
**TERMS AND CONDITIONS FOR
REDERI AB TRANSATLANTIC (PUBL)
MAXIMUM SEK 140,000,000
SENIOR UNSECURED CALLABLE FIXED RATE
CERTIFICATES 2013**

ISIN: SE0005249299

Issue Date 28 June 2013

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**Account Pledge Agreement**” means the agreement under which the Pledged Account and all funds held on the Pledged Account from time to time are pledged to the Holders and the Trustee; entered into by the Issuer and the Trustee on or about the Issue Date.

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

“**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 Agreement**” means the agent agreement entered into on or about 10 June 2013, between the Issuer and the Trustee, or any replacement agent agreement entered into after the Issue Date between the Issuer and an agent.

“**Applicable Premium**” means all Interest which would accrue on the Nominal Amount if the Certificates were redeemed on the Final Maturity Date.

“**Banking 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.

“**Banking Day Convention**” means the first following day that is a Banking Day.

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

“**Certificate Issue**” means the issuance of the Certificates on the Issue Date;

“**Change of Control Event**” means the occurrence of an event or series of events whereby (i) one or more persons, not being the Main Shareholder (or an Affiliate of the Main Shareholder), acting together, acquire control over the Issuer or (ii) the Main Shareholder ceases to control 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 Trustee, signed by the Issuer certifying 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.

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

“**Event of Default**” means an event or circumstance specified in Clause 11.1.

“**Final Maturity Date**” means 28 December 2013.

“**Finance Documents**” means these Terms and Conditions, the Account Pledge Agreement, the Undertaking, all documents relating thereto and any other document designated by the Issuer and the Trustee as a Finance Document.

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

“**Financial Report**” means the Group’s annual audited financial statements and/or quarterly interim unaudited reports.

“**Force Majeure Event**” has the meaning set forth in Clause 22.1.

“**General Meeting**” means the general meeting of the Issuer which shall resolve on the Rights Issue in accordance with the board of directors’ of the Issuer proposal for the Rights Issue or approve the Rights Issue in accordance with the board of directors’ of the Issuer resolution on the Rights Issue.

“**Group**” means the Issuer and its 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 Certificate.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 14 (*Holders’ Meeting*).

“**Interest**” means the interest on the Certificates calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Rate**” means 10.00 per cent. per annum.

“**Issue Date**” means 28 June 2013.

“**Issuer**” means Rederi AB Transatlantic (publ), a public limited liability company incorporated under the laws of Sweden (reg. no. 556161-0113, P.O. Box 8809, 402 71 Gothenburg, Sweden).

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

“**Kistefos Loan**” means the NOK 15,000,000 loan from the Main Shareholder to the Issuer including interest payable thereunder.

“**Main Shareholder**” means Kistefos AS (reg. no. 951 408 743, Dronning Mauds gate 1, 0250 Oslo, Norway) and its wholly owned Subsidiary Viking Invest AS (reg. no. 979 801 777, Kirkegata 1, 4610 Kristiansand S, Norway).

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability to perform and comply with the undertakings set out in Clause 10, or (iii) the validity or enforceability of these Terms and Conditions.

“**Material Group Company**” means the Issuer or any of its Subsidiaries representing more than 5.00 per cent. of the total assets of the Group on a consolidated basis according to the latest Financial Report.

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

“**Net Proceeds**” means the proceeds from the Certificate Issue which, after deduction has been made for certain transaction costs for financial and legal advisors in relation to the Certificate Issue, shall be transferred to the Issuer and used in accordance with Clause 3.

“**OMX**” means NASDAQ OMX Stockholm AB (reg. no. 556383-9058, 105 78 Stockholm, Sweden) and “**OMX First North**” means its multilateral trading facility First North.

“**Pledged Account**” means the bank account held in the name of the Issuer with Swedbank AB (publ), having the clearing no. 8105-9 and account no. 934 550 293-5, being pledged under the Account Pledge Agreement and into which the proceeds from the Rights Issue shall be transferred.

“**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.

“**Record Date**” means the fifth (5) Banking Day prior to (i) a Redemption Date, (ii) a date on which a payment to the Holders is to be made under Clause 12 (*Distribution of*

proceeds), (iii) the date of a Holders' Meeting, or (iv) another relevant date, or in each case such other Banking Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Certificates are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Certificates*).

