

PROSPECTUS
FOR
KVALITENA AB (PUBL)

SEK 600,000,000
SENIOR FLOATING RATE NOTES

9 DECEMBER 2015

Issuing agent: ABG Sundal Collier ASA

Important Information

This prospectus (the "**Prospectus**") has been prepared by Kvalitena AB (publ), Reg. No. 556527-3314 (the "**Company**" or "**Kvalitena**"), in relation to the application for listing of the SEK 600,000,000 senior partly secured floating notes (the "**Notes**") on the Corporate Bond List on NASDAQ Stockholm AB ("**Nasdaq Stockholm**"). ABG Sundal Collier ASA has acted as financial advisor to the Company in relation to the listing of the Notes on Nasdaq Stockholm.

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

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

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

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

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. It has been prepared solely for the purpose of listing the Notes on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to observe, such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may be subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

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

Forward-looking statements

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

Table of Contents

| | |
|---|----|
| Risk Factors | 3 |
| Risks relating to the Company | 4 |
| Risks relating to the Notes..... | 8 |
| Statement of Responsibility | 11 |
| The Notes in Brief | 12 |
| Information about Kvalitena | 16 |
| Company description | 16 |
| Operations | 16 |
| Trends | 17 |
| Material changes | 17 |
| Legal structure and ownership structure | 17 |
| Board of Directors | 18 |
| Management | 18 |
| Auditor | 19 |
| Financial reports | 19 |
| Material agreements | 20 |
| Disputes and litigation..... | 20 |
| Expected date for listing, market place and costs relating to the listing | 20 |
| Documents available for inspection | 20 |
| Documents incorporated by reference | 21 |
| Complete Terms and Conditions..... | 22 |

Definitions

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| Agent | means Nordic Trustee & Agency AB (publ), a public company with Reg. No. 556882-1879. |
| Euroclear | means Euroclear Sweden AB, a limited liability company with Reg. No. 556112-8074. |
| Group | means Kvalitena AB (publ) and its subsidiaries, from time to time. |
| Issuing Agent | means ABG Sundal Collier ASA. |
| Nasdaq Stockholm | means the Corporate Bond List on NASDAQ Stockholm AB. |
| Noteholders | means a person who is registered on a securities account as a creditor or otherwise entitled to receive payment pursuant to the Notes. |
| Notes | means the senior floating rate notes with ISIN SE0007666102. |
| Prospectus | means this prospectus, including any documents incorporated by reference. |
| SEK | means the lawful currency in Sweden. |
| Kvalitena or the Company | means Kvalitena AB (publ), a public limited liability company with Reg. No. 556527-3314. |
| Swedish Companies Act | means the Swedish Companies Act (<i>Sw. aktiebolagslagen (2005:551)</i>). |
| Terms and Conditions | means the terms and conditions for the Notes. |

Risk Factors

Kvalitena AB (publ) (the “Company”), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556527-3314, will issue notes (the “Notes”) in the amount of SEK 600,000,000, which will be governed by certain terms and conditions (the “Terms and Conditions”).

Unless otherwise defined herein, terms defined in the Terms and Conditions have the same meanings when used in these risk factors.

The Company’s business is to hold and manage its directly and indirectly owned subsidiaries and associated companies. The business operations of its subsidiaries and associated companies mainly consist of owning, managing and developing residential, industrial and commercial properties (the “Properties”). The Company and its subsidiaries are hereinafter jointly referred to as the “Group”.

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

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

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

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

Risks relating to the Company

Macroeconomic factors

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

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

A higher vacancy ratio and interest rates, increased costs and lower rents could adversely affect the Company's operations, earnings and financial position.

Geographical risks

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

Technical risks

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

Operating and maintenance costs

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

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

Holding company risks

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

Dependency on members of management and other key personnel

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

Transactions

The Company's Property portfolios may vary over time and acquisition and sale of additional Properties are a part of the Company's and the Group's ordinary business and involve a degree of risk and uncertainty. This may lead to that attractive Properties are disposed of whereas less attractive Properties may be acquired. If attractive Properties were to be disposed of or less attractive Properties were to be acquired the market value of the Company's Property portfolios could decrease which may have a negative effect on the Company's financial position and results.

The disposal of Properties within the Group could also have a significant negative effect on the Company's cash flow if such Properties are sold at a low price. If the Properties are sold to a lower price than expected, this could have a negative effect on the Company's financial position and results.

Risks relating to developing projects

Developing new Property as well as renovating existing Property involves risks that customer demand is miscalculated. There is a risk that such miscalculation leads to unsold premises, lower profitability for the project and undesired tied-up capital on the balance sheet. If developing new Property or renovating existing Properties turns out less profitable than expected, premises remain unsold and the Company has undesired tied-up capital on the balance sheet, there is a risk that this could have a negative effect on the Company's financial position and results.

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

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

Changes in value of Properties

The Group's Properties are reported at fair value in the balance sheet and with changes in value in the profit and loss account. There is a risk that different factors cause the Group to write down the fair value of its Properties, which may adversely affect the Group's result and financial position.

There is a risk that both factors which are Property specific (rent levels, occupancy ratio and operative expenses) and market specific (macroeconomic effects, general economic trends, growth, unemployment levels, the rate of production of new premises, population growth, inflation and interest rates) cause the Group to write down the fair value of its Properties.

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

Changes in value of listed shares owned by the Company

Some of the Company's subsidiaries and associated companies are listed companies whose shares are traded on a regulated market. Such investments are exposed to share price fluctuations in the stock market. It should be noted that the Company may be affected by the fluctuation of share prices in the stock market as such fluctuation may have an effect on the value of a part of the Company's assets thus indirectly affecting the value and credit-worthiness of the Company.

Environmental risks

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

Counterparty risk

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

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

Competition

The Group operates in a competitive industry. The Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. It may become necessary for the Group to make significant investments, restructuring operations or price reductions in order to adapt to new competition. If the Group has to make significant investments, restructurings or price reductions due to increased competition, it may have a negative effect on the Company's financial position and results.

