

OSCAR PROPERTIES HOLDING AB (PUBL)

**PROSPECTUS REGARDING LISTING OF
MAXIMUM SEK 500,000,000**

**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS
2014/2019**

13 January 2016

Important information

This prospectus (the “**Prospectus**”) has been prepared by Oscar Properties Holding AB (publ) (the “**Company**”), registration number 556870-4521, in relation to the application for listing of bonds issued on 16 December 2015 under the Company’s maximum SEK 500,000,000 senior unsecured callable floating rate bonds 2014/2019 with ISIN SE0005936390, of which SEK 350,000,000 was issued on 3 September 2014 and SEK 100,000,000 was issued on 16 December 2015 (the “**Bonds**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”), on the Corporate Bond List at NASDAQ OMX Stockholm AB (“**Nasdaq Stockholm**”). References to the Company, Oscar Properties or the Group refer in this Prospectus to Oscar Properties Holding AB (publ) and its subsidiaries and/or, as the case may be, associated companies, unless otherwise indicated by the context. References to “SEK” refer to Swedish Kronor.

This Prospectus has been prepared in accordance with the rules and regulations in 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, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 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 not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires 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 Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page (www.fi.se) and the Company’s web page (www.oscarproperties.com), and paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have 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 may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section “*Risk factors*” below.

This Prospectus shall be read together with all documents that are incorporated by reference (see section “*Overview of financial reporting and documents incorporated by reference*” below) and possible supplements to this Prospectus.

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

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (*Sw. Stockholms tingsrätt*) shall be the court of first instance.

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Risk factors

Investing in the Bonds involves inherent risks. The financial performance of Oscar Properties and the Group and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company's ability to make payments of interest and repayments of principal under the Terms and Condition. In this section, a number of risk factors are illustrated, namely general risks pertaining to the Group's business operations and material risks relating to the Bonds as financial instruments. The risks presented in this Prospectus are not exhaustive and other risks not discussed herein, may also adversely affect the Group, the price of the Bonds and the Company's ability to service its debt obligations. Further, the risk factors are not ranked in order of importance. Potential investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision.

Risks associated with the Company, the industry and the market

Macroeconomic factors

The real estate business is to a large extent affected by macroeconomic factors such as the general state of the economy, regional economic development, employment rate development, production rate of new residential units and premises, changes of infrastructure, population growth, structure of the population, inflation, interest rates etc. Oscar Properties is particularly exposed to macroeconomic factors which affect the region of Stockholm since the Company currently only conducts business in that region. If one or several of these factors would have a negative development, it could have a material negative impact on the Group's operations, earnings and financial position.

The possibility for Oscar Properties to successfully dispose of residential units

Oscar Properties' business mainly consists of sales of residential units in Stockholm, which means that both the desire and the ability to pay for residential units are of crucial importance for the Company's operations, earnings and financial position.

The desire to pay for residential units is, among other things, dependent on how well a specific residential unit corresponds to the market demand, the activity on the residential market, the general price trend on residential units and demographic factors, such as people moving into the region of Stockholm. The desire to pay for residential units is further affected by, among other things, the access and cost for alternative residential forms.

The ability to pay for residential units is, among other things, dependent on the development of wages, the employment ratio, the levels of taxes and charges and other factors which generally affect the economy of households. The ability to pay for residential units is also affected by the households' possibility to make interest deductions, receive loan financing, the development of interest rates for residential loans and of the statutory, or by the banks applied, rules for maximum borrowings and amortisations. It cannot be excluded that changes of rules which aim to reduce the households total borrowings are implemented, which could have a negative impact on the ability to pay for residential units.

If customers' desire or ability to pay for the residential units which the Company produce decreases, it could have a material negative impact on the Group's operations, earnings and financial position.

Project risks

Oscar Properties' business includes to a large extent real estate development projects, including new building and conversion of existing properties. It is, thus, a prerequisite for the Company's continuing development that such projects can be completed with economic profitability.

The possibility to carry out real estate development projects with economic profitability is among other things dependent upon a number of factors, such as that Oscar Properties can retain and recruit necessary competence within, for instance, planning, design, construction, architecture, marketing and sales, obtain necessary permits and decisions from authorities and hire contractors for the projects' implementation on terms acceptable to the Company.

Further, Oscar Properties real estate development is dependent upon continuing supply and financing of new projects on terms acceptable to the Company, including, among other things, access to new properties for conversion and new building and development of existing and new joint venture co-operations. In addition, Oscar Properties is in some projects bound by land allocation agreements and other agreements with local municipalities, pursuant to which Oscar Properties commits to carry out certain actions, within certain time frames, with respect to the properties. These commitments are independent of Oscar Properties' ability to finance them.

The possibility to carry out real estate development projects with economic profitability can also, among other things, be affected by whether the projects to a sufficient extent correspond to the market demand, a general change in the demand or price of residential units, insufficient planning, analysis and cost control, changes of taxes and charges and other factors which may result in delays or increased or unexpected costs in the projects.

A significant portion of Oscar Properties' business is to convert buildings which previously have not been used for residential purposes to residential units (with co-operative apartments as form of tenure), and, on some of such properties, continue the current usage during the period between the acquisition and the conversion.

In connection with new production and conversion as well as real estate management, there are technical risks. These include risks for constructional defects, the risk that the building cannot, in a constructional or structural engineering satisfactory manner, be converted to residential purposes, other concealed defects or deficiencies, damage and contaminations. If such technical problems would occur, it could result in delays in scheduled new buildings or conversions, or increased costs for new production, conversion and management of the Company's properties. In the event the Company's projects are delayed, this may also lead to partners and others with whom the Group has entered into agreements, regarding, among other things, real estate development or land designation, claiming damages or contractual penalty from the Group.

Furthermore, there is a risk that the Company is not able to obtain necessary decisions from authorities or permits for new productions, conversion or changed usage of acquired properties, or that change in permits, plans, regulations or laws, may result in delay, increased expenditures or non-completion of real estate development projects.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Acquisition, sale and other transactional related risks

Within the scope of its business, Oscar Properties carries out transactions relating to real properties and co-operative apartments. All such transactions involve uncertainties and risks. Acquisitions of properties involve, for instance, uncertainties regarding the management of tenants, unexpected costs with respect to environmental clean-up, rebuilding and the handling of technical problems, decisions from authorities and the emergence of disputes relating to the acquisition or the condition of the real property. Such uncertainties may result in delays of projects or increased or unexpected costs for the real properties or transactions.

Sale of residential units involve uncertainties regarding, for instance, the price and possibility to successfully dispose of all residential units and that different contractual guarantee claims under the sale and purchase agreements may be directed against Oscar Properties or its associated companies due to disposals or the condition of the property of the residential co-operative. The time period during which a purchaser may direct such claims against Oscar Properties is normally two years. Oscar Properties and its associated companies also, from time to time, enter into undertakings towards residential co-operatives to repurchase unsold co-operative apartments. If Oscar Properties cannot receive compensation for residential units to an advantageous price or if claims are directed against Oscar Properties, it could result in delays of projects or increased or unexpected costs for the residential units, the properties or the transactions.