“**Rights Issue**” means the rights issue which shall be resolved on or approved by the General Meeting, the proceeds from which shall (i) amount to not less than SEK 150,000,000, (ii) be paid to the Pledged Account at the latest on the date falling 10 Banking Days prior to the Final Maturity Date, (iii) be used (in part or in full) for repayment of the Certificates and (iv) be on such other principal terms as set forth in Appendix 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.

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

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

“**Trustee**” means Swedish Trustee AB (publ) (reg. no. 556882-1879, P.O. Box 191, 101 23 Stockholm, Sweden), or another party replacing it, as Trustee, in accordance with these Terms and Conditions.

“**Undertaking**” has the meaning set forth in Clause 4.1 (c) Subclauses (a) to (c).

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 15 (*Written Procedure*).

1.2 **Construction**

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

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

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- (e) a provision of law is a reference to that provision as amended or re-enacted; and
- (f) a time of day is a reference to Stockholm time.
- 1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Banking 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 Trustee or of any Holder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. STATUS OF THE CERTIFICATES

- 2.1 The Certificates are denominated in Swedish Kronor and each Certificate is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Certificates and to comply with these Terms and Conditions.
- 2.2 By subscribing for Certificates, each initial Holder agrees that the Certificates shall benefit from and be subject to the Finance Documents and by acquiring Certificates; each subsequent Holder confirms such agreements.
- 2.3 The nominal amount of each Certificate is SEK 1,000,000 (the “**Nominal Amount**”). The total nominal amount of the Certificates is SEK 140,000,000. All Certificates are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 2.4 The Certificates constitute direct, general, unconditional, unsubordinated and, except for the security described in Clause 4.1, unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.
- 2.5 The Certificates are freely transferable but the Holders may be subject to purchase or transfer restrictions with regard to the Certificates, as applicable, under local laws to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 2.6 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Certificates or the possession, circulation or distribution of any document or other material relating to the Issuer or the Certificates 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 Certificates.
- 2.7 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Certificates 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.

3. USE OF PROCEEDS

The Issuer shall use the Net Proceeds for general corporate purposes.

4. SECURITY

4.1 As a continuing security for the due and punctual fulfilment of the Issuer's present and future obligations under these Terms and Conditions and the Agent Agreement,

(a) the Issuer have entered the Account Pledge Agreement for the benefit of the Holders and the Trustee;

(b) the board of directors of the Issuer undertakes towards the Holders and the Trustee either (i) to convene the General Meeting and to propose the General Meeting to resolve on the Rights Issue or (ii) to resolve on the Rights Issue and to convene the General Meeting in order to seek its approval of the Rights Issue and (iii) to instruct all subscribers in the Rights Issue to make their payments in relation thereto directly to the Pledged Account; and

(c) the Main Shareholder has:

(a) undertaken towards the Holders and the Trustee (i) not to dispose of any of its shares in the Issuer until the Rights Issue has been completed, (ii) to vote in favour of the board of directors' of the Issuer proposal for or resolution on the Rights Issue (as applicable) at the General Meeting, (iii) to subscribe for its *pro rata* share in the Rights Issue, (iv) to underwrite the remaining part of the Rights Issue and (v) to duly make payments in relation to items (iii) and (iv) above directly to the Pledged Account; or

(b) to the Main Shareholder's discretion but provided that (i) the Main Shareholder does not receive an exemption from the mandatory offer requirement from the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) in relation to its participation in the Rights Issue or (ii) the General Meeting does not resolve on the Rights Issue in accordance with such requirements (voting and otherwise) as the exemption under item (i) above may be conditional upon; undertaken to guarantee the Issuer's obligations under these Terms and Conditions as for own debt (Sw. *proprieborgen*); and

(c) authorised the Trustee to exercise the rights relating to its shares in the Issuer upon the occurrence of an Event of Default (the "**Undertaking**").