Liquidity risk

Liquidity risk is the risk that the liquid assets of the Company are not sufficient to meet its payment obligations at the maturity date or that the Company cannot dispose of securities at a fair price. The Company will be dependent on available liquidity in order to fulfil its obligations, making investments and paying interest and amortization costs related to its financing. If the Company does not have sufficient liquidity to fulfil its obligations this could have a negative effect on the Company's business, results of operations and financial position.

Refinancing risk

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

Covenants in credit agreements

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

Interest-rate risk

Other than equity, the Group's operations are mainly financed by loans from credit institutions and issue of notes. Interest expenses are therefore one of the Group's main cost items. Interest rate risk is described as the risk that changes in interest rates affect the Group's interest expense. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Company's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and The Swedish National Bank's (Sw. Riksbanken) repurchase rate (Sw. reporäntan).

A major part of the Group's credit agreements include floating interest rates. To manage interest rate risk, the Group aims to have interest rate swaps covering 40 - 50 per cent of its total outstanding loans. The interest rate derivatives are reported at fair value in the balance sheet and with changes in value in the profit and loss account. The derivatives constitute a hedging against higher interest rates, but this also implies that the market value of the Group's interest rate derivatives decreases if the market interest rates decrease, which in turn has a negative impact on the Company's financial position and result.

Repute risk

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

New or amended legislation

A change in the current tax legislation resulting in increased Property tax or reduced possibilities for interest deductions would result in the Group facing an increased tax burden. There is a risk that such increased tax burden affects the Company's result and financial position.

There is risk that new legislation or regulations or changes regarding the application of existing legislation or regulations, regarding for example building permits or other matters applicable to the Group's operations or its clients or the Notes, affects the Company's financial ability to complete building projects. In turn, there is a risk that this adversely affects the Company's results of operations, its revenues and financial position.

Disputes and litigation

The Company faces the risk of litigation and other proceedings in relation to its business. Even if the Company believes it has appropriately provided for the financial effects of litigation or other proceedings, the outcomes of any litigation may differ from management expectations exposing the Company to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Company's reputation may be impacted in a way which adversely affects its results of operations and financial position.

Risks relating to the Notes

Credit risks

Investors in the Notes are exposed to credit risk in relation to the Company. An investor's possibility to obtain payment in accordance with the Terms and Conditions is therefore dependent on the Company's ability to meet its payment obligations. The Company's financial position is affected by a number of factors. An increase in credit risk may also cause the market to price the Notes with a higher risk premium, which could adversely affect the value of the Notes.

Currency risks

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

controls or currency regulations that will have an impact on the currency exchange rate. The result could be that a Noteholder receives a lower rate of return, final payment or nominal amount than expected.

Bankruptcy and similar events and risk of priority

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

The Notes are partly secured obligations of the Company. The security consists of a share pledge and a pledge over a debt service reserve account securing an amount equal to the aggregate sum of interest projected to become due and payable under the Terms and Conditions during a twelve month period. To the extent the Notes are secured, a preferential claim on the Company is created and the Noteholders will normally receive payment prior to any oprioritised creditors in the event of the Company's liquidation, company reorganisation or bankruptcy. To the extent the Notes are unsecured, every investor should be aware that by investing in the Notes, it risks losing parts of its investment in the event of the Company's liquidation, bankruptcy or company reorganisation.

The right to payment under the Notes will be structurally subordinated to the right of payment relating to debt incurred by subsidiaries of the Company.

Voluntary early redemption

In certain cases, the Company has pursuant to the Terms and Conditions a right to redeem the Notes prior to the Maturity Date. Such a right for the Company could affect the market value of the Notes. During a period when the Company is entitled to voluntarily redeem the Notes, the market value of the Notes will most likely not be significantly higher than the redemption price set out in the Terms and Conditions. Such effects could also arise prior to the actual redemption period.

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

Mandatory early redemption

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

Secondary market and liquidity risk

Even if the Notes are to be listed on a regulated market such as Nasdaq Stockholm and available for trading on that market, there may not always be a demand for, and trade in, the Notes. This can result in investors being unable to sell their Notes at a desired time or to a return which is comparable to similar investments that have an existing and functioning secondary market. This lack of an efficient market place and a liquid secondary market may adversely affect the market value of the Notes.

Euroclear

The Notes are connected to Euroclear'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's account-based system. The investors are therefore dependent on the functionality of Euroclear's account-based system. If, due to any obstacle for Euroclear, the Company cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Consequently, there is a risk that Noteholders receive payment under the Notes later than expected.

Meeting of Noteholders

The Terms and Conditions include certain conditions regarding the meeting of Noteholders. Such meetings may be held in order to resolve matters 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.

Statement of Responsibility

The Company issued the Notes on 29 October 2015. This Prospectus has been prepared in relation with the Company applying for admission of trading of the Notes on Nasdaq Stockholm and in accordance with the Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act.

The Company is responsible for the information set out in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the 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, 9 December 2015

Kvalitena AB (publ)

