall upon request by the Agent, provide the Agent with any information relating to any disposal made pursuant to paragraph (h) above which the Agent deems necessary (acting reasonably).

13.8 Negative pledge

The Issuer shall not, and shall procure that none of the other Group Companies, create or allow to subsist, retain, provide, extend or renew any guarantee or Security over any of its/their assets (present or future) to secure any Financial Indebtedness, provided however that each of the Group Companies has a right to create or allow to subsist, retain, provide, extend and renew any Permitted Security.

13.9 Admission to trading of Notes

- 13.9.1 The Issuer shall (a) use its best efforts to ensure that the Initial Notes are listed on the Regulated Market of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, in each case within thirty (30) calendar days after the First Issue Date, (b) ensure that the Initial Notes (and any Subsequent Notes (as applicable)), once admitted to trading on the corporate note list of

Nasdaq Stockholm (or any other Regulated Market, as applicable), continue being listed thereon but no longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of Nasdaq Stockholm (or any other Regulated Market) and the CSD, subsist, and (c) ensure that, upon any Subsequent Notes issue, the volume of Notes listed on the corporate note list of Nasdaq Stockholm (or any other Regulated Market, as applicable) promptly is increased accordingly.

13.10 ***Pari Passu* ranking**

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

13.11 **Intellectual property**

The Issuer shall (and shall ensure that all other Group Companies) (a) preserve and maintain all intellectual property material to conduct the business of the Group, (b) use reasonable endeavours to prevent infringement in any material respect of any intellectual property, and (c) take all measures to ensure that intellectual property remains valid and in full force and effect.

13.12 **Compliance with laws**

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

13.13 **Undertakings relating to the Agency Agreement**

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

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

13.13.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders (provided that any reasonable change in fees payable to the Agent shall not be considered detrimental to the interests of the Noteholders).

13.14 **CSD related undertakings**

The Issuer shall keep the Notes affiliated with a CSD and comply with all applicable CSD Regulations.

14. **INCURRENCE TEST**

14.1 **Definitions**

For the purpose of this Clause 14, the following terms shall have the meaning set out below.

“**EBITDA**” means, for the Relevant Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Interest Payable;
- (c) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of a business or entity;
- (d) before taking into account any restructuring costs up to an amount equal to ten (10) per cent. of EBITDA, provided that such costs have been certified, based on reasonable assumptions, by the chief financial officer of the Group;
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) plus or minus the Group’s share of the profits or losses of entities which are not part of the Group;
- (i) minus any gain arising from any purchase of Notes by a Group Company;
- (j) after adding any amounts claimed under loss of profit, business interruption or equivalent insurance; and
- (k) after adding back any amount attributable to the amortization, depreciation or depletion of assets (including any amortisation or impairment of any goodwill arising on any acquisition).

“**Interest Cover Ratio**” means the ratio of EBITDA to Net Interest Payable, calculated in accordance with Clause 14.4 (*Calculation of Interest Cover Ratio*).

“**Leverage Ratio**” means the ratio of Net Debt to EBITDA, calculated in accordance with Clause 14.3 (*Calculation of Leverage Ratio*).

“**Net Debt**” means on a Group consolidated basis (i) the aggregate amount of all interest-bearing obligations (excluding Financial Indebtedness under Notes held by the Issuer) (including financial lease obligations which according to the Accounting Principles shall be treated as debt, however not including current or future leases, which as of the date hereof are considered as not being financial leases) less (ii) freely available cash in hand or at a bank and short-term, highly liquid investments that are immediately convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

“**Net Interest Payable**” means for any twelve (12) month period ending on the last day of the period covered by the financial statements as of the most recent Quarter Date, calculated in accordance with the Accounting Principles, the aggregate of all financial expenses for the Group (not including interest on Notes held by the Issuer):

- (a) minus all financial income (whether or not paid); and
- (b) taking no account of any unrealised gains or losses on any derivative instruments and financial instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

“**Quarter Date**” means the last day of each quarter of the Issuer’s financial year.

14.2 Incurrence Test

The Incurrence Test is met if:

- (a) the Interest Coverage Ratio (adjusted in accordance with Clause 14.5 (*Calculation Adjustments*)) is equal to or greater than 3.00:1 for the relevant test period; and
- (b) the Leverage Ratio (adjusted in accordance with Clause 14.5 (*Calculation Adjustments*)) does not exceed:
 - (i) 3.50:1 for the period from and including the First Issue Date to and including 31 December 2018;
 - (ii) 3.25:1 for the period from and including 1 January 2019 to and including 31 December 2019;
 - (iii) 3.00:1 for the period from and including 1 January 2020 to and including 31 December 2020; and
 - (iv) 2.75:1 for the period from and including 1 January 2021 to and including the Final Maturity Date,
 for the relevant test period.