4.2 The Issuer shall ensure that the Account Pledge Agreement, the Undertaking and all documents relating thereto are duly executed in favour of the Holders (as represented by the Trustee) and the Trustee and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms. The Issuer shall execute and procure the execution of such further documentation as the Trustee may reasonably

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- require in order for the Holders and the Trustee to at all times maintain the security position envisaged hereunder.
- 4.3 The Trustee will hold the security created under the Finance Documents on behalf of itself and the Holders in accordance with the Finance Documents.
- 4.4 Except if otherwise decided by the Holders according to the procedures set out in Clauses 13-15, the Trustee is, without first having to obtain the Holders' consent, entitled to enter into binding agreements with the Issuer, its Subsidiaries, the Main Shareholder or third parties if it is, in the Trustee's sole discretion, necessary for the purpose of maintaining, altering, releasing or enforcing the security created under the Finance Documents or for the purpose of settling the various Holders' relative rights to the security created under the Finance Documents, respectively. The Trustee is entitled to take all measures available to it according to the Finance Documents.
- 4.5 If the Certificates are declared due and payable according to Clause 11 or following the Final Maturity Date, the Trustee is, without first having to obtain the Holders' consent, entitled to enforce the security created under the Finance Documents, in such manner and under such conditions that the Trustee finds acceptable (if in accordance with the Finance Documents, respectively).
- 4.6 If a Holders' meeting has been convened to decide on the termination of the Certificates and/or the enforcement of all or any of the security created under all or any of the Finance Documents, the Trustee is obligated to take actions in accordance with the Holders' decision regarding the security created under the Finance Documents. However, if the Certificates are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Trustee shall not enforce any of the security created under the Finance Documents. If the Holders, without any prior initiative from the Trustee or the Issuer, have made a decision regarding termination of the Certificates and enforcement of any of the security created under the Finance Documents in accordance with the procedures set out in Clauses 13-15, the Trustee shall promptly declare the Certificates terminated and enforce the security created under the Finance Documents. The Trustee is however not liable to take action if the Trustee considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Trustee indemnified and, at the Trustee's own discretion, grant sufficient security for the obligation.
- 4.7 Funds that the Trustee receives on account of the Holders in connection with the enforcement of any or all of the security created under the Finance Documents constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate account on behalf of the Holders. The Trustee shall promptly arrange for payments to be made to the Holders in such case. If the Trustee deems it appropriate, it may, in accordance with Clause 4.8, instruct the CSD to arrange for payment to the Holders.
- 4.8 For the purpose of exercising the rights of the Holders and the Trustee under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of any security created under the Finance Documents, the Issuer irrevocably

authorises and empowers the Trustee to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders in accordance with Clause 4.7. To the extent permissible by law, the powers set out in this Clause 4.8 are irrevocable and shall be valid for as long as any Certificates remain outstanding. The Issuer shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney (in form and substance to the Trustee's satisfaction), which the Trustee deems necessary for the purpose of carrying out its duties under Clause 4.7. Especially, the Issuer shall, upon the Trustee's request, provide the Trustee with a written power of attorney empowering the Trustee to change the bank account registered with the CSD to a bank account in the name of the Trustee and to instruct the CSD to pay out funds originating from an enforcement in accordance with Clause 4.7 to the Holders through the CSD.

5. CERTIFICATES IN BOOK-ENTRY FORM

- 5.1 The Certificates will be registered for the Holders on their respective Securities Accounts and no physical Certificates will be issued. Accordingly, the Certificates will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Certificates shall be directed to an Account Operator.
- 5.2 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 Certificate shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer (and the Trustee 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 Certificates. At the request of the Trustee, the Issuer shall promptly obtain such information and provide it to the Trustee.
- 5.4 For the purpose of or in connection with any Holders' Meeting, any Written Procedure or any payment to be made under the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Certificates. If the Trustee does not otherwise obtain information from such debt register as contemplated under the Finance Documents, the Issuing Agent shall at the request of the Trustee obtain information from the debt register and provide it to the Trustee.
- 5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Certificates. The Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Holders.
- 5.6 At the request of the Trustee, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Certificates and provide it to the Trustee.

6. RIGHT TO ACT ON BEHALF OF A HOLDER

- 6.1 If any person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such person.
- 6.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Certificates held by it. Any such representative may act independently under the Finance Documents in relation to the Certificates 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.
- 6.3 The Trustee 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 6.2 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.