The Board of Directors

The Notes in Brief

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

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| <i>The Company:</i> | Kvalitena AB (publ), a public limited liability company with company registration number 556527-3314. |
| <i>The Notes:</i> | SEK 600,000,000 with ISIN: SE0007666102. |
| <i>Type of securities:</i> | Senior floating rate notes. |
| <i>Type and rank of debt:</i> | The Notes constitute direct, unconditional, obligations of the Issuer and shall at all times rank <i>pari passu</i> and without preference among them. The Notes shall rank at least <i>pari passu</i> with the claims of all its other unsubordinated creditors, except those whose claims are mandatorily preferred by laws of general application. |
| <i>Listing:</i> | The Issuer shall use its best efforts to ensure that the loan constituted by the Terms and Conditions and evidenced by the Notes is admitted to trading on the Regulated Market of Nasdaq Stockholm within sixty (60) days after the Issue Date, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market. |
| <i>Nominal Amount and Denomination:</i> | The nominal amount of each note is SEK 1,000,000 (the “ Nominal Amount ”, and the total aggregate Nominal Amount of the Notes outstanding at the relevant time shall hereinafter be referred to as the “ Total Nominal Amount ”). All Notes are issued on a fully paid basis at an issue price of 100 per cent of the Nominal Amount. 600 Notes are issued. The Notes are denominated in SEK. |
| <i>Central Securities Depository (the “CSD”):</i> | The Notes will be connected with the account-based system of Euroclear Sweden AB, for the purpose of having the payment of interest and principal managed by Euroclear Sweden AB. The Notes have been registered for the Noteholders on their respective Securities Accounts and no physical notes have or will be issued. The Issuer’s central securities depository and registrar in respect of the Notes, from time to time, is initially, Euroclear P.O. Box 191, 101 23 Stockholm, Sweden. |

Issue Date: 29 October 2015

The Issuer will maintain an amount equal to the Debt Service Reserve Amount in the Debt Service Reserve Account, which will constitute security for the Notes.

Following release of the Existing Pledge, the shares in Fastighets AB Bodarne 11 (Reg. No. 556685-8097) holding one property located on Strandvägen 11, Stockholm will constitute security for the Notes.

No later than seven (7) Business Days after the Issue Date, the Issuer undertakes to give notice to the agent representing the noteholders under the Existing Market Loan to redeem the Existing Market Loan.

The Issuer will maintain an amount equal to the Refinancing Proceeds in the Escrow Account, which will be applied to redeem the Existing Market Loan on the redemption date.

Security for the Notes:

Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.

The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes.

Agent:

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.

Transferability:

The Notes carry interest at a floating interest rate, amounting to STIBOR plus 6.5 per cent. per annum, from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.

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).

Interest on the Notes:

Interest Payment Date:

Interest on the Notes shall be paid on the Interest Payment Dates, being 5 January, 5 April, 5 July and 5 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 5 January 2016 and the last Interest Payment Date shall be the relevant Redemption Date.

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

- (a) the Applicable Premium, if the Notes are redeemed during a period starting on the Issue Date and ending on the day falling immediately prior to the First Call Date;
- (b) 103 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the First Call Date and ending on the day falling immediately prior to Final Maturity Date; and
- (c) 100 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the day falling thirty-one (31) months after the Issue Date and ending on the day falling immediately prior to the Final Maturity Date, provided that the voluntary total redemption is financed by way of another issue of notes (or other debt instruments) which the Noteholders may subscribe for;

in each case together with accrued but unpaid Interest.

Redemption (call option):

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

Redemption (put option):

Upon a Change of Control Event occurring, 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 following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.

The Final Maturity Date is 29 October 2018.

Redemption Date:

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

Prescription:

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.

Rights:

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

Applicable law:

The Terms and Conditions, any non-contractual obligations arising out of or in connection therewith, and the Notes 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 (Sw. *Stockholms tingsrätt*).

Information about Kvalitena

Company description

The Company, Kvalitena AB (publ), with Reg. No. 556527-3314, was founded on 15 November 1995 in Sweden and is mainly active in the greater Stockholm region and the Mälaren Valley (Sw. *Mälardalen*) property market. The Company is primarily investing in residential, industrial and commercial properties (the “**Properties**”). The Company and its subsidiaries are hereinafter referred to as the “**Group**”. Kvalitena is a Swedish public limited liability company and is regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). Its trade name (i.e. the name used for marketing purposes) is Kvalitena.

Kvalitena initiated its capital markets presence in 2013 through a SEK 350,000,000 note issue. Since then, Kvalitena and its affiliated companies have actively raised capital on both the equity and credit market through e.g. the IPO of D. Carnegie & Co (publ) (“**D. Carnegie**”) and note offerings in D. Carnegie and Stendörren Fastigheter AB (publ) (“**Stendörren**”). Kvalitena is now looking to refinance its outstanding note loan and secure growth capital through the issuance of SEK 600,000,000 in new notes. The new notes will be listed on Nasdaq Stockholm Corporate Bond List.

The Company’s registered office is in the municipality of Lidköping and the Company’s registered address is Esplanaden 44, 531 50 Lidköping, Sweden.

According to the Company’s articles of association, adopted on 14 November 2012, the Company’s business shall be to manage property and other capital assets, develop companies who carry out sales of industrial and consumer goods within auto and communication as well as education and consulting operations within business, computer and language areas and quality issues and to carry out other activities compatible therewith.

Operations

Kvalitena is a Stockholm-focused Swedish real estate investment company founded in 1995. The Company’s assets comprise partial shareholdings and full ownership of real estate assets with a total property value in excess of SEK 20bn. Kvalitena’s strategic focus is on investments in and around Stockholm, where 71 % of the properties in its wholly owned portfolio and its primary associated companies are located. The Company’s largest asset, valued at approx. SEK 1bn, is the shareholding in D. Carnegie (44% of votes), a residential property company with a SEK 11.5bn portfolio consisting of approx. 16,000 apartments mainly located in Stockholm. Negligible vacancy rates in the residential property portfolio and structurally sound vacancies among the commercial property assets. In recent years, Kvalitena has carried out a series of successful capital markets transactions that has strengthened the Company’s market position;

- IPO of D. Carnegie
- Listings of Stendörren and A Group of Retail Assets AB

Kvalitena is an active owner working closely with management in its affiliates and partners contributing business development skills and financing expertise.

Kvalitena is a property investment group with a business mission to generate high long-term growth and enhancement of net asset value. The Company accomplish its business mission

through the application of a professional investment operation and active ownership, thereby enabling a high long-term risk-adjusted return.

Trends

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

Material changes

On 23 October 2015, it was made public that the Company will acquire properties and airplane operations in Bromma by its acquisition of Bromma Business Jet. Bromma Business Jet owns properties and business jets.