14.3 Calculation of Leverage Ratio

The Leverage Ratio shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than:

- (i) one (1) month prior to the incurrence of the new Financial Indebtedness; or
 - (ii) two (2) months prior to the payment of the relevant Restricted Payment; and
- (b) the amount of Net Debt shall be measured on the relevant testing date so determined, but include (i) the new Financial Indebtedness for which the Leverage Ratio is tested (but exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred), and (ii) be increased by any Restricted Payment or Permitted Debt for which the Leverage Ratio is tested, (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Debt).
- 14.4 Calculation of Interest Cover Ratio**
- 14.4.1 The calculation of Interest Cover Ratio shall be made for a twelve (12) month period ending on the last day of the period covered by the financial statements as of the most recent Quarter Date for which financial statements have been published.
- 14.4.2 For the purpose of the Interest Cover Ratio being tested during the first year after the Completion Date, the ratio shall be calculated by reference to the period beginning with the Completion Date.
- 14.5 Calculation Adjustments**
- 14.5.1 The figures for EBITDA set out in the financial statements as of the most recent Quarter Date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that:
- (a) entities acquired or disposed (i) during a test period or (ii) after the end of the test period but before the relevant testing date, will be included or excluded (as applicable) *pro forma* for the entire test period (for the avoidance of doubt, EBITDA of any acquired entity shall be calculated in accordance with the definition of EBITDA); and
 - (b) the *pro forma* calculation of EBITDA takes into account net cost savings and other cost reduction synergies, which has been certified, based on reasonable assumptions, by the chief financial officer of the Group, in any financial year in aggregate not exceeding ten (10) per cent. of EBITDA of the Group (including all acquisitions made during the relevant financial year), as the case may be, realisable for the Group within twelve (12) months from the acquisition as a result of acquisitions of entities referred to in paragraph (a) above.
- 14.5.2 The figures for Net Interest Payable set out in the financial statements as of the most recent Quarter Date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Net Interest Payable for such period shall be:
- (a) reduced by an amount equal to the Net Interest Payable directly attributable to any Financial Indebtedness of the Issuer or of any other Group Company repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Group Companies with the proceeds from disposals of entities referred to in Clause 14.5.1(a) (or, if the Financial Indebtedness is owed by a Group

Company that is sold, the Net Interest Payable for such period directly attributable to the Financial Indebtedness of such Group Company to the extent the Issuer and the continuing Group Companies are no longer liable for such Financial Indebtedness after such sale);

- (b) increased on a *pro forma* basis by an amount equal to the Net Interest Payable directly attributable to (i) any Financial Indebtedness owed by acquired entities referred to in 14.5.1(a), if the Acquired Debt is to be tested under the Incurrence Test pursuant to paragraph (o) of the definition of "Permitted Debt" and (ii) any Financial Indebtedness incurred to finance the acquisition of such entities (however, excluding utilisations under the Super Senior Facility made for the purpose of financing such acquisitions), in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
 - (c) increased on a *pro forma* basis by an amount equal to the Net Interest Payable directly attributable to any Financial Indebtedness incurred, calculated as if such debt had been incurred at the beginning of the relevant test period.
- 14.5.3 Any lease entered into by a Group Company which would have been classified as an operating lease for accounting purposes under the Accounting Principles as at the First Issue Date shall for the purposes of calculating the Incurrence Test continue to be treated as an operating lease in accordance with such Accounting Principles.

15. ACCELERATION OF THE NOTES

- 15.1 Subject to the Intercreditor Agreement, the Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 15.5, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:
- (a) the Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay (i) is caused by technical or administrative error, and (ii) is remedied within five (5) Business Days from the due date;
 - (b) the Issuer or any Guarantor fails to comply with or in any other way acts in violation of the Finance Documents to which it is a party, in any other way than as set out in paragraph (a) above, unless the non-compliance (i) is capable of remedy, and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
 - (c) it becomes impossible or unlawful for the Issuer or any Guarantor to fulfil or perform any of the provisions of the Finance Documents or the Security created or expressed to be created thereby is varied (other than in accordance with the provisions of the Finance Documents) or ceases to be effective and such invalidity,

ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Noteholders;

- (d)
- (i) any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
 - (ii) any commitment for a Financial Indebtedness of any Group Company is cancelled or suspended by a creditor as a result of an event of default however described,

provided however that the amount of Financial Indebtedness referred to under items (i) to (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 20,000,000;