7. PAYMENTS IN RESPECT OF THE CERTIFICATES

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Certificates, shall be made to such person who is registered as a Holder on the Record Date prior to the relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Holder has registered, through an Account Operator, that principal, Interest and the Applicable Premium 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.
- 7.3 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 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, 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.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. INTEREST

- 8.1 Each Certificate carries Interest which accrues at the Interest Rate from (but excluding) the Issue Date up to (and including) the Final Maturity Date or the repurchase date set forth in

Clause 9.4.2, as applicable. The calculation of Interest shall not be adjusted due to an application of the Banking Day Convention.

- 8.2 Payment of Interest or of the Applicable Premium, as applicable, shall be made to the Holders on the relevant Redemption Date.
- 8.3 Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 2.00 percentage 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 Trustee or the CSD, in which case the Interest Rate shall apply instead.

9. REDEMPTION AND REPURCHASE OF THE CERTIFICATES

9.1 Redemption at maturity

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

9.2 The Group Companies' purchase of Certificates

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

9.3 Early redemption by request of the Issuer (call option)

9.3.1 The Issuer may redeem all, but not only some, of the outstanding Certificates in full on any Banking Day before the Final Maturity Date at an amount per Certificate equal to 100.00 per cent. of the Nominal Amount together with the Applicable Premium.

9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than 15 Banking Days' notice to the Holders and the Trustee. 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 Certificates in full at the applicable amounts.

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

9.4.1 Upon a Change of Control Event occurring, each Holder shall have the right to request that all, or only some, of its Certificates be repurchased (whereby the Issuer shall have the obligation to repurchase such Certificates) at a price per Certificate equal to the higher of (i) 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest and

(ii) 100.00 per cent. of the Nominal Amount together with the Applicable Premium; during a period of 30 calendar days following a notice from the Issuer of the Change of Control Event pursuant to Clause 10.8.1 (c). The 30 calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.

9.4.2 The notice from the Issuer pursuant to Clause 10.8.1 (c) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Certificates 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 Certificates and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.8.1 (c). The repurchase date must fall no later than 20 Banking Days after the end of the period referred to in Clause 9.4.1.

9.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Certificates. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.

9.4.4 Any Certificates repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained, sold or cancelled.

10. SPECIAL UNDERTAKINGS

So long as any Certificate remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 10.

10.1 Distributions

The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay or pay interest under any shareholder loans, (v) grant any loans, or (vi) make any other similar distribution or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, or its Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders ((i)-(vi) above are together and individually referred to as a "**Restricted Payment**"), provided however that (i) any such Restricted Payment can be made by the Issuer or any of its Subsidiaries if such Restricted Payment is made to the Issuer or any of its Subsidiaries and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis and (ii) the Kistefos Loan can be repaid.

10.2 Nature of business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group taken as a whole as of the Issue Date.

10.3 **Disposals of assets**

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

10.4 **Dealings with related parties**

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

10.5 **Listing of shares and Certificates**

The Issuer shall take all measures required to ensure (i) that its class B shares (ISIN SE0000143521) continue being listed on OMX's regulated market (MIC XSTO) and (ii) that the Certificates, once admitted to trading on OMX First North, continue being listed on OMX First North (however, taking into account the rules and regulations of OMX, OMX First North and the CSD (as amended from time to time) preventing trading in the Certificates in close connection to the redemption of the Certificates).

10.6 **Compliance with laws etcetera**

The Issuer shall, and shall procure that its 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 Material Group Company.

10.7 **Security undertakings**

The board of directors of the Issuer shall issue a notice to convene the General Meeting no later than on 19 October 2013 where such notice shall include a proposal for the General Meeting to resolve on, or approve (as applicable), the board of directors' resolution or proposal on, the Rights Issue. The Issuer shall ensure that the Pledged Account is designated as payment account in all payment instructions relating to the Rights Issue and shall ensure that the Rights Issue is registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) as soon as possible after completion (i) of the Rights Issue, or, if applicable, (ii) of each separate tranche of the Rights Issue (Sw. *delregistrering*).