If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Dependence of laws, permits and decisions

Oscar Properties' business is regulated and affected by a large number of laws and regulations as well as various processes and decisions relating to these regulations, both on a political level and on a civil servant level. Among other things, the Swedish Planning and Building Act (SFS 2010:900) (*Sw. plan- och bygglagen (2010:900)*), building standards, security regulations, rules regarding permitted construction materials, antiquarian building classification and various forms of cultural labelling have a large impact on the Company's business as well as costs for, and opportunities to, develop properties in a desired manner. There is a risk that the Company's interpretation of laws and regulations is incorrect, or that the interpretations may change in the future. Further, there is a risk that laws and regulations entail that the Company cannot use or convert the Group's or its associated companies' properties as desired, or that this can only be achieved with increased expenditures or delays.

In order for the Group's and its associated companies' properties to be used and developed as desired, various permits and decisions are required, including local plans and various kind of property registrations, which are approved and given by, for instance, municipalities and authorities, and which may be resolved on both a political and a civil servant level. There is a risk that Oscar Properties is not granted the permits or obtain the decisions necessary to conduct and develop its business in a desired manner. Further, there is a risk that decisions are appealed and, as a result thereof, are delayed significantly, or that the established decision making practice or the

political will or direction in the future are changed in an adverse manner for Oscar Properties and its associated companies.

If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Oscar Properties is dependent upon a good relationship with the other partners in associated companies

Since the majority of the Group's real estate development is conducted in associated companies, Oscar Properties is dependent upon a good relationship with the other partners in associated companies for both the completion and results of current and future projects. If one or several co-operations no longer develop in a positive direction, it could result in disputes and that the associated companies may be dissolved, and its assets realised, on disadvantageous terms.

Oscar Properties ability to initiate new, or develop existing, co-operations in associated companies may affect the possibility to successfully complete commenced, planned or new projects. If such co-operations cannot be initiated, or develop on terms that are disadvantageous for Oscar Properties, it could result in the Company's projects being delayed, that the projects cannot be financed or completed as expected, or can only be completed with reduced profitability or loss.

Oscar Properties is further dependent upon the actions of current and future partners in associated companies, which could result in reduced flexibility to operate the business, for instance with respect to investments in, or disposals of, properties in the associated companies. In addition, there is a risk, if the associated companies develop in a way which is negative for the Company, that Oscar Properties cannot take the measures which it finds most advantageous. If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Dependence on key persons

The Group and its business is dependent on a number of key persons, including Oscar Properties' founder Oscar Engelbert, who also is a member of the board of directors, managing director and indirectly the majority owner of the Company, and other senior executives and persons with specialist competence. Oscar Engelbert and other key persons have long experience of, and competence regarding, real estate development and real estate and residential transactions. Through their experience, these key persons have established good relationships with participants on the real estate market in Stockholm, partners and creditors. Accordingly, these key persons are important for a successful development of the Group's and the associated companies' business. If key persons leave the Group, it could have a material negative impact on the Group's operations, earnings and financial position.

Financing risks

The Group's business, especially with respect to acquisitions of properties, is to a large extent financed through loans from external creditors and interest rates are, for the Group and the associated companies, not an insignificant cost item. A large portion of the Group's and its associated companies' businesses consist of real estate development projects, which may be delayed or affected by unexpected or increased costs as a result of factors within or outside the control of Oscar Properties. If such circumstances occur, it could result in projects not being completed before loans are due, or that such increased costs are not covered by the granted credit

facilities. If Oscar Properties is not able to obtain financing with respect to acquisitions or development, extension or increase of existing financing or refinancing of previously received financing, or is only able to obtain such financing on terms that are disadvantageous, it could have a material negative impact on the Group's operations, earnings and financial position.

Credit and counterparty risks

Oscar Properties and its associated companies are exposed to the risk of not receiving payments for the residential units or properties in relation to which the Group has entered into sales agreements. Except for credit risks in relation to customers, the Company is exposed to credit risks in relation to other counterparties. Especially, this involves credit risks in relation to associated companies which have been granted loans by the Company. Such associated companies' capability of repayment may also depend on the partners' financial position. The Company is further exposed to credit risks in relation to banks in which the Company has deposited its liquid funds or otherwise has claims against. If these counterparties cannot fulfil their obligations towards Oscar Properties, it could have a material negative impact on the Group's operations, earnings and financial position.

Liquidity risks

Liquidity risk is the risk that the Company cannot meet its payment obligations at the maturity date without the cost for obtaining cash or cash equivalents increasing significantly. Oscar Properties is in an expansion phase, which means that the requirements on the Company's liquidity will increase. If the Company's liquidity sources prove not to be sufficient, there is a risk that the Company only can meet its payment obligations by raising funds on terms significantly increasing its financing costs or that the Company cannot meet its payment obligations at all and as a result thereof being in default under material agreements entered into by the Company, which could have a material negative impact on the Company's operations, earnings and financial position.

Interest rate risks

Interest rate risk is the risk that changes in interest rates affect the Group's interest costs. The Group's borrowings are exclusively related to different IBOR plus a margin, which means that the Group is exposed to fluctuations on the relevant IBOR markets. The main part of the Company's larger loans are construction loans that typically run for a construction period of 18–24 months, and are then to be settled. In addition, from time to time the Group has acquisition loans, which often have a longer maturity. Changes in interest rates may lead to changes in actual value, changes in cash flows and fluctuations in the Company's result, and if interest rate risks would materialise, it could have a material negative impact on the Company's operations, earnings and financial position.

Financial covenants in loan agreements

As of 30 September 2015, the Group's interest bearing debt (*i.e.* not including the associated companies) amounted to SEK 1,095.2 million, of which SEK 345.3 million consisted of the Company's bonds and the rest consisted of borrowings from credit institutions (SEK 630.5 million), other long-term debt (SEK 59.4 million) and a short term promissory note (SEK 60 million).¹ The borrowings from credit institutions are mainly divided on two different institutions.

¹ The consolidated unaudited interim report of the Company for the period 1 January – 30 September 2015, page 17.

In addition, the associated companies have also raised loans from credit institutions and other parties. The Company has provided security, and in certain cases guarantees, for these loans. Some of the loan agreements run with financial covenants which, among other things, include provisions regarding the ownership of the company which have raised the loan. If Oscar Properties or the associated companies would violate any or several of these covenants in the loan agreements, it could result in immediate cancellation of the loans or the realisation of the security granted to the relevant credit institutions, which could have a material negative impact on the Group's operations, earnings and financial position.

Change of control

In some of Oscar Properties co-operation agreements relating to associated companies, there are provisions which are triggered by a change of control of the Company. Upon such changes, certain rights of the counterparty, or obligations for the Group, arise which among other things could impact the Group's continuing ownership of real estate properties. If the Group's ownership of real estate properties would cease in this way, it could have a material negative impact on the Group's operations, earnings and financial position.

Environmental risks and requirements

The starting point for the responsibility with respect to contaminations and other environmental damage is, according to the current environmental laws, that the business operator, current and present, bears the responsibility. Oscar Properties does not conduct any business which requires a permit according to the Environmental Code (SFS 1998:808) (Sw. *Miljöbalken (1998:808)*). However, there may be, or may have been, tenants on the properties which Oscar Properties directly or indirectly owns that conduct business which require a particular permit according to the Environmental Code, *i.e.* that are business operators according to the Environmental Code.

If no business operator can carry out or pay for after-treatment of a property, the acquirer of the property, and which at the time of the acquisition knew about, or should have discovered, the contaminations is responsible for the after-treatment. This means that claims under certain circumstances can be directed against Oscar Properties for cleaning-up or after-treatment regarding the occurrence of, or suspicion of, contamination in the ground, water areas, or groundwater, in order to put the property in such condition as required by the Environmental Code.