On 30 October 2015, it was made public that the Company will acquire and receive 3,603,653 shares in Scandi Standard AB (publ).

On 6 November 2015, it was made public that the Company has acquired 30% of the shares in Kuststaden Holding AB.

On 13 November 2015, it was made public that the Company has acquired 300,000 additional shares in D. Carnegie.

On 25 November 2015, it was made public that the Company will acquire the lease hold Nacka Siklaön 38:14. The acquisition is scheduled to be completed in June 2016.

Apart from the above, there has been no material changes in the Company's financial position or market position since the end of the third quarter 2015.

In addition to the above, the publication of Stendörren's unaudited consolidated financial statements of the third quarter 2015 was made on 23 November 2015. Since the end of the third quarter 2015, it was made public on 16 November 2015 that Stendörren has acquired the properties Pilbågen 1, Tunaängen 6 and Tunaängen 10 within the municipality of Södertälje. In addition it was made public that Stendörren has commenced the process for transferring the listing of its shares from Nasdaq First North Premier to Nasdaq Main Market.

The publication of D. Carnegie's unaudited consolidated financial statements of the third quarter 2015 was made on 10 November 2015. Since the end of the third quarter 2015, it was made public on 26 October 2015 that D. Carnegie will divest its properties in Hammarkullen, Gothenburg.

Legal structure and ownership structure

The Company (Kvalitena AB (publ)) is the parent company of the Group. The Company had 94 subsidiaries and sub-subsidiaries as of the date of the Prospectus. The Group holds most of its real estate through subsidiaries and sub-subsidiaries and is consequently dependent on such group companies for the generation of profits and cash flow to service its payment obligation under the Notes.

According to the Company's current Articles of Association adopted on 14 November 2012, the share capital shall be not less than SEK 500,000 and not more than 2,000,000. The number of shares shall be not less than 5,000 and not more than 20,000. As of the date of this Prospectus, the share capital amounts to SEK 500,000 divided into 5,000 shares which each have a nominal value of SEK 100. Each share has one voting right and all shares have equal rights to the Company's profits and assets.

Dorco International B.V. is the largest shareholder of the Company. As per 30 June 2015 Dorco International B.V. holds 90 per cent of the votes in the Company and 90 per cent of the shares. Scanvik AB, Reg. No. 556705-1064, owns the remaining 10 per cent of the Company's shares.

Board of Directors

The Company's Board of Directors consists of four ordinary board members, including the chairman, appointed for the period until the end of the annual general meeting to be held in 2016. The members of the Board of Directors, their position and other relevant assignments are set forth below. All board members can be contacted through the Company's registered address, Kvalitena AB (publ), Esplanaden 44, 531 50 Lidköping, Sweden.

Lars Andersson (born 1945) – Chairman of the Board of Directors

Other relevant assignments: Board member in various subsidiaries within the Group.
Selected previous assignment: CEO Kilafors Industri AB, Market Director Bilvex AB.

Thomas Kjessler (born 1962) – Member of the Board of Directors

Other relevant assignments: Board member in various subsidiaries within the Group.
Selected previous assignments: Chief lawyer SIAR-Bossard AB.

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

Other relevant assignments: Mr Lieberman has 32 years of international experience from the real estate sector.
Selected previous assignments: Senior positions at UBS Investment Bank, Hypo Real Estate, Lehman Brothers, Credit Suisse and GE Capital.

Claes Wollter (born 1942) – Member of the Board of Directors

Other relevant assignments: Chairman Scanvik Gruppen, Board member Portalben B.V.
Selected previous assignments: CEO and owner Scanvik Gruppen.

Management

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

Knut Pousette (born 1972) – Chief Executive Officer

Other relevant assignments: Chairman or Board member in all subsidiaries to the Company, Board member Fredrikshovs slottskola.
Selected previous assignments: CEO Storholmen förvaltning AB, management and strategy consultant Klaraberg Business Advisors AB, CEO Gut Falkenhagen GbR

Harald Pousette (born 1965) – Chief Financial Officer

Other relevant assignments: Chairman Svenska Schakt AB and Green Deer Holding AB, Member Swedish Childhood Cancer Foundation's Finance Committee.

Selected previous assignments: CEO The Collins Group Nordic, VP Dresdner Kleinwort Wasserstein.

Hans Lycketorp (born 1962) – Head of Transactions

Other relevant assignments: None

Selected previous assignments: Business Development Director and member of management group Jones Lang LaSalle.

Jonas Vestin (born 1978) – Business Controller

Other relevant assignments: Various board assignments in subsidiaries.

Selected previous assignments: CFO Fondex, Project Manager Savills Sweden.

Management of main holdings

Ulf Nilsson (born 1958) – CEO D. Carnegie

Other relevant assignments: Board member of subsidiaries.

Selected previous assignments: CEO Savills Sweden, Ernst & Young Corporate Finance, ABB Financial Services.

Fredrik Brodin (born 1967) – CEO Stendörren

Other relevant assignments: Board member of subsidiaries.

Selected previous assignments: CEO Cartera group of companies, CEO Stay At, Mengus

The office address of the Board of Directors and the Management is the registered office of the Company, *i.e.* Kvalitena AB (publ), Esplanaden 44, 531 50 Lidköping, Sweden.

The Board of Directors and management

There are no conflicts of interest or potential conflicts of interests between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties. However, several members of the Board of Directors and company management have certain financial interests in the Company as a consequence of their holdings of shares in the Company.

Auditor

The Company's auditors are presently Martin Dagermark and Ann-Charlotte Nordin (the "**Auditors**") at the accounting firm Mazars SET Revisionsbyrå AB. Martin Dagermark was elected as auditor of the Company at the extra general meeting held on 14 November 2012. Ann-Charlotte Nordin was elected as auditor of the Company at the extra general meeting held on 19 November 2013. The Auditors were both re-elected at the annual general meeting 2015 for the time until the end of the annual general meeting 2016. Martin Dagermark can be contacted at Nygatan 35 C, 632 20 Eskilstuna and Ann-Charlotte Nordin can be contacted at Carlsgatan 6, 203 13 Malmö. Both Martin Dagermark and Ann-Charlotte Nordin are members of FAR SRS. The Auditors have been the Company's auditor since 2012 and 2013 respectively. Before that, Tord Axel Edvin Axelsson was the Company's auditor. Mr Axelsson is now retired.