10.8 **Financial reporting and information**

10.8.1 The Issuer shall:

- (a) issue a Compliance Certificate to the Trustee in connection with each Financial Report being made available and in addition, at the Trustee's request, within 20 calendar days from such request;

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- (b) keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Issuer;
 - (c) promptly notify the Holders and the Trustee upon becoming aware of the occurrence of a Change of Control Event or an Event of Default, and shall provide the Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event; and
 - (d) prepare the Financial Reports in accordance with IFRS and make them available in accordance with the rules and regulations of OMX (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

10.8.2 The Issuer shall notify the Trustee of any transaction referred to in Clause 10.3 and shall, upon request by the Trustee, provide the Trustee with (i) any information relating to the transaction which the Trustee 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 Trustee may assume that any information provided by the Issuer is correct, and the Trustee shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Trustee 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.

10.9 **Undertakings relating to the Agent Agreement**

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

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

10.9.2 The Issuer and the Trustee 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.

11. **TERMINATION OF THE CERTIFICATES**

11.1 The Trustee is entitled, on behalf of the Holders, to terminate the Certificates and to declare all, but not only some, of the Certificates due for payment immediately or at such

later date as the Trustee determines (such later date not falling later than 20 Banking Days from the date on which the Trustee made such declaration), if:

- (a) 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 an existence of a Force Majeure Event for the Issuer or payment is made within 5 Banking Days of the due date;
- (b) the Issuer does not comply with the Finance Documents in any other way than as set out in Clause 11.1 (a), provided that the Trustee has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within 15 Banking Days from such request (if the failure or violation is not capable of being remedied, the Trustee may declare the Certificates payable without such prior written request);
- (c)
 - (i) any financial indebtedness (including market loans) of a Material Group Company is not paid when due nor within any originally applicable grace period;
 - (ii) an event of default howsoever described occurs under any document relating to financial indebtedness (including market loans) of any Material Group Company; or
 - (iii) any security interest securing financial indebtedness (including market loans) over any asset of any Material Group Company becomes enforceable;

provided however that the amount of financial indebtedness referred to above under (i), (ii) and/or (iii), individually or in the aggregate exceeds an amount corresponding to SEK 50,000,000 and provided that it does not apply to any financial indebtedness owed to a Group Company;

- (d)
 - (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 with a view to rescheduling its financial indebtedness (including market loans); or
 - (ii) a moratorium is declared in respect of the financial indebtedness (including market loans) of any Material Group Company;
- (e) 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 Material Group Companies, 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;
- (f)
- (i) a decision is made that any Material Group Company shall be demerged or merged into a company which is not a Group Company, unless the Trustee 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) 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 50,000,000 and is not discharged within 30 calendar days;
- (h) 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;
- (i) 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 11.1 (f) above, or (ii) a permitted disposal of assets as stipulated in Clause 10.3; or
- (j)
- (i) the board of directors of the Issuer has failed to issue a notice to convene the General Meeting (which shall include a proposal for the General Meeting to resolve on, or approve the board of directors' resolution on, the Rights Issue, as applicable) by 19 October 2013;
 - (ii) the General Meeting has not resolved on or approved (as applicable) the Rights Issue in accordance with the proposal from or resolution by the board of directors of the Issuer (as applicable) by 9 November 2013;