Further, previous business operators may have carried out after-treatment of a property in an acceptable manner according to the usage at that point of time. As a result of changed usage to residential purposes, the requirements for Oscar Properties and the associated companies may be higher, which mean that the Group and the associated companies may have costs for after-treatment and cleaning-up in order to be able to use the property as desired.

Finally, changed laws, regulations and requirements from authorities on the environmental area could result in increased costs for Oscar Properties with respect to cleaning-up or after-treatment regarding currently held or in the future acquired properties. Such changes could also result in increased costs or delays for Oscar Properties in order to be able to carry out the real estate development as desired by the Group and the associated companies.

All such claims could have a material negative impact on the Group's operations, earnings and financial position.

Changes in value of real estate properties

Oscar Properties' investment properties are accounted for in the balance sheet at actual value and the changes in value are accounted for in the income statement. The value of the properties are affected by a number of factors, partly property specific such as vacancy rate, the rental level, operating costs and permitted usage of the property, partly market specific such as yield requirements and cost of capital derived from comparable transactions on the real estate market. Realised as well as non-realised value changes, and errors in the valuations of the Company's properties, could have a material negative impact on the Group's operations, earnings and financial position.

Tax

Oscar Properties and the associated companies operations are affected by the tax rules in force, from time to time, in Sweden. These rules include corporate tax, real estate tax, value added tax, rules regarding tax-free disposals of shares, other governmental or municipal taxes, and interest deductions and subsidies. Oscar Properties' and the associated companies' tax situation is also affected by if transactions between companies within the Group or with associated companies, and between the Group, associated companies and residential co-operatives, in connection with projects, are considered to be priced on market terms. There is a risk that that the Company's interpretation of applicable tax laws and regulations, or that advice from tax advisors, is incorrect, or that such laws and regulations change, possibly with retroactive effect. Further, future changes in applicable laws and regulations may affect the conditions of the businesses of Oscar Properties and the associated companies. It may in this respect be noted that in an Official Report of the Swedish Government (SOU 2014:40) published on 12 June 2014 it is proposed that, as of 1 January 2016, new rules shall be implemented in Sweden regarding, *inter alia*, limitations on deductions of interest costs and other financial costs, which hence could limit Oscar Properties' and the associated companies' possibility to obtain deductions in this respect. Furthermore, there are significant differences in the political parties view on the size and occurrence of taxes and subsidies. It cannot be excluded that tax rates are changed in the future or that other changes of regulations occur which affect the ownership of real estate properties or real estate transactions, e.g. amended rules for transfers below market value or that stamp duty begins to apply also in respect of indirect real estate transactions. If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Competition

Oscar Properties operates on a competitive market. The Company's future possibilities to compete are, among other things, dependent upon the Company's ability to anticipate future market changes and trends, and to rapidly react on existing and future market needs, which may result in increased costs or require price reductions or changes of Oscar Properties business model. Further, the Group operates on a market where several of Oscar Properties' competitors have greater financial resources than the Group. Increased competition from existing and new market participants as well as deteriorated competition possibilities could have a material negative impact on the Group's operations, earnings and financial position.

Reputational damage

Oscar Properties' reputation is central to its business and earnings capacity. The Company's long-term profitability is based on that consumers, partners in associated companies and other participants on the real estate market associate Oscar Properties with positive values and good quality. If, for example, Oscar Properties, any of its senior management or partners in associated companies were to act in a manner that conflict with the values represented by Oscar Properties, or if any of the Company's real estate projects does not meet the expectations of the market, there is a risk that the Company's reputation is damaged. Damage to the reputation could have a material negative impact on the Group's operations, earnings and financial position.

Disputes

Oscar Properties is, and may become involved in, disputes or claims, for example regarding contract work. Such disputes could be time consuming and result in costs, the size of which cannot always be foreseen. Disputes could, therefore, have a material negative impact on the Group's operations, earnings and financial position.

Changed accounting rules

Oscar Properties' business is affected by the accounting rules that, from time to time, are applied in Sweden, including for example IFRS and other international accounting rules. This means that the Group's, or its associated companies' accounting, financial reporting and internal control, may in the future be affected by and may have to be adapted to changed accounting rules or a changed application of such accounting rules. This might entail uncertainty regarding the Group's and its associated companies' accounting, financial reporting and internal control and might also affect the Company's and the associated companies' accounted earnings, balance sheet and equity, which could have a material negative effect on the Group's operations, earnings and financial position.

Risks relating to the Bonds

Credit risks

An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the Terms and Conditions is therefore dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, a number of which have been discussed above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively.

Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

Liquidity risks

The Bonds issued on 3 September 2014 have been listed on the corporate bond list of Nasdaq Stockholm and the Company shall ensure that all Bonds issued thereafter are also listed on Nasdaq Stockholm. However, there is a risk that the new Bonds will not be admitted to trading. Further,

even if securities, including the Bonds, are admitted to trading on Nasdaq Stockholm, there is not always active trading in the securities, so there is a risk that the market for trading in the Bonds will be illiquid even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, some of which have been discussed above. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group's operating results, financial position or prospects.

Unsecured obligations

The Bonds represent unsecured obligations of the Company. This means that in the event of the liquidation, bankruptcy, reorganisation or winding-up of the Company, the bondholders normally receive payment after any priority creditors have been paid in full. Each investor should be aware that by investing in the Bonds, it risks losing the entire, or parts of, its investment in the event of the Company's liquidation, bankruptcy or company reorganisation.

Dependence on subsidiaries and associated companies

A significant part of the Group's assets and revenues relate to the Company's subsidiaries and associated companies. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The Company's subsidiaries and associated companies are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Company's subsidiaries and associated companies to make such payments to the Company is subject to, among other things, the availability of funds. Further, the Group is not the majority owner of the associated companies and there is a risk that the other partners of such companies act in a manner that prohibits that funds are made available to the Group, even if such funds are available in the associated companies. Should the Company not receive sufficient income from its subsidiaries and associated companies, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

Insolvency of subsidiaries

In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries or associated companies, all creditors of such company would be entitled to payment in full out of the assets of such company before the Company, as a shareholder, would be entitled to any payments. Defaults by, or the insolvency of, certain subsidiaries or other associates of the Company may result in the obligation of the Company to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group and its associated companies. There is a risk that the Company and its assets would not be protected from any actions by the creditors of a subsidiary or other associated company, whether under bankruptcy law, by contract or otherwise.

Financing, structural subordination and priority rights

The Terms and Conditions do not include a so called "negative pledge" undertaking. Accordingly, the Group and its associated companies may retain, provide or renew security over any of its present or future assets to secure any loans or other credit arrangements. Such security would not secure the Bonds. Furthermore, the Terms and Conditions only include limited restrictions on the ability of Oscar Properties and its subsidiaries to incur additional indebtedness, and there are no such restrictions at all with respect to the Company's associated companies.

The Group and its associated companies have, as part of its financing, incurred debts to credit institutions. Certain real estate and shares in the Company's real estate owning subsidiaries and associated companies have in connection therewith been pledged as security. The Group and its associated companies intend to continue seeking appropriate and profitable financing and may in connection thereto grant security for such financing. Such secured financing may negatively affect the Bonds.