Financial reports

The Company's consolidated annual report for 2013 and the Company's current consolidated annual report for 2014 have been reviewed by the Company's Auditors. The Company's interim

report for the third quarter of the financial year 2015 and the Company's certificate of registration have not been reviewed by the Company's Auditors. The Company's annual report for 2014 was published by the Swedish Companies Registration Office on 28 July 2015.

The consolidated annual accounts of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Further, the consolidated annual accounts of the Group have been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's, RFR1 Supplementary Accounting Rules for Groups and RFR2 Accounting for legal entities. The Company applies the same accounting principles as the Group unless otherwise is stated in the Company's annual report.

Material agreements

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

Disputes and litigation

During the past 12 months, the Company has not been part in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Company and its consolidated subsidiaries as a whole.

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

The Notes will be admitted to trading on Nasdaq Stockholm on or around 14 December 2015, for which listing this Prospectus has been prepared. The accrued costs relating to the listing are approximately SEK 100,000.

Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's head office at Kvalitena AB (publ), Esplanaden 44, 531 50 Lidköping, Sweden, during ordinary weekday office hours:

- the Company's articles of association as of the date of this Prospectus;
- the certificate of registration of the Company;
- the documents listed below, which are incorporated by reference;
- the Company's and its subsidiaries' consolidated annual report for 2013 and the Company's and its subsidiaries' current consolidated annual report for 2014; and
- the Agency Agreement.

Documents incorporated by reference

This Prospectus comprises of the following documents which are incorporated by reference and available in electronic format on the Company's website, www.kvalitena.se, during the period of validity of this Prospectus:

- the interim report for the third quarter of the financial year 2015. The balance sheet can be found on page 6-7, the income statement can be found on page 5 and the description of the accounting principles applied can be found on page 15-17 of the financial statements; and
- the audited consolidated financial statements of the Company, including the auditor's report, for the financial year 2014. The balance sheet can be found on page 6-7, the income statement can be found on page 5 and the description of the accounting principles applied can be found on pages 15-20 of the financial statements.
- the audited consolidated financial statements of the Company, including the auditor's report, for the financial year 2013. The balance sheet can be found on page 5-6, the income statement can be found on page 4 and the description of the accounting principles applied can be found on pages 14-18 of the financial statements.

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

Complete Terms and Conditions

**TERMS AND CONDITIONS FOR
KVALITENA AB (PUBL)**

SEK 600,000,000

SENIOR FLOATING RATE NOTES

ISIN: SE0007666102

26 OCTOBER 2015

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.

Table of Contents

| | | |
|----|--|----|
| 1 | Definitions and construction | 24 |
| 2 | Status of the Notes | 31 |
| 3 | Use of proceeds | 31 |
| 4 | Conditions for disbursement | 31 |
| 5 | Escrow of proceeds | 32 |
| 6 | Notes in book-entry form | 32 |
| 7 | Right to act on behalf of a Noteholder | 33 |
| 8 | Payments in respect of the Notes | 33 |
| 9 | Interest | 33 |
| 10 | Redemption and Repurchase of the Notes | 34 |
| 11 | Information to Noteholders | 36 |
| 12 | General Undertakings | 37 |
| 13 | Financial undertakings | 39 |
| 14 | Admission to trading | 39 |
| 15 | Undertakings relating to the Agency Agreement | 39 |
| 16 | Acceleration of the Notes | 39 |
| 17 | Distribution of Proceeds | 41 |
| 18 | Decisions by Noteholders | 42 |
| 19 | Noteholders' Meeting | 45 |
| 20 | Written Procedure | 45 |
| 21 | Amendments and Waivers | 46 |
| 22 | Appointment and Replacement of the Agent | 46 |
| 23 | Appointment and Replacement of the Issuing Agent | 50 |
| 24 | No Direct Actions by Noteholders | 50 |
| 25 | Prescription | 50 |
| 26 | Notices and Press releases | 51 |
| 27 | Force Majeure and Limitation of Liability | 52 |
| 28 | Governing Law and Jurisdiction | 52 |

1 Definitions and construction

1.1 Definitions

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

“**Account Bank**” means Swedbank AB (publ).

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

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

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i).

For the purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

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

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

- (a) 103 per cent. of the Nominal Amount; plus
- (b) 100 per cent. of all remaining scheduled interest payments on the Notes until the First Call Date (assuming that the Interest Rate for the period from the relevant Redemption Date to the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given) (but excluding accrued but unpaid Interest up to the relevant Redemption Date), discounted (for the time period starting from the relevant Redemption Date to

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

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*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 an event where any person (other than Dorco International B. V.) or group of persons acting in concert (i) becomes the owner, directly or indirectly, and has the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and votes in the Issuer, or (ii) has the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

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

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

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) the ratio and calculation in respect of the Equity Ratio;
- (c) any amount standing to the credit of the Debt Service Reserve Account; and
- (d) that not less than 90% of all investments made by the Issuer from the Issue Date are Real Estate Related Investments.

“**CSD**” means 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.

“**D. Carnegie**” means D. Carnegie & Co AB, Reg. No. 556498-9449.

“**Debt Service**” means an amount being equal to the aggregate sum of Interest projected to become due and payable under the Terms and Conditions during the twelve (12) month period following the relevant Test Date. When calculating the aggregate sum of Interest projected to become due and payable during such period, the 3-month STIBOR applicable at the relevant Test Date shall be applied.