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- (iii) minimum SEK 150,000,000 has not been paid to the Pledged Account at the latest on the date falling 10 Banking Days prior to the Final Maturity Date;
- (iv) the Main Shareholder fails to comply with any of its obligations under the Undertaking.
- 11.2 Termination for payment prematurely on the grounds mentioned in Clauses 11.1 (b) and (c) or, regarding any Material Group Company, on the grounds mentioned in Clauses 11.1 (d), (e), (f), (g), (h) and (i) may only occur if the nature of the particular circumstance is such that it would have a Material Adverse Effect and that the cause of termination is continuing at the time of the Trustee's declaration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned in Clause 11.1 (d).
- 11.3 If the right to terminate the Certificates 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.
- 11.4 The Issuer is obliged to inform the Trustee immediately if any circumstance of the type specified in Clause 11.1 should occur. Should the Trustee not receive such information, the Trustee is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Trustee does not have knowledge of such circumstance. The Trustee is under no obligations to make any investigations relating to the circumstances specified in Clause 11.1. The Issuer shall further, at the request of the Trustee, provide the Trustee with details of any circumstances referred to in Clause 11.1 and provide the Trustee with all documents that may be of significance for the application of this Clause 11.
- 11.5 The Issuer is only obliged to inform the Trustee according to Clause 11.4 if informing the Trustee would not conflict with any statute or the Issuer's registration contract with OMX. If such a conflict would exist pursuant to the listing contract with OMX or otherwise, the Issuer shall however be obliged to either seek the approval from OMX or undertake other reasonable measures, including entering into a non-disclosure agreement with the Trustee, in order to be able to timely inform the Trustee according to Clause 11.4.
- 11.6 If the Trustee has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 11.1, the Trustee shall decide, within 10 Banking Days of the day of notification or determination, if the Certificates shall be declared terminated. If the Trustee has decided not to terminate the Certificates, the Trustee 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 13 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Trustee to terminate the Certificates, the Trustee shall promptly declare the Certificates terminated. However, if the cause for termination according to the Trustee's appraisal has ceased before the termination, the Trustee shall not terminate the Certificates. The Trustee shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Trustee shall always be

entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and whether such event has a Material Adverse Effect.

- 11.7 If the Holders, without any prior initiative to decision from the Trustee or the Issuer, have made a decision regarding termination in accordance with Clause 13 (*Decisions by Holders*), the Trustee shall promptly declare the Certificates terminated. The Trustee is however not liable to take action if the Trustee considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Trustee harmless from any loss or liability and, if requested by the Trustee in its discretion, grant sufficient security for such indemnity.
- 11.8 If the Certificates are declared due and payable in accordance with the provisions in this Clause 11, the Trustee shall take every reasonable measure necessary to recover the amounts outstanding under the Certificates.
- 11.9 For the avoidance of doubt, the Certificates cannot be terminated and become due for payment prematurely according to this Clause 11 without relevant decision by the Trustee or following instructions from the Holders' pursuant to Clause 13 (*Decisions by Holders*).
- 11.10 If the Certificates are declared due and payable, the Issuer shall redeem the Certificates at a redemption amount equal to 100.00 per cent. of the Nominal Amount together with the Applicable Premium.

12. DISTRIBUTION OF PROCEEDS

- 12.1 All payments by the Issuer relating to the Certificates and any proceeds originating from the enforcement of the Account Pledge Agreement and the Undertaking following a termination of the Certificates in accordance with Clause 11 (*Termination of the Certificates*) shall be distributed in the following order of priority, in accordance with the instructions of the Trustee:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee, (ii) other costs, expenses and indemnities relating to the termination of the Certificates, the enforcement of the Account Pledge Agreement or the Undertaking or the protection of the Holders' rights, (iii) any costs incurred by the Trustee for external experts that have not been reimbursed by the Issuer in accordance with Clause 17.2.6, and (iv) any costs and expenses incurred by the Trustee in relation to a Holders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 13.14;
 - (b) *secondly*, in or towards payment *pro rata* of the Applicable Premium;
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Certificates; and
 - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions or relating to the Account Pledge Agreement or the Undertaking.

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.

12.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 12.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 12.1.

12.3 Funds that the Trustee receives (directly or indirectly) in connection with the termination of the Certificates and/or enforcement of any security created under the Finance Documents constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Trustee shall arrange for payments of such funds in accordance with this Clause 12 as soon as reasonably practicable.

12.4 If the Issuer or the Trustee shall make any payment under this Clause 12, the Issuer or the Trustee, as applicable, shall notify the Holders of any such payment at least 15 Banking Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid.

13. DECISIONS BY HOLDERS

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

13.2 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 Banking Day immediately following the day on which the request is received by the Trustee and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to the Finance Documents shall be directed to the Trustee and dealt with at a Holders' Meeting or by way a Written Procedure, as determined by the Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Trustee'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.