- (e)
- (i) the Issuer or any Material Subsidiary is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions or otherwise under the Secured Debt) with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of the Issuer or any Material Subsidiary;
- (f) any corporate action, legal proceedings or other procedures are taken (other than (A) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (B), in relation to the Issuer's Subsidiaries (other than any Material Subsidiary), solvent liquidations) in relation to:
- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (*företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer or any Material Subsidiary;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any Material Subsidiary or any of its assets; or
 - (iii) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer or any Material Subsidiary;
- (g) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer or any Material Subsidiary having an aggregate value equal to or exceeding SEK 20,000,000 and is not discharged within thirty (30) calendar days; or

- (h) a decision is made that:
 - (i) any Group Company (other than the Issuer) shall be merged or demerged with a company which is not a Group Company, unless (A) if such Group Company is the surviving entity, it is not a Material Subsidiary and such merger or demerger does not have a Material Adverse Effect or (B) if such Group Company is not the surviving entity, such merger or demerger would have been allowed pursuant to Clause 13.7 (*Disposal of assets*); or
 - (ii) the Issuer or a Material Subsidiary shall be merged with any other person, or is subject to a demerger, unless the Issuer or the Material Subsidiary (as applicable) is the surviving entity and that it does not have a Material Adverse Effect; or
 - (i) the Issuer or any Material Subsidiary ceases to carry on its business (except if due to a permitted disposal as stipulated in Clause 13.7 (*Disposal of assets*)).
- 15.2 The Agent may not accelerate the Notes in accordance with Clause 15.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 15.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 15.4 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing and subject to the Intercreditor Agreement, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default, subject to the Intercreditor Agreement.
- 15.5 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall, provided that the provisions of the Intercreditor Agreement have been complied with, promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 15.6 If the right to accelerate the Notes 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 law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

15.7 In the event of an acceleration of the Notes in accordance with this Clause 15, the Issuer shall redeem all Notes at an amount:

- (a) if the acceleration occurs prior to the First Call Date, equal to 104.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest; or
- (b) if the acceleration occurs on or after the First Call Date, equal to the redemption amount specified under Clause 10.3 (*Voluntary total redemption (call option)*), as applicable considering when the acceleration occurs.

16. DISTRIBUTION OF PROCEEDS

16.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 15 (*Acceleration of the Notes*) and any proceeds received from an enforcement of the Transaction Security and/or the Guarantees shall be distributed in the following order of priority, in accordance with the instructions of the Agent and subject to the Intercreditor Agreement:

- (a) *firstly*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Security Agent;
- (b) *secondly*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Issuing Agent, the Super Senior Representative and the Agent;
- (c) *thirdly*, towards payment *pro rata* of accrued interest unpaid under the Super Senior Facility;
- (d) *fourthly*, towards payment *pro rata* of principal under the Super Senior Facility Documents and any other costs or outstanding amounts under the Super Senior Facility Documents;
- (e) *fifthly*, any close out amount and any other outstanding amounts under the Super Senior Hedges;
- (f) *sixthly*, towards payment *pro rata* of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (g) *seventhly*, towards payment *pro rata* of principal under the Senior Debt;
- (h) *eighthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions and any New Debt Documents;
- (i) *ninthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Intercompany Debt; and
- (j) *tenthly*, after the Final Discharge Date, in payment of the surplus (if any) to the relevant ICA Group Company or other person entitled to it.

16.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1(a).

- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security and/or the Guarantees shall constitute escrow funds (*redovisningsmedel*) and must promptly be turned over to the Security Agent to be applied in accordance with the Intercreditor Agreement.
- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.
- 17. DECISIONS BY NOTEHOLDERS**
- 17.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 17.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 17.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws or regulations.
- 17.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuing Agent shall upon request provide the convening Noteholder(s) with the information available in the debt register (*skuldbok*) kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 17.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 18.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 19.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 18.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent

is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the notice or the communication.

- 17.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 18.2, in respect of a Noteholders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 19.2, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

- 17.7 The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds (66⅔) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2:
- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 600,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
 - (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.9;
 - (c) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 10 (*Redemption and repurchase of the Notes*);
 - (d) a change to the Interest Rate or the Nominal Amount;
 - (e) a change to the terms for the distribution of proceeds set out in Clause 16 (*Distribution of proceeds*);
 - (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 17;
 - (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
 - (h) a release of the Transaction Security or Guarantees, except in accordance with the terms of the Finance Documents;
 - (i) a mandatory exchange of the Notes for other securities;
 - (j) a replacement of the Agent in accordance with Clause 17.5; and

- (k) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 15 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 17.8 Any matter not covered by Clause 17.7 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 20.1(a), (b) or (c)) or an acceleration of the Notes or the enforcement of any Transaction Security.
- 17.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 17.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 17.10, the date of request of the second Noteholders' Meeting pursuant to Clause 18.1 or second Written Procedure pursuant to Clause 19.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 17.9 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 17.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 17.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- 17.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 17.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.16 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 17.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 17.6(a) or 17.6(b), as the case may be, and also be 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 Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

18. NOTEHOLDERS' MEETING

- 18.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 18.2 The notice pursuant to Clause 18.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 18.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 18.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

19. WRITTEN PROCEDURE

- 19.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 19.2 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 19.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 19.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 17.7 and 17.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.7 or 17.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

20. AMENDMENTS AND WAIVERS

- 20.1 Subject to the Intercreditor Agreement, the Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Noteholders as a group;
 - (b) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (d) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*).
- 20.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 20.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 20.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 12.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- 20.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.
- 21. APPOINTMENT AND REPLACEMENT OF THE AGENT**
- 21.1 Appointment of the Agent**
- 21.1.1 By subscribing for Notes, each initial Noteholder:
- (a) appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer; and
 - (b) confirms the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matter relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee Agreement, including any legal or arbitration proceedings relating to the perfection, preservation, protection or enforcement of the Transaction Security or a Guarantee and acknowledges and agrees that the rights, obligations, role of and limitation of liability for the Security Agent is further regulated in the Intercreditor Agreement.
- 21.1.2 Pursuant to the terms of the Intercreditor Agreement, the Security Agent will represent the Secured Parties in *inter alia*, holding the Transaction Security and the Guarantees pursuant to the Security Documents and the Guarantee Agreement, and where relevant, enforcing the Security under the Escrow Account Pledge Agreement on behalf of the Secured Parties.
- 21.1.3 By acquiring Notes, each subsequent Noteholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clauses 21.1.1 and 21.1.2.
- 21.1.4 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 21.1.5 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 21.1.6 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 21.1.7 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

- 21.2 **Duties of the Agent**
- 21.2.1 The Agent will represent the Secured Parties in *inter alia*, holding the Security under the Escrow Account Pledge Agreement on behalf of the Noteholders, and where relevant, enforcing the Security under the Escrow Account Pledge Agreement on behalf of the Noteholders.
- 21.2.2 The Agent is not responsible for the content, valid execution, perfection or enforceability of the Finance Documents or the perfection of the Transaction Security.
- 21.2.3 The Agent is not obliged to actively assess or monitor (i) the financial condition of the Issuer or any Group Company, (ii) the compliance by the Issuer or a Guarantor of the Finance Documents (unless expressly set out in the Finance Documents) or (iii) whether an Event of Default (or any event that may lead to an Event of Default) has occurred or not.
- 21.2.4 The Agent only acts in accordance with the Finance Documents and upon instructions of the Noteholders, unless otherwise set out in the Finance Documents. When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 21.2.5 The Agent is entitled to delegate its duties to other professional parties without having to first obtain any consent from the Issuer or the Noteholders, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 21.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 21.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default, (iii) in a matter relating to the Issuer, the Transaction Security or the Guarantees which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents or (iv) as otherwise agreed between the Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of proceeds*).
- 21.2.8 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.
- 21.2.9 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- 21.2.10 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

- 21.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer or the Noteholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 21.2.12 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2.11.
- 21.3 Limited liability for the Agent**
- 21.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 21.3.2 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 or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent when acting in accordance with instructions of the Noteholders or a demand by Noteholders in accordance with the Finance Documents.
- 21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.
- 21.4 Replacement of the Agent**
- 21.4.1 Subject to Clause 21.4.6 and the terms of the Intercreditor Agreement, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which

the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

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

22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 22.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 22.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- 22.3 The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Finance Documents.

23. APPOINTMENT AND REPLACEMENT OF THE CSD

- 23.1 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 Notes.
- 23.2 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 Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

24. NO DIRECT ACTIONS BY NOTEHOLDERS

- 24.1 A Noteholder may not take any steps whatsoever against the Issuer or any Guarantor or with respect to the Transaction Security or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or any Guarantor in relation to any of the obligations and liabilities of the Issuer or the Guarantor (as applicable) under the Finance Documents. Such steps may only be taken by the Agent (including, as applicable, in its capacity as Security Agent).
- 24.2 Clause 24.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 21.1.4), 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 21.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.12 before a Noteholder may take any action referred to in Clause 24.1.
- 24.3 The provisions of Clause 24.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 10.5 (*Mandatory repurchase due to a Change of Control Event*) or other payments which are due by the Issuer to some but not all Noteholders.

25. PRESCRIPTION

- 25.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 25.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the

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

26. NOTICES AND PRESS RELEASES

26.1 Notices

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

- (a) if to the Agent, shall be given at the address specified on its website www.nordictrustee.se on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address specified on its website www.rnb.se on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent possible) or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

26.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1.1, or, in case of email, when received in readable form by the email recipient.

26.1.3 Any notice pursuant to the Finance Documents shall be in English.

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

26.2 Press releases

26.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 5.5, 10.3 (*Voluntary total redemption (Call option)*), 10.4 (*Early redemption due to illegality and repurchase due to a tax event (call option)*), 12.1.2, 15.3, 17.17, 18.1, 19.1 and 20.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

26.2.2 In addition to Clause 26.2.1, if any information relating to the Notes or the Group contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such

information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

27. FORCE MAJEURE AND LIMITATION OF LIABILITY

27.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, 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 Issuing Agent itself takes such measures, or is subject to such measures.

27.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

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

27.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

28. GOVERNING LAW AND JURISDICTION

28.1 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.

28.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*). The submission to the jurisdiction of the City Court of Stockholm shall however not limit the right of the Agent (or the Noteholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

RNB RETAIL AND BRANDS AB (publ)
as Issuer

Name:

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

Place:

Date:

NORDIC TRUSTEE & AGENCY AB (publ)
as Agent

Name:

SCHEDULE 1
FORM OF COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ)

From: RNB Retail and Brands AB (publ)

Date: [date]

Dear Sir/Madame,

Terms and Conditions for RNB Retail and Brands AB – up to SEK 600,000,000 senior floating rate notes (the “Terms and Conditions”)

1. We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate.
2. This compliance certificate relates to:
 Test date: [DATE]
 Test period (the “Test Period”): [PERIOD]
3. We confirm that no Event of Default has occurred. *[If this statement cannot be made, the certificate should identify any Event of Default that has occurred and the steps taken to remedy it.]*
4. We confirm that the Net Debt to EBITDA ratio (the “Leverage Ratio”) for the Test Period was [RATIO].
5. The calculation of the Leverage Ratio in item 4 above is based on the following figures:
 Net Debt: [•]
 EBITDA: [•]
6. We confirm that the EBITDA to Net Interest Payable ratio (the “Interest Cover Ratio”) for the Test Period was [RATIO].
7. The calculation of the Interest Cover Ratio in item 6 above is based on the following figures:
 EBITDA: [•]
 Net Interest Payable: [•]
8. We confirm that the Group Companies set out below are the Material Subsidiaries of the Group: *[list of Material Subsidiaries]*.

9. [We hereby confirm that we have complied with the undertaking in Clause 13.6 (*Clean down period*) of the Terms and Conditions during the previous calendar year.]¹

[Copies of our latest annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer are published on our website [address].]

[Copies of our latest quarterly interim unaudited consolidated reports of the Group are published on our website [address].]

[Find attached copies of notices sent by us to [the Regulated Market on which the Loan Note is admitted to trading] since the date of the latest Compliance Certificate submitted by us to you.]

[Information about acquisitions or disposals, if any, of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer.]

Yours faithfully,

RNB RETAIL AND BRANDS AB (publ)

Name:

Name:

¹ To be included in the first Compliance Certificate issued in each calendar year, starting from 2019.

8. ADDRESSES

Company

RNB Retail and Brands AB (publ)
Drottninggatan 33
SE-103 23 Stockholm
Sweden
+ 46 (0) 8 410 520 00
www.rnb.se

Issuing Agent

Danske Bank A/S, Danmark, Sverige Filial
Norrholmstorg 1
SE-103 92 Stockholm
Sweden
+ 46 (0) 752 48 45 42
www.danskebank.se

Central Securities Depository

Euroclear Sweden AB
Klarabergsviadukten 63
P.O. Box 191
SE-101 23 Stockholm
Sweden
+ 46 (0) 8 402 90 00
www.euroclear.eu

Agent

Nordic Trustee & Agency AB (publ)
Kungsgatan 35
P.O. Box 7329
SE-111 56 Stockholm
Sweden
+ 46 (0) 8 783 7900
www.nordictrustee.com

Legal Advisor to the Company

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Västra Trädgårdsgatan 8
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Sweden
+ 46 (0) 8 400 283 00
www.torngrenmagnell.se