Risks related to early redemption and put options

As stipulated in the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if (i) the ordinary shares in the Company cease to be listed on Nasdaq Stockholm or (ii) one or more persons (other than the main shareholder) acting together, acquire control over the Company. There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Company, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

No action against the Company and bondholders' representation

As stipulated in the Terms and Conditions, the agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against

the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Company and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, the possibility that a bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the agent has in some cases the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the agent in such matters could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

Bondholders' meetings

The Terms and Conditions include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

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

Risks relating to the clearing and settlement in Euroclear's book-entry system

The Bonds are affiliated to Euroclear's account-based system, and no physical notes have been issued. Clearing and settlement relating to the Bonds is carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of Euroclear's account-based system, which is a risk factor that the Company cannot control.

Amended or new legislation

The Terms and Conditions are based on Swedish law in force at the issue date of the Bonds. There is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

Conflict of interests

The issuing agent has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. The issuing agent may thus in the future have relations with the Group other than those arising from its role in the issue of the Bonds. The issuing agent may, for example, provide services related to financing other than through the issue of the Bonds, such as investment banking services for, or other commercial dealings with, the Group. Consequently, there is a risk that conflicts of interest may arise in the future which could adversely affect the Group's ability to renew or maintain existing financing or obtain further financing and in turn have a material negative effect on the Group's operations, earnings and financial position.

Responsible for the information in the Prospectus

The Company issued the Bonds on 16 December 2015. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, 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, each as amended.

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

The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in 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 on 13 January 2016

OSCAR PROPERTIES HOLDING AB (PUBL)

The board of directors

The Bonds in brief

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference (see below section “Overview of financial reporting and documents incorporated by reference”) and the full Terms and Conditions for the Bonds, which can be found in section “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

Concepts and terms defined in section “Terms and Conditions for the Bonds” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

Background

On 3 September 2014, the Company issued SEK 350,000,000 senior unsecured callable floating rate bonds 2014/2019 with ISIN SE0005936390, each with a nominal amount of SEK 1,000,000, within the maximum loan amount of SEK 500,000,000. A prospectus was prepared by the Company in relation to the application for listing of these Initial Bonds on Nasdaq Stockholm. The prospectus was approved by and registered with the Swedish Financial Supervisory Authority on 24 September 2014 (with the Swedish Financial Supervisory Authority’s journal number 14-12465 (Sw. *FI Dnr 14-12465*)). The prospectus was published by Swedish Financial Supervisory Authority the on 29 September 2015 and the Initial Bonds were admitted to trading on Nasdaq Stockholm on 1 October 2014 (with the short name OP 001).

Under the Terms and Conditions, the Company may, at one or more occasions, issue Subsequent Bonds amounting to in total up to the difference of SEK 500,000,000 and the aggregate Nominal Amount of the Initial Bonds, provided that the Maintenance Test is met (calculated *pro forma* including such issue). Subsequent Bonds shall benefit from and be subject to the Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount, the Final Redemption Date shall apply also to Subsequent Bonds, which also otherwise shall have the same rights as the Initial Bonds.

The issuance of the Bonds is the Company’s second issue of bonds under the Terms and Conditions.

Summary of the Bonds

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each Holder has a claim against the Company. The Company resolved to issue the Bonds on 8 December 2015. The purpose of the Bond Issue was to raise funds to be used towards investments and general corporate purposes of the Group. The Issue Date for the Bonds was 16 December 2015. The Bonds will mature on 3 September 2019.

The aggregate nominal amount of the Bonds is maximum SEK 500,000,000 represented by Bonds denominated in SEK with ISIN SE0005936390, each with a Nominal Amount of SEK 1,000,000. As of the date of this Prospectus, SEK 450,000,000 of the bond loan has been issued.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Holders on a

securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear's book-entry system.

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

The Company shall redeem all outstanding Bonds at 100 per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Redemption Date, unless previously redeemed or repurchased and cancelled in accordance with section 10 "*Redemption and repurchase of the Bonds*" or terminated in accordance with section 12 "*Termination of the Bonds*" of the Terms and Conditions.

The Company may choose to redeem all, but not only some, of the Bonds in full on any Business Day at a redemption price equal to the Make Whole Amount or the relevant Call Option Amount, in both cases together with accrued but unpaid interest (see further section 10.3 "*Early voluntary redemption by the Issuer (call option)*" of the Terms and Conditions).

Upon a Change of Control Event or a Listing Failure, each Holder has a right of pre-payment (put option) of its Bonds at a price of 101 per cent. of the Nominal Amount together with accrued but unpaid interest (see further section 10.4 "*Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)*" of the Terms and Conditions).

Payment of the Nominal Amount and/or interest will be made to the person who is a Holder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date, unless the limitation period is duly interrupted.

The Bonds bear interest from, but excluding, the Interest Payment Date falling immediately prior to their issuance up to, and including, the Relevant Redemption Date at floating rate of STIBOR (3 months) + 5.50 per cent. per annum. Interest is paid quarterly in arrears on each Interest Payment Date and is 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). The Interest Payment Dates are 3 March, 3 June, 3 September and 3 December each year (with the last Interest Payment Date being the Final Redemption Date). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

Intertrust CN (Sweden) AB (previously CorpNordic Sweden AB), registration number 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden is acting as Agent for the Holders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorisation from the Holders and without having to obtain any Holder's consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Holders in every matter concerning the Bonds and the Terms and Conditions. The Agent is authorised to act on behalf of the Holders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Holder shall immediately upon request by the Agent provide the

Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request of the Agent.

An agreement was entered into between the Agent and the Company on or about 3 September 2014 regarding, *inter alia*, the remuneration payable to the Agent. The Agent agreement is available at the Agent's office. The rights and obligations of the Agent are set forth in the Terms and Conditions which are available at the Company's web page, www.oscarproperties.com.

Each of the Company, the Agent and Holders representing at least ten per cent. of the total outstanding Nominal Amount, may request that a Holders' Meeting is convened (see further section 15 "*Holders' Meeting*" of the Terms and Conditions) or request a Written Procedure (see further section 16 "*Written Procedure*" of the Terms and Conditions). Such Holders' Meeting or Written Procedure may, upon votes representing a relevant majority of Holders eligible for voting, cause resolutions to be validly passed and binding on all Holders.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall firstly be applied towards payment of all costs and expenses incurred by and any remuneration payable to the Agent under the Terms and Conditions and the Agent Agreement, secondly in or towards payment of accrued but unpaid Interest under the Bonds, thirdly in or towards payment of any unpaid principal under the Bonds and fourthly in or towards payment of any other costs or outstanding amounts unpaid under the Terms and Conditions. Any excess funds shall be transferred to the Company.

The Bonds are freely transferrable and trading can occur from their date of issuance. Holders may, however, be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Holder may be subject (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) for business). Each Holder must ensure compliance with local laws and regulations applicable at their own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Company intends to apply for listing of the Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 100. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 15 January 2016. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 100,000.

The Terms and Conditions include an undertaking for the Company to ensure that the Bonds are listed on Nasdaq Stockholm. For the avoidance of doubt, Bonds issued in any Subsequent Bond Issue may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority.

The Company and its operations

Introduction

Oscar Properties Holding AB (publ) is a public limited liability company registered in Sweden with registration number 556870-4521, having its registered address at Linnégatan 2, P.O. Box 5123, SE-102 43, Stockholm, Sweden. The Company was formed on 17 October 2011 and registered with the Swedish Companies Registration Office on 3 November 2011. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

Share capital, shares, ownership structure and governance

According to its articles of association, the Company's share capital shall be no less than SEK 40,000,000 and not more than SEK 160,000,000 divided into no less than 20,000,000 shares and not more than 80,000,000 shares. According to its articles of association, the Company can issue three classes of shares; ordinary shares, ordinary shares of series B and preferential shares. The Company's current share capital amounts to SEK 58,539,966 divided among 28,069,983 ordinary shares and 1,200,000 preferential shares. The ordinary shares entitle the holder to one vote per share, while the ordinary shares of series B and the preferential shares entitles to one tenth of a vote. The shares are denominated in SEK.

The Company is publicly traded with its ordinary shares and preferential shares being listed on Nasdaq Stockholm. As of 30 September 2015, there were approximately 3,650 shareholders of the Company. The largest shareholders of the Company are Oscar Engelbert (through company) with approximately 56.2 per cent. of the share capital and 58 per cent. of the votes and Staffan Persson (through company) with approximately 8.8 per cent. of the share capital and 9.1 per cent. of the votes. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

Business and operations

The object of the Company's business is to acquire, develop and sell real properties for residential purposes in Stockholm. Oscar Properties' business is partly carried out by converting buildings which previously have not been used for residential purposes to residential units. Oscar Properties also creates residential units through new building. The Company's vision is to develop residential units so unique that people would specifically aim for an Oscar Properties building when searching for a new residence.

The Company is the parent company in the Group. However, a significant portion of the business is carried out through subsidiaries and joint ventures or associated companies which are owned together with professional partners on the real estate market. In fact, the majority of the revenues of Oscar Properties come from the Company's operational subsidiaries, joint ventures and associated companies. Consequently, the Company is dependent upon such subsidiaries, joint ventures and associated companies. As of 30 September 2015, Oscar Properties was involved in seven joint ventures which own real properties. In these joint ventures, the Company mainly contributes by project management and creating business, while its partners contribute with capital and/or new projects.

As of 30 September 2015, the Group's and its associated companies' holdings comprise approximately 2,750 residential units, of which approximately 650 units are under construction.

Litigation

In December 2014, the Swedish Tax Agency decided to impose Fastighets AB Garverigränd and L-fabriken Ekonomisk förening (into which Fastighets AB Garverigränd has been merged) VAT. The decision, whereby the associated company Projektbolaget Oscarsborg AB (in which the Group has a holding of 50 per cent.) is obliged to pay approximately SEK 25 million plus interest expenses of approximately SEK 900,000, has been appealed to the Administrative Court in Stockholm (Sw. *Förvaltningsrätten i Stockholm*).

The Group is, through Sehlstedtgatan Ekonomisk förening, involved in ongoing legal disputes relating to the redevelopment project for the district Stettin 4. The Group has submitted claims against the framing constructor and the ventilation contractor. The claims are based on defects in the completed contract and amounts to approximately SEK 18 million.

Furthermore, the Swedish Tax Agency has in a review decision imposed HG7 Syd AB a tax surcharge of SEK 9 million and output VAT of SEK 45 million for the provision of construction services to Fastighets AB Dykärret pursuant to the rules regarding reversed liability to pay taxes (Sw. *omvänd skattskyldighet*). The output VAT of SEK 45 million should have been accounted for by Fastighets AB Dykärret pursuant to the rules on reversed tax liability. The Swedish Tax Agency is of the opinion that the rules on reversed tax liability for construction services were not applicable to Fastighets AB Dykärret at the time the Swedish Tax Agency considers that the sales of construction services occurred. The decision has been appealed to the Administrative Court. As a result of the decision in relation to HG 7 Syd AB, Fastighets AB Dykärret has submitted corrective statements so that the output VAT should not be accounted for twice.

Besides the above, the Company has not, during the previous twelve months, been and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability. However, Oscar Properties is from time to time involved in legal proceedings in the ordinary course of business.

Material agreements

No Group company is party to any material agreement outside the ordinary course of business which could result in such company having a right or an obligation that could materially affect the Company's ability to meet its obligations to the bondholders.

Credit rating

Neither the Company nor the Bonds have a credit rating from an international credit rating institute.

Significant adverse changes and recent events

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

During the first quarter of 2015 the Company's shares were listed on Nasdaq Stockholm.

During the second quarter of 2015 the Company redeemed its already issued preference shares and issued 1,200,000 new preference shares, of which 1,059,651 were issued through a new issue of shares and 140,349 were issued through a bonus issue. After these share issues, the Company's share capital was SEK 937,500 higher than before the redemption of shares. Furthermore, Oscar Properties sold the investment property Barnhusväderkvaren. The sale generated a capital gain of approximately SEK 23 million. The Company also acquired the property Uppfinnaren 1, with a property value of SEK 650 million.

During the third quarter of 2015 Oscar Properties acquired the property Stora Mans 1, with a property value of SEK 200 million.

Except for the foregoing and the issuance of the Bonds, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of the Company's solvency.

Shareholders' agreements

As far as the Company is aware, there are no shareholders' agreements or other agreements which could result in a change of control of the Company.

Board of directors, senior management and auditors

The business address for all members of the board of directors and the senior management is: Oscar Properties Holding AB (publ), Linnégatan 2, P.O. Box 5123, SE-102 43, Stockholm, Sweden. The board of directors of the Company currently consists of 6 members. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

Board of directors

Oscar Engelbert

Born 1976 and of Swedish nationality. Managing director and board member of the Company since 2012. Current assignments outside the Company include chairman of the board of directors of Oscar Properties Värdepapper AB.

Jakob Grinbaum

Born 1949 and of Swedish nationality. Member of the board of directors of the Company since 2012 and chairman of the board of directors since 2013. Current assignments outside the Company include board member in AB Sveriges Säkerställda Obligationer (publ), SBAB Bank AB (publ), Fjärde AP-fonden, J Grinbaum Finanskonsult AB, IK Sirius, Jernhusen AB and Stiftelsen Östgötagården Uppsala. Advisory board member in Genesta Property Nordic AB.

Johan Thorell

Born 1970 and of Swedish nationality. Member of the board of directors of the Company since 2012. Current assignments outside the Company include chairman of the board of directors in gamefederation svenska AB, Hållsta Fastighetsutveckling AB and Kallebäck Property Invest AB and board member in Delarka Holding AB (publ), AB Sagax (publ), Hemsö Fastighets AB (publ), Nicoccino Holding AB (publ) and Tagehus Holding AB. Board member and managing director in Gryningskust Holding AB.

Lennart Låftman

Born 1945 and of Swedish nationality. Member of the board of directors of the Company since 2012. Current assignments outside the Company include chairman of the board of directors in Bonäsudden Holding AB (publ), Intervalor Aktiebolag, AVISA Aktiebolag, Ros-Press Aktiebolag, Delarka Holding AB (publ) and EOJ 1933 AB and board member in Byggnads AB S:t Erik, RFSU Aktiebolag, Nyréns Arkitektkontor Aktiebolag, Råd & Dåd Marknadsföring Aktiebolag, Transitex Aktiebolag, Aktiebolaget Stockholms Läns Landstings Internfinans, Telge Energi Aktiebolag, Folkandvården Stockholms län AB, Aktiebolag Gruvbron and Kallebäck Property Invest AB.

Ann Grevelius

Born in 1966 and of Swedish nationality. Member of the board of directors of the Company since 2015. Current assignments outside the Company include board member of Prisma Financial Tech AB.

Staffan Persson

Born in 1956 and of Swedish nationality. Member of the board of directors of the Company since 2015. Current assignments outside the Company include *inter alia* chairman of the board of directors in Synthetic MR AB (publ) and Sveab Holding AB and board member in Cinnober Financial Technology Aktiebolag and The Lexington Company AB (publ).

Senior management*Oscar Engelbert*

See section “*Board of directors*” above.

Magnus Andersson

Magnus Andersson is the chief operating officer of the Company.

Navid Rostam Khesal

Navid Rostam Khesal is head of finance of the Company. Current assignments outside the Company includes chairman of the board of directors of Instabridge AB.

Ulrika Arph

Ulrika Arph is head of Business Development & Marketing of the Company. Current assignments outside the Company include board member in Arph Urban Real Estate AB.

Rikard Wiss

Rikard Wiss is the managing director of Oscar Properties Bygg AB. Current assignments outside the Company include deputy board member in Prodiem AB.

Malin Gangnor

Malin Gangnor is head of sales of the Company.

Ted Mattson

Ted Mattson is head of project development of the Company.

Herman Persson

Herman Persson is head of design of the Company.

Auditors

Öhrlings PricewaterhouseCoopers AB, with Ola Salemyr as the auditor-in-charge, has been the Company's auditor from September 2012 and onwards (i.e. for the period covered by the historical financial information incorporated into this Prospectus by reference). Ola Salemyr is a member of FAR. The business address to Öhrlings PricewaterhouseCoopers AB is Torsgatan 21, SE-113 97 Stockholm, Sweden.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

Conflicts of interests

None of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of the Company.

Although there are currently no conflicts of interest, it cannot be excluded that conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Company.

Financial interests

Several members of the board of directors and the senior management have a financial interest in the Company through their, direct and indirect, holdings of shares in the Company.

Overview of financial reporting and documents incorporated by reference

The accounting principles applied in the preparation of the Company's financial statements presented below are set out in the following and have been consistently applied to all the years presented, unless otherwise stated.

The financial information for the financial years ending 31 December 2013 and 31 December 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act.

The Company's consolidated annual reports for the financial years ended 31 December 2013 and 31 December 2014 have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's report has been incorporated in this Prospectus through the consolidated annual reports for the financial years ended 31 December 2013 and 31 December 2014 by reference.

The Company's consolidated interim report for the financial period ended 30 September 2015 has been incorporated in this Prospectus by reference. The interim report has not been audited or reviewed by the Company's auditor.

In this Prospectus the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

Reference	Document	Page
Financial information regarding the Company and its business for the financial year ended 31 December 2013	Oscar Properties' consolidated annual report for the financial year ended 31 December 2013	- 52-53 (Financing), - 57-63 (Administration report), - 63 (Group's consolidated statement on comprehensive income), - 64 (Group's consolidated statement of financial position), - 66 (Group's consolidated statement of changes in equity), - 67 (Group's consolidated cash flow statement) - 68 (Company's income statement) - 69 (Company's balance sheet) - 72-89 (Accounting principles and notes)
Auditor's report for the financial year ended 31 December 2013	Oscar Properties' consolidated annual report for the financial year ended 31 December 2013	- 90-91(Auditor's report)
Financial information regarding the Company and its business for the financial year ended 31	Oscar Properties' consolidated annual report for the financial year	- 56-60 (Financing), - 61-68 (Administration report), - 69 (Group's consolidated statement on comprehensive income),

December 2014	ended 31 December 2014	<ul style="list-style-type: none"> - 70 (Group's consolidated statement of financial position), - 72 (Group's consolidated statement of changes in equity), - 73 (Group's consolidated cash flow statement) - 74 (Company's statement on comprehensive income) - 75 (Company's balance sheet) - 78-103 (Accounting principles and notes)
Auditor's report for the financial year ended 31 December 2014	Oscar Properties' consolidated annual report for the financial year ended 31 December 2014	- 104-105 (Auditor's report)
Financial information regarding the Company and its business for the financial period ended 30 September 2015	Oscar Properties' consolidated interim report for the financial period ended 30 September 2015	<ul style="list-style-type: none"> - 2 (The period in brief), - 29 (Miscellaneous information), - 20 (Group's consolidated statement on comprehensive income), - 21 (Group's consolidated statement of financial position), - 22 (Group's consolidated statement of changes in equity), - 23 (Group's consolidated cash flow statement), - 27 (Notes)

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Bonds or is covered elsewhere in the Prospectus. The documents can be obtained in paper format at the Company's head office and are also available at the Company's web page, www.oscarproperties.com.

Documents available for inspection

Copies of the following documents can be obtained from the Company in paper format during the validity period of this Prospectus at the Company's head office and are also available at the Company's web page, www.oscarproperties.com.

- The articles of association of the Company
- All documents which by reference are a part of this Prospectus, including historical financial information for the Company and its subsidiaries

Terms and Conditions for the Bonds

**TERMS AND CONDITIONS FOR
OSCAR PROPERTIES HOLDING AB (PUBL)
MAXIMUM SEK 500,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
BONDS 2014/2019**

ISIN: SE0005936390

Issue Date: 3 September 2014

The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

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**TERMS AND CONDITIONS FOR
OSCAR PROPERTIES HOLDING AB (PUBL)
MAXIMUM SEK 500,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE BONDS
2014/2019
ISIN: SE0005936390**

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

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

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

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time; initially CorpNordic Sweden AB (reg. no. 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden).

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

“**Associated Company**” means any Person, other than a Group Company, in which a Group Company owns equity or other shares.

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Swedish Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

“**Book Equity**” means the consolidated book value of the Group’s aggregate shareholders’ equity according to the latest Financial Report.

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

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

“**Call Option Amount**” means:

- (a) 104.50 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the date falling 42 months after the Issue Date;
- (b) 102.50 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 42 months after the Issue Date up to (but excluding) the date falling 48 months after the Issue Date; and
- (c) 101.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 48 months after the Issue Date up to (but excluding) the Final Redemption Date.

“**Cash**” means cash in hand held by the Group Companies or with a reputable bank credited to an account in the name of a Group Company, also including amounts that can be freely drawn upon in relation to revolving credit facilities or working capital facilities, and in each case to which a Group Company is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest (for the avoidance of doubt, not including, *e.g.*, any cash subject to a pledge or similar arrangement, any amount standing on client accounts or construction credits (Sw. *byggnadskreditiv*)).

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

“**Cash Position**” means the aggregate amount of Cash and Cash Equivalents held by the Group calculated on a consolidated basis in accordance with the latest Financial Report (as applicable).

“**Change of Control Event**” means the occurrence of an event or series of events whereby (i) the ordinary shares in the Issuer is not listed on NASDAQ OMX First

North Premier or a Regulated Market or (ii) one or more Persons (other than the Main Shareholder) acting together, acquire control over the Issuer and where “**control**” means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying (i) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it and, (ii) if provided in connection with a Financial Report being made available, that the Maintenance Test is met and including calculations and figures in respect of the ratio of Book Equity to Total Assets.

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

“**Event of Default**” means an event or circumstance specified in Clause 12.1.

“**Final Redemption Date**” means 3 September 2019.

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements (other than in relation to contracting agreements (Sw. *entreprenadavtal*)) but excluding vendor notes (Sw. *säljarevers*) issued in relation to acquisitions of real estates);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);

- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(f).