13.3 The Trustee 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 Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

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- 13.4 Only a person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 6 (*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 Banking Day specified in the communication pursuant to Clause 15.3, 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 Certificates are included in the definition of Adjusted Nominal Amount.
- 13.5 The following matters shall require consent of Holders representing at least the following proportion 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 15.3:
- (a) two thirds (2/3) to (i) waive a breach of a special undertaking in Clause 10, and (ii) amend a provision in the Finance Documents, subject to (b) below; and
 - (b) three quarters (3/4) to (i) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer, (ii) amend any redemption day for principal or interest amount, (iii) release the security created under the Finance Documents (unless such release is provided for in these Terms and Conditions) and (iv) amend the provisions in this Clause 13.5.
- 13.6 Any matter not covered by Clause 13.5 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 15.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 16.1 (a) or (b)) or a termination of the Certificates.
- 13.7 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 Trustee in a Written Procedure, will prevail.
- 13.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least 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.
- 13.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 14.1) or initiate a second Written Procedure (in accordance with Clause 15.1), as

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- 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 13.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 13.10 Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as appropriate.
- 13.11 A Holder holding more than one Certificate 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.
- 13.12 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.
- 13.13 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.
- 13.14 All costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- 13.15 If a decision shall be taken by the Holders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee with a certificate specifying the number of Certificates owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Certificates. The Trustee shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Certificate is owned by a Group Company or an Affiliate.
- 13.16 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 Trustee, 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 Trustee, as applicable.
- 14. HOLDERS' MEETING**
- 14.1 The Trustee shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than 5 Banking 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).

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- 14.2 Should the Issuer want to replace the Trustee, it may convene a Holders' Meeting in accordance with Clause 14.1 with a copy to the Trustee. After a request from the Holders pursuant to Clause 17.4.3, the Issuer shall no later than 5 Banking 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 14.1.
- 14.3 The notice pursuant to Clause 14.1 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.
- 14.4 The Holders' Meeting shall be held no earlier than 15 Banking Days and no later than 30 Banking Days from the notice.
- 14.5 If the Trustee, in breach of these Terms and Conditions, has not convened a Holders' Meeting within 30 Banking 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 Trustee, the meeting shall be opened by a person appointed by the requesting person.
- 14.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Trustee may attend along with its 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.
- 14.7 Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

15. WRITTEN PROCEDURE

- 15.1 The Trustee shall instigate a Written Procedure no later than 5 Banking 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 Record Date prior to the date on which the communication is sent.
- 15.2 Should the Issuer want to replace the Trustee, it may send a communication in accordance with Clause 15.1 to each Holder with a copy to the Trustee.

15.3 A communication pursuant to Clause 15.1 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 Banking 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 Banking Days from the communication pursuant to Clause 15.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

15.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 13.5 and 13.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 13.5 or 13.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16. AMENDMENTS AND WAIVERS

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

- (a) such amendment or waiver is not detrimental to the interest of the 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 13 (*Decisions by Holders*).

16.2 The consent of the Holders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

16.3 The Trustee shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 16.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are available on the websites of the Issuer and the Trustee. 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.

16.4 An amendment to the Finance Documents shall take effect on the date determined by the Holders Meeting, in the Written Procedure or by the Trustee, as the case may be.

17. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE

17.1 Appointment of Agent

17.1.1 By subscribing for Certificates, each initial Holder appoints the Trustee to act as its agent in all matters relating to the Certificates and the Finance Documents, and authorises the Trustee 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 Certificates held by such Holder. By acquiring Certificates, each subsequent Holder confirms such appointment and authorisation for the Trustee to act on its behalf.

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

17.2 **Duties of the Trustee**

- 17.2.1 The Trustee shall represent the Holders in accordance with the Finance Documents. However, the Trustee is not responsible for the execution or enforceability of the Finance Documents. The Trustee shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Trustee.
- 17.2.2 When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Holders. The Trustee shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 17.2.3 The Trustee is entitled to delegate its duties to other professional parties, but the Trustee shall remain liable for the actions of such parties under the Finance Documents.
- 17.2.4 The Trustee shall treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 17.2.5 The Trustee shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Certificates. Notwithstanding the foregoing, the Trustee 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.