“**Debt Service Reserve Account**” means a bank account held by and in the name of the Issuer with the Account Bank for the purpose of the arrangement specified in Clause 12.8 (*Debt Service Reserve Account*).

“**Debt Service Reserve Amount**” means an amount at least equal to the scheduled Debt Service.

“**DSRA Pledge Agreement**” means the agreement for first priority ranking Security over the funds from time to time standing to the credit on the Debt Service Reserve Account, entered into between the Issuer and the Agent.

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

“**Escrow Account Pledge Agreement**” means the agreement for first priority ranking Security over the funds from time to time standing to the credit on the Escrow Account, entered into between the Issuer and the Agent.

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

“**Event of Default**” means an event or circumstance specified in Clause 16.1.

“**Existing Market Loan**” means the SEK 350,000,000 Market Loan raised by the Issuer on 5 April 2013.

“**Existing Pledge**” means the shares in Fastighets AB Bodarne 11, Reg No. 556685-8097, which are currently pledged to the Agent on its own behalf and in its capacity as agent representing the noteholders under the Existing Market Loan as security for the Issuer’s obligations under the Existing Market Loan.

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

“**Finance Documents**” means these Terms and Conditions, the Pledge Agreements, any Compliance Certificate and any other document designated as a “Finance Document” by the Agent and the Issuer.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;

- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions 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);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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

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

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

“**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**”).

“**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 its creditors (other than the Noteholders) 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.

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

“**Interest Payment Date**” means 5 January, 5 April, 5 July and 5 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 5 January 2016 and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means 3-month STIBOR plus 6.50 per cent. *per annum*.

“**Issue Date**” means 29 October 2015.

“**Issuer**” means Kvalitena AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556527-3314.

“**Issuing Agent**” means ABG Sundal Collier ASA, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), which is or can be admitted for trading on a Swedish or foreign regulated market.

“**NASDAQ**” means NASDAQ Stockholm AB, Reg. No. 556383-9058.

“**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.

“**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 19 (*Noteholders’ Meeting*).

“**Pledge Agreements**” means the Escrow Account Pledge Agreement, the DSRA Pledge Agreement and the Share Pledge Agreement.

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

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

“**Real Estate Related Investments**” means any investment related to the acquisition, development, renovation or management of real properties and site leasehold rights and acquisition of public or private real estate shares.

“**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 17 (*Distribution of proceeds*), (iv) the date of a Noteholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

“**Refinancing Proceeds**” means proceeds from the issue of the Notes to be used by the Issuer to redeem the Existing Market Loan pursuant to Clause 12.7, in an amount being equal to the aggregate of 101.5 per cent. of the nominal amount of all notes outstanding under the Existing Market Loan and accrued but unpaid interest thereon.

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

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the 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.

“**Senior Market Loan**” means a Market Loan which is secured by mortgages over certain of the Properties.

“**Share Pledge Agreement**” means the agreement for first priority ranking Security over the shares in Fastighets AB Bodarne 11, Reg No. 556685-8097, entered into between the Issuer and the Agent.

“**Stendörren**” means Stendörren Fastighets AB (publ), Reg. No. 556825-4741.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (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; and

if any such rate is below zero, STIBOR will be deemed to be zero.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such

person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

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

“**Test Date**” means 31 March, 30 June, 30 September and 31 December each year. If a Test Date is not a Business Day, then the Test Date shall occur on the first following Business Day.

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

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

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 20 (*Written Procedure*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) an Event of Default is continuing if it has not been remedied or waived;
- (e) a provision of law is a reference to that provision as amended or re-enacted; and
- (f) a time of day is a reference to Stockholm time.

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

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

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

2 Status of the Notes

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Notes as of the Issue Date is SEK 600,000,000. All Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 The Notes constitute direct, unconditional and partly secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional and unsecured obligations of the Issuer.
- 2.5 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.
- 2.6 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3 Use of proceeds

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing of the Existing Market Loan, transferring the Debt Service Reserve Amount to the Debt Service Reserve Account and general corporate purposes of the Group.

4 Conditions for disbursement

- 4.1 The Issuer shall provide to the Agent, prior to the Issue Date, the documents and other evidence set out in Schedule 1 (*Conditions Precedent relating to Notes*) in form and substance satisfactory to the Agent (acting reasonable).

4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

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

5 Escrow of proceeds

5.1 The Issuer undertakes to procure that at least the Refinancing Proceeds are transferred to the Escrow Account immediately on the Issue Date. The Refinancing Proceeds standing to the credit of the Escrow Account shall be blocked and pledged by the Issuer in favour of the Noteholders pursuant to the Escrow Account Pledge Agreement.

5.2 The Agent shall instruct the Account Bank to release the pledge over the Escrow Account to allow the CSD to withdraw the Refinancing Proceeds from the Escrow Account for the purpose of redeeming the Existing Market Loan on the redemption date notified to the Agent by the Issuer.

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 when permitted under the CSD's applicable regulations) shall 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.

6.4 For the purpose of or in connection with any Noteholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

6.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

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.

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, 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 and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 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 is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

9 Interest

- 9.1 Each Note carries Interest at the Interest Rate from (but excluding) the Issue 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 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 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.

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 Issuer's purchase of Notes

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

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 any time at an amount per Note equal to:

- (a) the Applicable Premium, if the Notes are redeemed during a period starting on the Issue Date and ending on a day falling immediately prior to the First Call Date;
- (b) 103 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the First Call Date and ending on the day falling immediately prior to the Final Maturity Date; and
- (c) 100 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the first Business Day falling thirty-one (31) months after the Issue Date and ending on the day falling immediately prior to the Final Maturity Date, provided that the voluntary total redemption is financed by way of another issue of notes (or other debt instruments) which the Noteholders may subscribe for;

in each case together with accrued but unpaid Interest.

10.3.2 Redemption in accordance with Clause 10.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any

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

10.4 Early redemption due to illegality (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 the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

10.4.2 The Issuer shall give notice of any redemption pursuant to Clause 10.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

10.4.3 A notice of redemption in accordance with Clause 10.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

10.5 Mandatory repurchase due to a Change of Control Event (put option)

10.5.1 Upon a Change of Control Event occurring, 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 following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.

10.5.2 The notice from the Issuer pursuant to Clause 11.1.2 shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 10.5.1.

10.5.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.5 by virtue of the conflict.

10.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 10.5 may at the Issuer's discretion be retained, sold or cancelled.

11 Information to Noteholders

11.1 Information from the Issuer

11.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period;
- (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and
- (d) 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.

11.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

11.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 11.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent a Compliance Certificate attaching copies of any notices sent to the Regulated Market which the Notes are admitted to trading.

11.1.4 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.

11.2 Information from the Agent

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

11.3 **Publication of Finance Documents**

- 11.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.
- 11.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

12 **General Undertakings**

12.1 **Disposals**

- 12.1.1 The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group where such disposal is reasonably likely to have an adverse effect on the ability of the Issuer to perform its obligations under the Finance Documents.
- 12.1.2 At the date hereof the Issuer owns in total 10,703,824 shares in Stendörren and in total 18,540,327 shares in D. Carnegie totaling in both companies 29,244,151 shares (its “**Holdings**”). During the term of the Notes, the Issuer shall not enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer or otherwise dispose of more than 7,311,038 shares (constituting 25 %) of its Holdings, adjusted to reflect any reverse share split or share split, new issue of shares with pre-emption rights for the shareholders to subscribe for new shares in exchange for cash payment or payment by way of set-off, bonus issues of shares and reduction in the share capital with repayment to the shareholders).

12.2 **Restrictions regarding pledge of assets**

Except for the Pledge Agreements and the Existing Pledge, the Issuer shall not create or permit to subsist any Security over any of its assets for any Market Loan raised by the Issuer, other than any Senior Market Loan.

12.3 **Change of Business**

- 12.3.1 The Issuer shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on at the date of the Terms and Conditions.
- 12.3.2 The Issuer shall procure that not less than 90% of all investments made by the Issuer during the term of the Notes are Real Estate Related Investments.

12.4 **Pari Passu ranking**

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

12.5 Term of Market Loans

The Issuer shall not raise any Market Loan where such Market Loan has a final maturity date falling before the Final Maturity Date or which otherwise is repaid before the Notes.

12.6 Dividends

The Issuer shall not declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital attributable to common shares (or any class of its share capital attributable to common shares) (“**Restricted Payment**”) unless, at the time of such payment, the aggregate amount of all Restricted Payments in any fiscal year does not exceed the lower of (i) SEK 30,000,000 or (ii) fifty (50) per cent. of the Group’s consolidated net profit for the previous Financial Year.

12.7 Voluntary Early Redemption of Existing Market Loan

No later than seven (7) Business Days after the Issue Date, the Issuer shall give notice to the Agent in its capacity as agent representing the noteholders under the Existing Market Loan to redeem all notes outstanding under the Existing Market Loan pursuant to clause 8 (*Voluntary Early Redemption*) of the Existing Market Loan.

12.8 Debt Service Reserve Account

12.8.1 The Issuer shall at all times maintain the Debt Service Reserve Account, which shall be pledged pursuant to the DSRA Pledge Agreement. The Issuer shall not be entitled to use any amount standing to the credit of the Debt Service Reserve Account and the Agent shall have the sole signing rights to that account.

12.8.2 On each Test Date until and including the Test Date falling on the first Business Day following 31 December 2017, the Issuer shall procure that an amount equal to the Debt Service Reserve Amount is standing to the credit of the Debt Service Reserve Account.

12.8.3 On the Test Date falling on the first Business Day following 31 March 2018, 30 June 2018 and 30 September 2018, the Issuer shall procure that an amount being equal to the aggregate sum of Interest projected to become due and payable under the Terms and Conditions during the period following the relevant Test Date until the Final Maturity Date is standing to the credit of the Debt Service Reserve Account. When calculating the aggregate sum of Interest projected to become due and payable during such period, the 3-month STIBOR applicable at the relevant Test Date shall be applied.

12.8.4 The Agent shall instruct the Account Bank to release the pledge over any amount standing to the credit of the Debt Service Reserve Account on any Test Date falling on the first Business Day following 31 March 2018, 30 June 2018 and 30 September 2018 which is in excess of the relevant debt service reserve amount set out in Clause 12.8.3, provided that no Event of Default has occurred or is outstanding. The Agent

shall procure that any such amount in excess of the relevant debt service reserve amount is transferred to an account designated by the Issuer.

12.9 Share Pledge

In order to secure the Issuers obligations under these Terms and Conditions, the Issuer shall enter into the Share Pledge Agreement. The Share Pledge Agreement will come into force once the Existing Pledge is released.

13 Financial undertakings

13.1 Equity Ratio may not be less than 25 % at all times.

13.2 The financial covenant in Clause 13.1 will be measured on each Test Date.

14 Admission to trading

14.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Regulated Market of NASDAQ within sixty (60) days after the Issue Date, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

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

15 Undertakings relating to the Agency Agreement

15.1 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.

15.2 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.

16 Acceleration of the Notes

16.1 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 16.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (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 other person (other than the Agent) does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of a Group Company and is not discharged within forty-five (45) Business Days;
- (f) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group;
 - (ii) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any member of the Group or any of its assets; or
 - (iii) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction, provided no corporate action, legal proceedings or other procedure or step taken is frivolous or vexatious and is discharged, stayed or dismissed within fourteen (14) days of commencement;
- (g) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any assets of a Group Company having an aggregate value of not less than SEK 25,000,000 and is not discharged within forty-five (45) days; or

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

provided that no Event of Default will occur under this paragraph (g) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 25,000,000.

16.2 The Agent may not accelerate the Notes in accordance with Clause 16.1 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).

16.3 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 18 (*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.

16.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

16.5 If the right to accelerate the Notes is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

16.6 In the event of an acceleration of the Notes in accordance with this Clause 16, the Issuer shall redeem all Notes at an amount per Note equal the redemption amount specified in Clause 10.3 (*Voluntary total redemption (call option)*) as applicable considering when acceleration occurs.

17 Distribution of Proceeds

17.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 16 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency

Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 22.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 18.13;

- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- 17.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 17.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 17.1(a).
- 17.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 17 as soon as reasonably practicable.
- 17.4 If the Issuer or the Agent shall make any payment under this Clause 17, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

18 Decisions by Noteholders

- 18.1 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.
- 18.2 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 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.

18.3 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.

18.4 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 Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 20.3, in respect of a Written Procedure,

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

18.5 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) 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 20.3:

- (a) a change to the terms of any of Clause 2.1, and Clauses 2.4 to 2.6;
- (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 10 (*Redemption and repurchase of the Notes*);
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 17 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 18 (*Decisions by Noteholders*);
- (f) 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;
- (g) a mandatory exchange of the Notes for other securities; and
- (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 16 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

18.6 Any matter not covered by Clause 18.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a

Written Procedure in accordance with the instructions given pursuant to Clause 20.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 21.1(a) or (b)), an acceleration of the Notes.

- 18.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 18.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (g) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (h) if in respect of a Written Procedure, reply to the request.
- 18.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 18.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 18.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 18.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 18.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 18.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 18.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 18.14 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to

the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.

- 18.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Group 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.

19 Noteholders' Meeting

- 19.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 19.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 19.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 22.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 19.1.
- 19.3 The notice pursuant to Clause 19.1 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) and (iv) 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.
- 19.4 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 19.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

20 Written Procedure

- 20.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Record Date prior to the date on which the communication is sent.
- 20.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 20.1 to each Noteholder with a copy to the Agent.

20.3 A communication pursuant to Clause 20.1 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 fifteen (15) Business Days from the communication pursuant to Clause 20.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

20.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 18.5 and 18.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.5 or 18.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

21 Amendments and Waivers

21.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*).

21.2 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.

21.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 21.1, 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 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

21.4 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.

22 Appointment and Replacement of the Agent

22.1 Appointment of Agent

22.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such

consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 22.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 22.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 22.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 22.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

22.2 Duties of the Agent

- 22.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Security provided pursuant to the Pledge Agreements on behalf of the Noteholders and, where relevant, enforcing the Security provided pursuant to the Pledge Agreements on behalf of the Noteholders. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 22.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 22.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 22.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 22.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably

believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of proceeds*).

22.2.6 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

22.2.7 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

22.2.8 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 22.2.7.

22.3 **Limited liability for the Agent**

22.3.1 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 willful misconduct. The Agent shall never be responsible for indirect loss.

22.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

22.3.3 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 recognized clearing or settlement system used by the Agent for that purpose.

22.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 18 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 16.1.

22.3.5 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.

22.4 Replacement of the Agent

- 22.4.1 Subject to Clause 22.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 22.4.2 Subject to Clause 22.4.6, 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.
- 22.4.3 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.
- 22.4.4 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.
- 22.4.5 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.
- 22.4.6 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.
- 22.4.7 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.
- 22.4.8 In the event that there is a change of the Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

23 Appointment and Replacement of the Issuing Agent

- 23.1 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.
- 23.2 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.

24 No Direct Actions by Noteholders

- 24.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- 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 22.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 22.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 22.2.8 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 (put option)*) 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 registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Group 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 (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1.1 or, in case of letter three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 26.1.1.

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

26.2 Press releases

26.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 10.3 (*Voluntary total redemption (call option)*), 10.4 (*Early redemption due to illegality (call option)*), 11.1.2, 16.3, 18.15, 19.1, 20.1 and 21.3 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 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*).

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

Place: Stockholm

Date: 26 October 2015

KVALITENA AB (PUBL)

as Issuer

Knut Pousette

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

Place: Stockholm

Date: 26 October 2015

NORDIC TRUSTEE & AGENCY AB (PUBL)

as Agent

Name:

Schedule 1
Conditions Precedent

Conditions Precedent relating to Notes

1 Corporate Documents

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

2 Agreements

The following documents duly executed by all the parties thereto:

- (a) the Terms and Conditions;
- (b) the Agency Agreement; and
- (c) the Pledge Agreements.

Schedule 2

Form of Compliance Certificate

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

Dear Sirs,

Kvalitena AB (publ) – Terms and conditions for Kvalitena AB (publ) with respect to the 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 unless given a different meaning in this Compliance Certificate.
- (2) We confirm that:
 - (i) the Equity Ratio on the Test Date *[date]*, was [●]; and
 - (j) the amount standing to the credit of the Debt Service Reserve Account on the Test Date *[date]*, was [●].
 - (k) not less than 90% of all investments made by the Issuer from the Issue Date to the Test Date *[date]*, are Real Estate Related Investments.
- (3) We set out below calculations establishing the figures in paragraphs (2)(a) and (c):
[●]
- (4) We confirm that no Event of Default is continuing. *[If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.]*
- (5) Attached hereto you will find copies of any notices sent to the Regulated Market.

Addresses

Issuer

Kvalitena AB (publ)
Esplanaden 44
531 50 Lidköping
Sweden
+ 46 (0)510 601 94
www.kvalitena.se

Issuing Agent

ABG Sundal Collier ASA
Munkedamsveien 45, 7th Floor
0250 Oslo
Norway
+ 47 22 01 60 00
www.abgsc.no

Legal Advisor to the Issuer

Wigge & Partners Advokat AB
Birger Jarlsgatan 25
111 45 Stockholm
Sweden
+ 46 (0)8 408 047 17
www.wiggepartners.se

Central Securities Depository

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+ 46 (0)8 402 90 00
www.euroclear.eu

Agent

Nordic Trustee & Agency AB
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111 56 Stockholm
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+ 46 (0)8 783 79 00
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