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

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to Clause 11.9.1(a)–(b).

“**First Call Date**” means the date falling 30 months after the Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**Force Majeure Event**” has the meaning set forth in Clause 23.1.

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

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

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 15 (*Holders’ Meeting*).

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

“**Initial Bond Issue**” has the meaning set forth in Clause 2.1.

“**Interest**” means the interest on the Bonds calculated in accordance with Clause 9.1–9.3.

“**Interest Payment Date**” means 3 March, 3 June, 3 September and 3 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 3 December 2014 and the last Interest Payment Date being the Final Redemption Date).

“**Interest Period**” means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means a floating rate of STIBOR (3 months) + 5.50 per cent. per annum.

“**Issue Date**” means 3 September 2014.

“**Issuer**” means Oscar Properties Holding AB (publ) (reg. no. 556870-4521, P.O. Box 5123, SE-102 43, Stockholm, Sweden).

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

“**Listing Failure**” means the situation where the Bonds have not been listed on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market) within 60 calendar days after the Issue Date.

“**Main Shareholder**” means Oscar Engelbert and his Affiliates.

“**Maintenance Test**” is met if and (i) the ratio of Book Equity to Total Assets at all times is at least 0.25; and (ii) the Cash Position amounts to not less than SEK 30,000,000 on the last day of each interim quarter. The Issuer may in its sole discretion chose to calculate the Maintenance Test in accordance with the Accounting Principles as applicable on the Issue Date, or the Accounting Principles as otherwise adopted or amended from time to time.

“**Make Whole Amount**” means an amount equal to the sum of:

- (a) the present value on the relevant Record Date of 104.50 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant Record Date of the remaining Interest payments (excluding accrued but unpaid Interest up to the relevant Redemption Date) up to and including 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 notice of redemption is given to the Holders);

both calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date).

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

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

or willingness to perform and comply with its payment and other undertakings under these Terms and Conditions or (c) the validity or enforceability of these Terms and Conditions.

“**Material Group Company**” means the Issuer or a Subsidiary representing more than 5.00 per cent. of either (i) the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra-group transactions) or (ii) the net profit of the Group on a consolidated basis according to the latest Financial Report.

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

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue which, after deduction has been made for the transaction costs payable by the Issuer to the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds, shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

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

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

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

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 13 (*Distribution of proceeds*), (iv) the date of a Holders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

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

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

“**Restricted Payment**” has the meaning set forth in Clause 11.1.

“**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.

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

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ OMX Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in SEK 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 SEK offered in the Stockholm interbank market for the relevant period; and

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

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

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

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (d) exercises control as determined in accordance with the Accounting Principles.

“**Swedish Government Bond Rate**” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the relevant Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however, that if the period from the relevant Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for

which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used.

“**Total Assets**” means the aggregate book value of the Group’s total assets according to the latest Financial Report.

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 16 (*Written Procedure*).

1.2 Construction

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

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

1.2.2 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). 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 Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

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

2.1 The aggregate amount of the bond loan will be an amount of up to SEK 500,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). The maximum total nominal amount

of the Initial Bonds is SEK 500,000,000 (“**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount. The ISIN for the Bonds is SE0005936390. The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,000,000.

- 2.2 The Issuer may, at one or more occasions, issue Subsequent Bonds amounting to in total up to the difference of SEK 500,000,000 and the aggregate Nominal Amount of the Initial Bonds, provided that the Maintenance Test is met (calculated *pro forma* including such issue). Subsequent Bonds shall benefit from and be subject to these Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount, the Final Redemption Date shall apply also to Subsequent Bonds, which also otherwise shall have the same rights as the Initial Bonds. The price of Subsequent Bonds may be set at a discount or at a higher price than the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 500,000,000.
- 2.3 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.4 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.5 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

3. STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.

4. USE OF PROCEEDS

The Net Proceeds shall be used towards investments and general corporate purposes.

5. THE BONDS AND TRANSFERABILITY

- 5.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 5.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 5.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 5.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or

other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

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

6. BONDS IN BOOK-ENTRY FORM

- 6.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 6.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 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 (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 6.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 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 Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 6.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

7. RIGHT TO ACT ON BEHALF OF A HOLDER

- 7.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 7.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder and may further delegate its right to represent the Holder by way of a further power of attorney.
- 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 7.1 and 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 BONDS

- 8.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 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 (*Payments in respect of the Bonds*), the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- 8.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be

liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

9. INTEREST

- 9.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- 9.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 9.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

10. REDEMPTION AND REPURCHASE OF THE BONDS

10.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

10.2 The Group Companies' purchase of Bonds

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

10.3 Early voluntary redemption by the Issuer (call option)

- 10.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day prior to the First Call Date, at an amount equal to the Make Whole Amount together with accrued but unpaid Interest.

- 10.3.2 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest.
- 10.3.3 Redemption in accordance with Clause 10.3.1 and 10.3.2 shall be made by the Issuer giving not less than 15 Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- 10.4 **Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)**
- 10.4.1 Upon a Change of Control Event or a Listing Failure occurring, each Holder shall have the right to request that all, but not only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of 30 calendar days following a notice from the Issuer of the Change of Control Event or Listing Failure (as applicable) pursuant to Clause 11.9.1 (e). The 30 calendar days' period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure.
- 10.4.2 The notice from the Issuer pursuant to Clause 11.9.1 (e) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.9.1 (e). The repurchase date must fall no later than 20 Business Days after the end of the period referred to in Clause 10.4.1.
- 10.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.
- 10.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 may at the Issuer's discretion be retained, sold or cancelled.

11. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 11.

11.1 Distributions

The Issuer shall not, and shall procure that none of the Subsidiaries or Associated Companies, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans, (v) grant any loans except to Group Companies and Associated Companies or (vi) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, the Subsidiaries' or the Associated Companies', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)–(vi) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by (a) any Group Company or Associated Company if such Restricted Payment is made to a Group Company and, if made by any Associated Company or Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis or in accordance with agreements entered into on arm's length terms, (b) the Issuer if such Restricted Payment constitutes a repurchase or redemption of the preference shares in the Issuer and the Issuer in connection with such Restricted Payment issues new shares which increases the Issuer's equity in an amount which at least equals the Restricted Payment and (c) the Issuer, provided that (i) the Maintenance Test (calculated on a *pro forma* basis including the relevant Restricted Payment) is met and (ii) the aggregate amount of all Restricted Payments made by the Group as from 1 January 2014 (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with item (a)–(b) above) does not exceed an amount equal to 50 per cent. of the Group's accumulated consolidated net profit (Sw. *årets resultat*) for all financial years from and including the financial year ending on 31 December 2013, according to the relevant annual audited financial statements.

11.2 Listing of Bonds

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

11.3 **Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the Issue Date and, for the avoidance of doubt, such substantial change shall be deemed to be at hand if the majority of the projects of the Group are not focused on property development.

11.4 **Market loans**

The Issuer shall not issue any Market Loan that has a final redemption date or, when applicable, early redemption dates or instalment dates which occur before the Final Redemption Date.

11.5 **Disposals of assets**

The Issuer shall not, and shall procure that no Group Company, sell or otherwise dispose of shares in any Group Company or Associated Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

11.6 **Dealings with related parties**

The Issuer shall, and shall procure that the Subsidiaries, conduct all dealings with the Associated Companies and the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of the Associated Companies and such direct and indirect shareholders, at arm's length terms.

11.7 **Compliance with laws etcetera**

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

11.8 **Maintenance Test**

The Issuer shall ensure that the Maintenance Test is met.

11.9 **Financial reporting etcetera**

11.9.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial

statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than 4 months after the expiry of each financial year;

- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than 2 months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with the payment of a Restricted Payment which requires that the Maintenance Test is met and (iii) at the Agent's request, within 20 calendar days from such request;
- (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;
- (e) promptly notify the Agent (and, as regards a Change of Control Event and Listing Failure, the Holders) upon becoming aware of the occurrence of a Change of Control Event, a Listing Failure or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and
- (f) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

11.9.2 The Issuer shall notify the Agent of any transaction referred to in Clause 11.5 (Disposals of assets) and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

11.10 **Agent Agreement**

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

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

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

12. **TERMINATION OF THE BONDS**

12.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) 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 Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 12.5 or 12.6, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than 20 Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within 5 Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under item (a) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 15 Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross-default/-acceleration:**
 - (i) Any Financial Indebtedness of any Material 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

howsoever described under any document relating to Financial Indebtedness of any Material Group Company; or

- (ii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 20,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

(d) **Insolvency:**

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

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

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

(f) **Mergers and demergers:**

- (i) A decision is made that any Material Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the merger

and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or

- (ii) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity;
 - (g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding SEK 20,000,000 and is not discharged within 30 calendar days;
 - (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or
 - (i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as stipulated in Clause 12.1 (f) or (ii) a permitted disposal as stipulated in Clause 11.5.
- 12.2 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 12.3 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 12.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 12.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 12.1 and provide the Agent with all documents that may be of significance for the application of this Clause 12.
- 12.4 The Issuer is only obliged to inform the Agent according to Clause 12.3 if informing the Agent would not conflict with any statute or the Issuer's registration contract with NASDAQ OMX Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 12.3.

- 12.5 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 12.1, the Agent shall (i) notify, within 5 Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within 20 Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 14 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 12.6 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 14 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 12.7 If the Bonds are declared due and payable in accordance with the provisions in this Clause 12, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 12.8 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 12 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 14 (*Decisions by Holders*).
- 12.9 If the Bonds are declared due and payable in accordance with this Clause 12 (*Termination of the Bonds*), the Issuer shall redeem all Bonds with an amount per Bond equal to 105.00 per cent. of the Nominal Amount or, if the Bonds are declared due and payable on or after the First Call Date, at the applicable Call Option Amount.

13. DISTRIBUTION OF PROCEEDS

- 13.1 If the Bonds have been declared due and payable in accordance with Clause 12 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the termination of the Bonds or the protection of the

Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;

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

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

- 13.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1.
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds according to the Escrow Funds Act and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least 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.

14. DECISIONS BY HOLDERS

- 14.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 14.2 Any request from the Issuer or a Holder (or Holders) representing at least 10 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the

decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

14.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

14.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3, in respect of a Written Procedure,

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

14.5 The following matters shall require consent of Holders representing at the following proportions, respectively, of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3:

- (a) two thirds (2/3) to (i) waive a breach of an undertaking set out in Clause 11 (*Special undertakings*) or (ii), subject to item (b) below, amend a provision in these Terms and Conditions;
- (b) three quarters (3/4) to (i) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer, (ii) amend any payment day for principal or Interest or waive any breach of a payment undertaking or (iii) amend the provisions in this Clause 14.5.

14.6 Any matter not covered by Clause 14.5 shall require the consent of Holders representing more than 50 per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 17.1 (a) or (b)) or a termination of the Bonds.

14.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Agent in a Written Procedure, will prevail.

- 14.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least 50 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14.5, and otherwise 20 per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 14.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 14.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 14.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 14.11 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.13 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 14.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.15 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the

accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.

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

15. HOLDERS' MEETING

- 15.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than 5 Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 15.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 15.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 18.4.3, the Issuer shall no later than 5 Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 15.1.
- 15.3 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 15.4 The Holders' Meeting shall be held no earlier than 10 Business Days and no later than 20 Business Days from the notice.
- 15.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within 20 Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 15.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall

present a duly executed proxy or other document establishing its authority to represent the Holder.

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

16. WRITTEN PROCEDURE

- 16.1 The Agent shall instigate a Written Procedure no later than 10 Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent.

- 16.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16.1 to each Holder with a copy to the Agent.

- 16.3 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Clause 16.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 16.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within 10 Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.

- 16.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 14.5 and 14.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;

- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Holders in accordance with Clause 14 (*Decisions by Holders*).

17.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.

17.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

17.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of Agent

18.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

18.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

18.1.3 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 these Terms and Conditions.

18.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent's obligations as agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.

18.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

18.2 **Duties of the Agent**

18.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.

18.2.2 The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.

18.2.3 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.

18.2.4 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 these Terms and Conditions.

18.2.5 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions.

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

18.2.7 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. 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 these Terms and Conditions shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).

18.2.8 Notwithstanding any other provision of these Terms and Conditions 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.

18.2.9 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 Holders, 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.

18.2.10 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions, or (ii) if it refrains from acting for any reason described in Clause 18.2.9.

18.3 **Limited liability for the Agent**

18.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.

18.3.2 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 Holders to delay the action in order to first obtain instructions from the Holders.

18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

18.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 14 (*Decisions by Holders*).

18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

18.4 **Replacement of the Agent**

18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

18.4.2 Subject to Clause 18.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within 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.

- 18.4.3 A Holder (or Holders) representing at least 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 Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Holders have not appointed a successor Agent within 90 calendar 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 Holders, 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.
- 18.4.5 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 these Terms and Conditions.
- 18.4.6 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.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, 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 these Terms and Conditions. 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.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 19.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 19.2 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.

20. NO DIRECT ACTIONS BY HOLDERS

20.1 A Holder may not take any steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions.

20.2 Clause 20.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 18.1.2), 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 these Terms and Conditions or the Agent Agreement or by any reason described in Clause 18.2.9, such failure must continue for at least 40 Business Days after notice pursuant to Clause 18.2.10 before a Holder may take any action referred to in Clause 20.1.

20.3 The provisions of Clause 20.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

21. TIME-BAR

21.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void 10 years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void 3 years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

21.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of 10 years with respect to the right to receive repayment of the principal of the Bonds, and of 3 years with respect to the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

22. NOTICES AND PRESS RELEASES

22.1 Notices

22.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as 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 as notified by the Issuer to the Agent from time to time; and
- (c) if to the Holders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

22.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions 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 22.1.1 or, in case of letter, 3 Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 22.1.1.

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

22.2 Press releases

22.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clause 10.3–10.4, 11.9.1(e), 12.5, 13.4, 14.16, 15.1, 16.1, 17.3, 18.2.10 and 18.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

22.2.2 In addition to Clause 22.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Holders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing

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

23. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 23.1 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.
- 23.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 23.3 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.
- 23.4 The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

24. LISTING

The Issuer intends to list the Bonds within 30 calendar days, and has undertaken to list the Bonds within 12 months, after the Issue Date on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market) in accordance with Clause 11.2. Further, if the Bonds have not been listed on the corporate bond list of NASDAQ OMX Stockholm within 60 calendar days after the Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 10.4.

25. GOVERNING LAW AND JURISDICTION

- 25.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 25.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 25.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 25.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
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