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- 17.2.6 The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee 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 Trustee reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (iii) when the Trustee is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Trustee from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 12 (*Distribution of proceeds*).
- 17.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Trustee 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.
- 17.2.8 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee 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.
- 17.2.9 The Trustee shall give a notice to the Holders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Finance Documents or the Agent Agreement or (ii) if it refrains from acting for any reason described in Clause 17.2.8.
- 17.3 **Limited liability for the Trustee**
- 17.3.1 The Trustee 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 any Finance Document, unless directly caused by its negligence or wilful misconduct. The Trustee shall never be responsible for indirect loss.
- 17.3.2 The Trustee 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 Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 17.3.3 The Trustee shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Trustee to the Holders, provided that the Trustee 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 Trustee for that purpose.
- 17.3.4 The Trustee shall have no liability to the Holders for damage caused by the Trustee acting in accordance with instructions of the Holders given in accordance with Clause 13 (*Decisions by Holders*).

17.3.5 Any liability towards the Issuer which is incurred by the Trustee in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Holders under the Finance Documents.

17.4 **Replacement of the Trustee**

17.4.1 Subject to Clause 17.4.6, the Trustee may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Trustee at a Holders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.

17.4.2 Subject to Clause 17.4.6, if the Trustee is insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within 10 Banking Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

17.4.3 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 Banking 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 Trustee and appointing a new Trustee. 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 Trustee be dismissed and a new Trustee appointed.

17.4.4 If the Holders have not appointed a successor Trustee within 90 days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Holders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

17.4.5 The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as trustee under the Finance Documents.

17.4.6 The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.

17.4.7 Upon the appointment of a successor, the retiring Trustee shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Trustee. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Trustee.

17.4.8 In the event that there is a change of the Trustee in accordance with this Clause 17.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents and the Agent Agreement. Unless the Issuer and the new Trustee agrees otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

18. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

18.1 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 Certificates.

18.2 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.

19. NO DIRECT ACTIONS BY HOLDERS

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

19.2 Clause 19.1 shall not apply if the Trustee has been instructed by the Holders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 17.1.2), 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 Trustee under the Finance Documents or the Agent Agreement or by any reason described in Clause 17.2.8, such failure must continue for at least 40 Banking Days after notice pursuant to Clause 17.2.9 before a Holder may take any action referred to in Clause 19.1.

19.3 The provisions of Clause 19.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clauses 9.4 (*Mandatory repurchase due to a Change of Control Event*) or other payments which are due by the Issuer to some but not all Holders.

20. TIME-BAR

20.1 The right to receive repayment of the principal of the Certificates shall be prescribed and become void 10 years from the Redemption Date. The right to receive payment of interest

(excluding any capitalised interest) shall be prescribed 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 prescribed and has become void.

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

21. NOTICES AND PRESS RELEASES

21.1 Notices

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

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

21.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Trustee 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 21.1.1 or, in case of letter, 3 Banking Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 21.1.1 or, in case of email to the Trustee or the Issuer, when received in legible form by the email address specified in Clause 21.1.1.

21.1.3 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.

21.2 Press releases

21.2.1 Any notice that the Issuer or the Trustee shall send to the Holders pursuant to Clauses 9.3 (*Early redemption by request of the Issuer*), 10.8.1 (c), 11.6, 13.16, 14.1, 15.1 and 16.3 shall also be published by way of press release by the Issuer or the Trustee, as applicable.

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- 21.2.2 In addition to Clause 21.2.1, if any information relating to the Certificates, the Issuer or the Group contained in a notice the Trustee may send to the Holders under these Terms and Conditions has not already been made public by way of a press release, the Trustee 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 Trustee 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 Trustee shall be entitled to issue such press release.

22. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 22.1 Neither the Trustee 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 Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.
- 22.2 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.
- 22.3 Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 22.4 The provisions in this Clause 22 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

23. LISTING

The Issuer intends to list the Certificates on OMX First North within 30 calendar days after the Issue Date and not later than 60 calendar days after the Issue Date.

24. GOVERNING LAW AND JURISDICTION

- 24.1 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.
- 24.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 24.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 24.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Trustee (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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We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place:

Date:

REDERI AB TRANSATLANTIC (PUBL)
as Issuer

Name:

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

Place:

Date:

SWEDISH TRUSTEE AB (PUBL)
as Trustee

Name: