

Notice of written procedure for senior secured floating rate bonds issued by European Lingerie Group AB (publ)

Stockholm, 13 December 2019

To holders of the up to EUR 60,000,000 senior secured floating rate bonds 2018/2021 with ISIN: SE0010831792 (the "Bonds") issued by European Lingerie Group AB (publ) (the "Issuer") on 22 February 2018.

Capitalised terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Bonds originally dated 19 February 2018 (as amended from time to time) (the "Terms and Conditions").

This notice will be sent by Intertrust (Sweden) AB (the "Agent" on 13 December 2019 to direct registered owners and registered authorised nominees (Sw. *förvaltare*) of the Bonds recorded as of 12 December 2019 in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB ("Euroclear").

This voting request has also been published on the websites of the Issuer and the Agent in accordance with the Terms and Conditions.

If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. See "Voting rights" in section B. (Decision procedure) for further information.

At the request of the Issuer, the Agent, acting in its capacity as agent for the Bondholders under the Terms and Conditions, hereby initiates a written procedure (the "**Written Procedure**") whereby the Bondholders can approve or reject a proposal from the Issuer to amend and restate the Terms and Conditions and provide certain consents and waiver under the Terms and Conditions. The request and the background thereto are described in Section A (*Request*) below.

All Bondholders are strongly encouraged to review and consider the Request.

The information in this notice of Written Procedure regarding (i) the Request, (ii) the Issuer, and (iii) market conditions is provided solely by the Issuer, and the Agent expressly disclaims any liability whatsoever related to such information.

Bondholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "**Power of Attorney**"), if the Bonds are held in custody other than by Euroclear, to the Agent. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than 12.00 (CET) on 16 January 2020 either by mail, courier or email to the Agent using the contact details set out in below in Section B (*Address for sending replies*). Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 19 December 2019 (the "Record Date"). This means that the person must be registered on a Securities Account with

Euroclear as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

Important Dates

Record Date (for voting): 19 December 2019

Last time and day to vote: 12.00 (CET) on 16 January 2020

A. Background

Due to, among other things, a general market slow down and a one month delay in production of new fashion lines, the EBITDA of the Issuer for Q3 2019 is lower than expected. This has resulted in the Issuer not being able to meet the Maintenance Test for the Reference Period ending on 30 September 2019.

The Issuer has initiated an action plan involving a contemplated restructuring of the Group (the "**Action Plan**") to rectify the situation. The main objective of the Action Plan is to decrease the cost of the Group. To achieve the said objective the Group intends to transfer major part of the assets, operations and functions from one Group Company whose shares are subject to Transaction Security to another Group Company whose shares are or will no later than 28 February 2020 be subject to Transaction Security.

For further background and information on the Action Plan please refer to the investor presentation dated 29 November 2019 (the "**Investor Presentation**") under the heading "Action Plan", which is available on the Group's website (www.elg-corporate.com).

It is noted that any waivers necessary from any lender providing debt to a group company to avoid a cross default due to the breach of the Maintenance Test for the Reference Period ending on 30 September 2019 has been obtained by the Issuer.

It is also noted that the fees payable to the solicitation agent, Pareto Securities AB, with respect to its engagement in this Written Procedure shall be paid as follows: 25 per cent at the completion of the Written Procedure and the remaining 75 per cent following payment as referred to in Clause 9.4 (*Mandatory partial redemption*) of the Amended Terms and Conditions (as referred to below).

B. Request for Waiver and amendment to the Terms and Conditions

Request

The Issuer hereby requests that the Bondholders:

- (i) waive any Event of Default which has occurred or may occur as a result of:
 - a) the breach of the Maintenance Test for the Reference Period ending on 30 September 2019; and
 - b) the intra-Group transfer of the shares in Felina GmbH from Felina International AG to E|L|B GmbH made in September 2018; and
- (ii) consent to amend the Terms and Conditions as further described below to ensure that the Action Plan can be implemented.

(the "**Request**").

Amendments to the Terms and Conditions

The proposed amendments to the Terms and Conditions are shown in the attached (Schedule 3) mark-up of the Terms and Conditions (the "**Amended Terms and Conditions**"). The proposed amendments are also summarised under the heading "Proposal for amendment of terms" in the Investor Presentation.

Consent fee

If the Request is approved by the Bondholders, a consent fee amounting to 0.50 per cent of the Nominal Amount on the date of the approval of the Request (the "**Consent Fee**") will be paid to the Bondholders. The Consent Fee will be payable pro rata to all persons who are registered as bondholders in the debt register kept by Euroclear Sweden five (5) Business Days from the day when the Request shall be deemed to have approved (the "**Consent Fee Record Date**") and the payment of the Consent Fee is expected to be made five (5) Business Day after the Consent Fee Record Date through Euroclear Sweden's account based system.

Effective Date of the Amended Terms and Conditions

The Amended Terms and Conditions will come into effect on the date that the Agent is satisfied that it has received the following documents or evidence:

- (i) resolutions by the board of directors of the Issuer approving the transactions contemplated by the Request; and
- (ii) evidence that the Issuer has received proceeds in cash by way of (i) equity injection in the form of a share issue and/or an unconditional shareholder contribution, and/or (ii) Subordinated Loans of at least EUR 1,300,000.

C. Decision procedure

The Agent will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Request and determine the result of the Written Procedure as soon as possible based thereon.

Once a requisite majority of consents of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure have been received by the Agent, the relevant decision shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken in the Written Procedure will be sent by notice to the Bondholders, published on the websites of the Issuer and the Agent and published by way of press release by either the Agent or the Issuer.

Minutes from the Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

If the Request is approved by the Written Procedure it will be binding on all Bondholders whether they participated in the Written Procedure or voted against the Request or not, in accordance with the Terms and Conditions.

Voting rights

Anyone who wishes to participate in the Written Procedure must on 19 December 2019 (the "**Record Date**"):

- (i) be registered on the Securities Account as a direct registered owner (Sw. direktregistrerad ägare); or
- (ii) be registered on the Securities Account as authorised nominee (Sw. förvaltare),

with respect to one or several Bonds.

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee (*Sw. förvaltare*) or another intermediary, you may have two different options to influence the voting for the Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote on your behalf as instructed by you.
2. You can obtain a power of attorney (Schedule 2) or other authorisation from the authorised nominee or other intermediary and send in your own voting form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as bondholder of the Securities Account, or from each intermediary in the chain of bondholders, starting with the intermediary that is registered in the debt register as bondholder of the Securities Account as authorised nominee or direct registered owner.

Whether either of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate.

Bonds owned by the Issuer, any other Group Company or an Affiliate do not entitle the holders to any voting rights and are not included in the Adjusted Nominal Amount.

Quorum

Pursuant to paragraph (h) of Clause 16 (*Decisions by Bondholders*) of the Terms and Conditions, a quorum in respect of the Written Procedure will only exist if a Bondholder (or Bondholders) representing **at least fifty (50) per cent** of the Adjusted Nominal Amount reply to the Request.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Bondholder, a voting form provided at or before 12.00 (CET) on 16 January 2020 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

Majority

Pursuant to paragraph (f) of Clause 16 (*Decisions by Bondholders*) of the Terms and Conditions, **at least sixty-six and two thirds (66 2/3)** of the Adjusted Nominal Amount for which Bondholders reply in a Written Procedure must consent to the Request in order for it to be approved.

Final date to vote in the Written Procedure

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CET) on 16 January 2020**. Votes received thereafter will be disregarded.

Address for sending replies

By regular mail:

Intertrust (Sweden) AB

Attn: Beatrice Gustafsson, P.O. Box 16285, 103 25 Stockholm

By courier:

Intertrust (Sweden) AB

Attn: Beatrice Gustafsson, Sveavägen 9, 10th floor 111 57 Stockholm

By e-mail:

trustee@intertrustgroup.com

For further questions please see below:

To the Issuer: European Lingerie Group AB (publ), Diāna Suprunoviča, CFO,
diana.suprunovica@elg-corporate.com, +371 2839 1256

To the Agent: Intertrust (Sweden) AB, Beatrice Gustafsson,
trustee@intertrustgroup.com, +46-70 860 61 25

Stockholm on 13 December 2019

Intertrust (Sweden) AB

as Agent

SCHEDULE 1

VOTING FORM

For the Written Procedure initiated on 13 December 2019 for the EUR 60,000,000 senior secured floating rate bonds 2018/2021 with ISIN: SE0010831792 (the "Bonds") issued by European Lingerie Group AB (publ) (the "Issuer").

The Issuer requests the Bondholders to approve the Request set out in the notice for the Written Procedure.

The Agent is hereby empowered to enter into all necessary documentation required to implement the Request, in the event the Request is approved.

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve **B) Reject** **C) Refrain from voting**

with respect to the Request.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to paragraph (i) of Clause 16 (*Decisions by Bondholders*) of the Terms and Conditions with respect to the Request:

Confirmed **Not confirmed**

Signature

 Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorisation if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorised nominee. The voting form shall be signed by an authorised signatory. A certified copy of a registration certificate or a corresponding authorisation document for the legal entity shall be appended to the voting form for any legal entity voting.

The registration certificate, where applicable, may not be older than one year.

SCHEDULE 2

POWER OF ATTORNEY/AUTHORISATION

Written Procedure initiated on 13 December 2019 for the EUR 60,000,000 senior secured floating rate bonds 2018/2021 with ISIN: SE0010831792 (the "Bonds") issued by European Lingerie Group AB (publ) (the "Issuer").

Authorised Person¹: _____

Nominal Amount²: _____

Grantor of authority³: _____

We hereby confirm that the Authorised Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of⁴: _____

We are (put a cross in the appropriate box):

- | | |
|--|--|
| | Registered as authorised nominee on a Securities Account |
| | Registered as direct registered owner on a Securities Account |
| | Other intermediary and hold the Bonds through ⁵ _____ |

Date:

Signature

¹ Insert the name of the person/entity that should be authorised to vote.

² Insert the aggregate nominal amount the Authorised Person should be able to vote for.

³ Insert the name of entity/person confirming the authority.

⁴ The total Nominal Amount the undersigned represents.

⁵ Mark this option if the undersigned is not registered as authorised nominee or direct registered owner in the Securities Account kept by Euroclear. Please insert the name of the firm the undersigned holds the Bonds through.

AMENDED AND RESTATED TERMS AND CONDITIONS



EUROPEAN LINGERIE
GROUP

Terms and Conditions

European Lingerie Group AB (publ)

EUR 40,000,000

Senior Secured Floating Rate Bonds

ISIN: SE0010831792

originally dated 19 February 2018 and as amended and restated on **[**]**

Other than the registration of the Bonds under Swedish law, 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 this document or any other material relating to the Issuer or the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

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

"**Additional Transaction Security**" means:

- (a) security over the trademarks "Felina" and Conturelle" granted by Felina GmbH which will rank second in priority to the existing security over such trademarks granted to the secured parties in relation to the debt owed under and in relation to the loan agreement dated 6 June 2017 between amongst others Felina GmbH and Felina International AG (as borrowers) and Commerzbank AG (as lender) until the debt thereunder is repaid in full, and shall thereafter be first ranking; and
- (b) first ranking Security over the shares in E|L|B GmbH granted by AS European Lingerie Group (to be renamed to SIA European Lingerie Group); and
- (c) first ranking Security over the shares in Felina Hungaria Kft granted by AS European Lingerie Group (to be renamed to SIA European Lingerie Group).

"**Adjusted Nominal Amount**" means the Total Nominal Amount 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.

"**Advance Purchase Agreement**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

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

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

"**Agent**" means Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476 or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"Amendment and Restatement Agreement" means the amendment and restatement agreement pursuant to which these Terms and Conditions were amended and restated.

"Applicable Margin" means:

- (a) prior to an Equity Listing Event, the Initial Margin; and
- (b) following an Equity Listing Event:
 - (i) if the Incurrence Test is not met, the Initial Margin; and
 - (ii) if the Incurrence Test is met, the Step-down Margin,

The Applicable Margin shall apply from (but excluding) the first Interest Payment Date occurring after the testing of the Incurrence Test.

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

"Bondholders' Meeting" means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

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

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

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

"Change of Control Event" means the occurrence of an event or series of events whereby one or more Persons, not being an Ultimate Shareholder (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or 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 the agreed form between the Agent and the Issuer, 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. If the Compliance Certificate is provided in connection with an Incurrence Test and/or a Maintenance Test, the certificate shall confirm satisfaction of the Incurrence Test and/or the Maintenance Test (as applicable) and include calculations and figures in respect of the Incurrence Test and/or the Maintenance Test (as applicable). If the Compliance Certificate is provided in

connection with a Maintenance Test the certificate shall also confirm if the Increased Margin Level is met or not.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"**CSD Regulations**" means the CSD's rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

"**EBITDA**" means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business, including costs related to the Restructuring, provided that such items and costs are properly documented and do not in aggregate exceed an amount equal to the lower of (i) 30 per cent. of the EBITDA (before any adjustments are made pursuant to this paragraph), and (ii) EUR 2,200,000 in the Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"**Effective Date**" shall have the meaning given thereto in the Amendment and Restatement Agreement.¹

"**Equity Cure**" shall have the meaning given to such term in Clause 12.1.3 (*Equity Cure*).

"**Equity Listing Event**" means the admission of all shares in the Issuer to trading on NASDAQ Stockholm or other Regulated Market.

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

"**EURIBOR**" means:

- (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen 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 banks reasonably selected by the Issuing Agent, for deposits of EUR 10,000,000 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 Euro offered for the relevant period; and

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

"**Event of Default**" means an event or circumstance specified in any of Clause 14.1 (*Non-Payment*) to Clause 14.11 (*Continuation of the Business*).

"**Existing Debt**" means: (i) a syndicated long-term loan in the amount of EUR 19,700,000, entered into between LSEZ Lauma Fabrics SIA as borrower and Citadele Banka and Baltikums Bank as lenders and (ii) convertible notes, in the aggregate nominal amount of EUR 11,000,000, issued by AS European Lingerie Group (formerly AS Lauma International).

"**Existing ELG Group**" means AS European Lingerie Group and its Subsidiaries from time to time.

"**Final Maturity Date**" means 22 February 2021.

"**Finance Charges**" means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest

¹ [Drafting note – definition to be confirmed when finalizing the amendment and restatement agreement.]

in respect of any Subordinated Loans, interest on any loan owing to any member of the Group and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

"Finance Documents" means the Terms and Conditions, the Subordination Agreement, the Agency Agreement, the Security Documents, the Promissory Note, the Proceeds Account Pledge Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

"Finance Lease" means any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the accounting principles 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.

"Financial Indebtedness" means any indebtedness in respect of:

- (a) moneys borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than receivables sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (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, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, 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 (*lag (1998:1479) om kontoföring av finansiella instrument*).

"Financial Report" means the Group's annual audited consolidated financial statements or quarterly interim unaudited reports of the Group, which shall be prepared and made available according to Clause 11.1(a)(i) and Clause 11.1(a)(ii).

"First Call Date" means the date falling 12 months after the Issue Date.

"**First Margin Test Date**" has the meaning set forth in Clause 12.2.2 (*Testing of the Incurrence Test – Applicable Margin*)

"**Force Majeure Event**" has the meaning set forth in Clause 27(a).

"**Group**" means the Issuer and its Subsidiaries from time to time (including the Existing ELG Group) and "**Group Company**" means any of them.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**Increased Margin Level**" shall have the meaning given thereto in Clause 8(c).

"**Incurrence Test**" means the test as set out in Clause 12.2 (*Incurrence Test*).

"**Initial Nominal Amount**" has the meaning set forth in Clause 2(c).

"**Initial Margin**" means 7.75 per cent. per annum.

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

"**Interest**" means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

"**Interest Payment Date**" means 22 February, 22 May, 22 August and 22 November each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 22 May 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

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

"**Interest Rate**" means EURIBOR plus the Applicable Margin.

"**Issue Date**" means 22 February 2018.

"**Issuer**" means European Lingerie Group AB (publ), a public limited liability company incorporated under the laws of Sweden with Swedish Reg. No. 559135-0136.

"Issuing Agent" means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Latvian Security Documents" means the security documents set out in paragraph (a), (b), (c) and (e) of the definition of "Security Documents".

"Maintenance Test" means the test as set out in Clause 12.1 (*Maintenance Test*).

"Market Loan" means any loan or other indebtedness where an entity issues commercial paper, certificates, 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 Stockholm or any other regulated 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 Group's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

"Material Intra-Group Loan" means any intra-group loans provided by the Issuer to any of its Subsidiaries in an amount exceeding EUR 5,000,000, (initially being a loan in the amount of EUR 15,300,000 from the Issuer to E|L|B GmbH, made on or about the date of disbursement of the funds from the Proceeds Account).

"Net Finance Charges" means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Subordinated Loans).

"Net Interest Bearing Debt" means the aggregate interest bearing debt (including Finance Leases, but no other leases) less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, counter indemnities in respect of bank guarantees, Subordinated Loans and interest bearing debt borrowed from any Group Company).

"Net Proceeds" means the proceeds from a Bond issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole Bookrunner has requested that its fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

"Nominal Amount" means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed pursuant to these Terms and Conditions.

"Parallel Debt" means a payment undertaking and the obligations and liabilities resulting from it by the Issuer to the Security Agent set forth in Clause 20 (*Parallel Debt*).

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) under any guarantee issued by a Group Company or pursuant to a counter-indemnity provided to a bank or other third party provider of a guarantee, in each case incurred in the ordinary course of business;
- (c) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions and/or any Working Capital Facility, but not any transaction for investment or speculative purposes;
- (d) arising under any interest rate hedging transactions in respect of payments to be made under these Terms and Conditions and/or any Working Capital Facility, but not any transaction for investment or speculative purposes;
- (e) incurred under Advance Purchase Agreements;
- (f) any pension debt, in the ordinary course of business;
- (g) incurred under any Subordinated Loans;
- (h) taken up from a Group Company;
- (i) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow or similar arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds;
- (j) until repaid in full, the Existing Debt; and
- (k) incurred by any Group Company under any other Financial Indebtedness (including but not limited to under any Finance Lease and/or any Working Capital Facility) not in aggregate exceeding an outstanding amount of EUR 6,000,000.

"Permitted Security" means any security:

- (a) provided under the Finance Documents;
- (b) over the Proceeds Account;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);

- (d) provided in relation to any lease agreement entered into by a Group Company;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) any guarantee or security provided by or over a Group Company to secure any Permitted Debt referred to in paragraphs (c), (d), (f), (i), (j) and (k) of Permitted Debt; and
- (g) provided for any guarantees issued by a Group Company in the ordinary course of business.

"**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.

"**Proceeds Account**" means a bank account of the Issuer held with a reputable bank, into which the Net Proceeds from the Bonds will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

"**Proceeds Account Pledge Agreement**" means the pledge agreement entered into between the Issuer and the Agent on or about the Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

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

"**Record Date**" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, and (v) another relevant date, or in each case such other Business Day falling prior to a relevant date as 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 9 (*Redemption and Repurchase of the Bonds*).

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

"**Reference Period**" means each period of 12 consecutive calendar months.

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

"Restructuring" means the contemplated restructuring of the Group whereby a major part of the assets, operations and functions are transferred from one Group Company whose shares are subject to Transaction Security (the **"Transferring Group Company"**) to another Group Company whose shares are or will no later than the date referred to in Clause 13.11(a)(ii) be subject to Transaction Security.

"Secured Obligations" means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents.

"Secured Parties" means the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement).

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

"Security" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

"Security Agent" means the security agent holding the Transaction Security on behalf of the Secured Parties, being Intertrust (Sweden) AB on the Issue Date.

"Security Documents" means:

- (a) the share pledge agreement in respect of all of the shares in AS European Lingerie Group (to be renamed to SIA European Lingerie Group) granted by the Issuer;
- (b) the share pledge agreement in respect of all of the shares in LSEZ Lauma Fabrics SIA granted by AS European Lingerie Group (to be renamed to SIA European Lingerie Group);
- (c) the share pledge agreement in respect of all of the shares in Felina GmbH granted by E|L|B GmbH;
- (d) the mortgage agreement in respect of:
 - (i) certain land at Ziemelu Street 19, Liepaja, Latvia; and
 - (ii) certain buildings at Ziemelu Street 19 and Ziemelu Street 19A Liepaja, Latvia;
- (e) the pledge or security assignment agreement in respect of any Material Intra-Group Loans;
- (f) any other security document in respect of the Additional Transaction Security; and

- (g) any other security document entered into pursuant to Clause 13.10 (*Further Transaction Security*).

"**Sole Bookrunner**" means Pareto Securities AB.

"**Step-down Margin**" means 6.25 per cent. per annum.

"**Subordinated Loans**" means any loan made to the Issuer as the debtor, if such loan (a) according to its terms, is subordinated to the obligations of the Issuer under these Terms and Conditions pursuant to the Subordination Agreement, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date, and (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date.

"**Subordination Agreement**" means a subordination agreement between, among others, the Agent, the Issuer and any creditor with respect to Subordinated Loans.

"**Subsidiary**" means in relation to any Holding Company, a company or corporation:

- (a) which is controlled, directly or indirectly, by the Holding Company,
- (b) more than half the issued share capital of which is owned, directly or indirectly, by the Holding Company; or
- (c) which is a subsidiary of another Subsidiary of the Holding Company,

and, for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to determine the composition of the majority of its board of directors or equivalent body

"**Total Nominal Amount**" means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

"**Transaction Costs**" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Bond issue, (ii) any acquisition, (iii) any Working Capital Facility and (iv) the listing of the Bonds.

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

"**Transferring Group Company**" shall have the meaning given thereto in the definition of "Restructuring".

"**Ultimate Shareholders**" means Indrek Rahumaa and/or John Bonfield.

"**Working Capital Facility**" any working capital facility provided to any member of the Group for general corporate purposes of the Group.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*Written Procedure*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) "assets" includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) an Event of Default is continuing if it has not been remedied or waived;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- (c) 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.
- (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. Status of the Bonds

- (a) The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Bond is EUR 100,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Bonds is EUR 40,000,000. All Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- (d) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (e) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (f) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. Use of Proceeds

The Issuer shall use the proceeds from the issue of the Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds, for (i) refinancing the Existing Debt, (ii) financing, directly or indirectly by way of intra-group loans, general corporate purposes or capital expenditures of the Group including add-on acquisitions and (iii) financing Transaction Costs.

4. Conditions Precedent

4.1 Conditions Precedent Bonds Issue

- (a) The Issuer established the Proceeds Account prior to the Issue Date. On the Issue Date, the Issuing Agent transferred the Net Proceeds from the Bonds to the Proceeds Account. The payment of the Net Proceeds from the Bonds to the Proceeds Account was subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and that the documents and/or other evidences to be delivered pursuant to the Proceeds Account Pledge Agreement had been delivered.
- (b) The Issuer provided, or procured the provision of, to the Agent:

- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
 - (ii) copies of the Finance Documents, duly executed;
 - (iii) evidence that the security existing in favour of the Existing Debt will be released and discharged upon repayment of the Existing Debt;
 - (iv) copies of the Security Documents, duly executed, and/or evidence that the Security Documents, other documents and other evidences to be delivered pursuant to the Security Documents will be delivered as soon as practicably possible following disbursement of the Net Proceeds from the Bond Issue from the Proceeds Account;
 - (v) evidence that the Issuer has acquired the Existing ELG Group;
 - (vi) an agreed form Compliance Certificate;
 - (vii) with the exception of the legal opinion set out in Clause 4.2(a)(ii), legal opinion(s) on the capacity and due execution, in respect of any non-Swedish entity being party to a Finance Document issued by a reputable law firm;
 - (viii) with the exception of the legal opinion set out in Clause 4.2(a)(ii), legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law issued by a reputable law firm; and
 - (ix) a legal opinion on the enforceability of the Parallel Debt governed by Dutch law.
- (c) The Agent could assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) was accurate, legally valid, enforceable, correct and true, and the Agent did not have to verify or assess the contents of any such documentation. The Agent did not have any obligation to review the documents referred to in Clause 4.1(b) from a legal or commercial perspective of the Bondholders.
- (d) When the Agent was satisfied that it had received the conditions precedent for disbursement set out in Clause 4.1(b), the Agent instructed the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account in accordance with the payment instruction, and the Agent therewith released the pledge over the Proceeds Account.
- (e) If the conditions precedent for disbursement set out in Clause 4.1(b) would not have been received by the Agent within thirty (30) Business Days from the Issue Date, the Issuer would have to redeem all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued but unpaid Interest. Any funds distributed by the Agent to the Bondholders in accordance

with the Proceeds Account Pledge Agreement would have been deemed to be paid by the Issuer for the redemption under this Clause 4.1(e) and any shortfall would have had to be covered by the Issuer. The redemption date would fall no later than thirty (30) Business Days after the ending of the thirty (30) Business Days period referred to above.

4.2 Conditions Subsequent Bonds Issue

- (a) No later than 15 Business Days following disbursement from the Proceeds Account in accordance with Clause 4.1(d) above, the Issuer provided the Agent with the following:
 - (i) evidence that the security provided under the Latvian Security Documents has been registered with the Latvian Register of Commercial Pledges and corroborated with the Land Register of the Republic of Latvia; and
 - (ii) a legal opinion on the capacity, due execution, validity and enforceability in respect of any non-Swedish entity being party to the Latvian Security Documents issued by a reputable law firm.
- (b) The Agent could assume that the documentation and evidence delivered to it pursuant to Clause 4.2(a) was accurate, legally valid, enforceable, correct and true, and the Agent did not have to verify or assess the contents of any such documentation. The Agent did not have any obligation to review the documents referred to in Clause 4.2(a) from a legal or commercial perspective of the Bondholders.

5. Bonds in Book-Entry Form

- (a) The Bonds are registered for the Bondholders on their respective Securities Accounts and no physical notes 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.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

- (d) For the purpose of or in connection with any Bondholders' 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.
- (e) 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 Bondholders.

6. Right to Act on Behalf of a Bondholder

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder 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 the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) 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 6(b) 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 Bonds

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder 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 Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- (c) 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(a)-8(c) during such postponement.
- (d) 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.
- (e) 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

- (a) Each Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- (b) Subject to paragraph (c) below, Interest accrues during an Interest Period and shall be paid to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) If following the Effective Date, the Maintenance Test (for the avoidance of doubt not taking into account any Equity Cure) is above 4.50:1 (the "**Increased Margin Level**") the Issuer shall pay an additional interest of 1.00 per cent per annum on the Nominal Amount ("**PIK Interest**") from (but excluding) the Interest Payment Date falling immediately after the relevant Reference Date evidencing the Maintenance Test being above the Increased Margin Level until and including the first Interest Payment Date falling immediately after a Reference Date evidencing that the Maintenance Test (for the avoidance of doubt not taking into account any Equity Cure) is below the Increased Margin Level. The PIK Interest shall be deferred and become payable on the relevant redemption date when the Bonds have been repaid in full. For the avoidance of doubt, the PIK Interest shall not be added to the principal amount of the Bonds before the relevant redemption date when the Bonds have been repaid in full.
- (d) 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).
- (e) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. Redemption and Repurchase of the Bonds

9.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to 101.50 per cent. of the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold, but not cancelled.

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full at:
- (i) any time from and including the First Call Date, to, but excluding, the first Business Day falling 24 months after the Issue Date at an amount per Bond equal to 105.25 per cent. of the Nominal Amount, together with accrued but unpaid interest;
 - (ii) any time from and including the first Business Day falling 24 months from the Issue Date, to, but excluding, the first Business Day falling 30 months after the Issue Date at an amount per Bond equal to 104.00 per cent. of the Nominal Amount, together with accrued but unpaid interest; and
 - (iii) any time from and including the first Business Day falling 30 months from the Issue Date, to, but excluding, the Final Maturity Date at an amount per Bond equal to 102.50 per cent. of the Nominal Amount, together with accrued but unpaid interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders 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 fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

9.4 Mandatory partial redemption

- (a) The Issuer shall redeem the Bonds in an amount of at least EUR 6,000,000 no later than 1 June 2020 with proceeds received by the Issuer in cash by way of
- (i) equity injection, in the form of a share issue and/or an unconditional shareholder contribution, and/or
 - (ii) Subordinated Loans. If and to the extent

the Issuer receives more than EUR 6,000,000 in connection with such equity injection and/or Subordinated Loan, the Issuer shall apply at least 50 per cent of any such excess amount towards redemption of the Bonds.

- (b) Any redemption of the Bonds, shall reduce the Nominal Amount of each outstanding Bond by the amount redeemed pro rata (rounded down to the nearest EUR 1.00) and shall be made together with accrued but unpaid interest on the redeemed amount. The redemption shall be made at 100 per cent of the Nominal Amount up to an amount of EUR 14,000,000 redeemed under this Clause 9.4 and any amount redeemed under this Clause 9.4 in excess of such amount shall be made at the premium of the redeemed amount as set forth in Clause 9.3 (*Voluntary total redemption (call option)*) for the relevant period.
- (c) Redemption in accordance with Clause 9.4 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in EUR and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date

9.5 Voluntary partial redemption

- (a) The Issuer may on one occasion each calendar year, make partial repayments of Bonds in an amount corresponding to a maximum of EUR 10,000 per each Bond (without carry-back or carry forward). Any such partial repayment shall reduce the Nominal Amount of each Bond pro rata (rounded down to the nearest EUR 100) and shall be made together with accrued but unpaid interest and a premium of 4.00 per cent. of the repaid Nominal Amount.
- (b) The Issuer may on one occasion, in connection with an Equity Listing Event, repay up to EUR 30,000 per each Bond, in which case all Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond pro rata. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest EUR 100) and shall be made together with accrued but unpaid interest and a premium of 4.00 per cent of the repaid Nominal Amount.
- (c) Partial redemption pursuant to this Clause 9.5 (*Voluntary partial redemption*) shall be made by the Issuer giving not less than twenty (20) Business Days' notice to the Bondholders 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 fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in part on the immediately following

Interest Payment Date (after the notice period has elapsed) at the applicable amounts. The applicable amount shall be an even amount in Euro and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

- (d) Notwithstanding paragraphs (a)-(b) above, the aggregate Nominal Amount must be at least EUR 70,000 per each Bond at any time other than in connection with a redemption of the Bonds in full in accordance with Clause 9.1 (*Redemption at maturity*) or Clause 9.3 (*Voluntary total redemption (call option)*) or a redemption in part in accordance with Clause 9.4 (*Mandatory partial redemption*).

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

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 102,5 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(b) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 11.1(b) shall specify the Record Date on which a Person shall be registered as a Bondholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 11.1(b). The Redemption Date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.6(a).
- (c) 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 9.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.6 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.6 may at the Issuer's discretion be retained or sold, but not cancelled.

10. Transaction Security

- (a) The Issuer shall grant the Transaction Security in relation to the Security Document referred to in Clause 4.1 and 4.2 at such time referred to therein.

- (b) The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's and/or the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interests of the Bondholders as a group.

11. Information to Bondholders

11.1 Information from the Issuer

- (a) The Issuer will make the following information available to the Bondholders by way of publication on the website of the Group (and after an application to list the Bonds has been submitted, also by way of a press release):
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its annual audited consolidated financial statements (in English), 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;
 - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its quarterly unaudited consolidated financial statements (in English) or the year-end report (*bokslutskommuniké*) (as applicable), 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; and
 - (iii) after an application to list the Bonds have been submitted, any other information required by the Swedish Securities Markets Act (*Iag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall submit a duly executed Compliance Certificate to the Agent in connection with (i) the First Margin Test Date, (ii) the delivery of a Financial Report, and (iii) the Agent's request, within 20 days from such request. The Agent may assume that any information provided by the Issuer in the Compliance Certificate is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (e) The Issuer shall immediately notify the Bondholders, the Agent and the CSD if the Increased Margin Level has been met and when it ceases to be met.
- (f) The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market 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 this Clause 11.1.
- (h) The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct and true, and the Agent does not have to verify or assess the contents of any such documentation.

11.2 Information from the Agent

Subject to the restrictions of any applicable law or regulation, the Agent is entitled to disclose to the Bondholders 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 Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

11.3 Publication of Finance Documents

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

12. Financial Testing

12.1 Maintenance Test

The Maintenance Test is met if:

- (a) the Net Interest Bearing Debt to EBITDA is below:
 - (i) 5.50:1 from (and including) the Effective Date until (and including) 31 March 2020;
 - (ii) 4.75:1 from (and including) 1 April 2020 until (and including) 30 June 2020;
 - (iii) 4.50:1 from (and including) 1 July 2020 until (and including) 30 September 2020;
 - (iv) 4.25:1 from (and including) 1 October 2020 until (and including) 31 December 2020; and
 - (v) 4.00:1 from (and including) 1 January 2021 until (and including) the Final Maturity Date; and
- (b) the EBITDA for the Reference Date ending on 31 December 2019 is not less than EUR 8,650,000.

12.1.2 Testing of the Maintenance Test

The Maintenance Test shall be tested quarterly on the basis of the Financial Report for the period covered by the relevant Reference Date on the basis of the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test was 31 March 2018.

12.1.3 Equity Cure

- (a) If there is a breach of the Maintenance Test, no Event of Default will occur if, within thirty (30) Business Days of a delivery of the relevant Compliance Certificate evidencing that breach, the Issuer has received equity injection in cash in the form of a share issue or an unconditional shareholder contribution in an amount sufficient to ensure compliance with the Maintenance Test, as at the relevant test date (the "**Cure Amount**").

- (b) Upon the making of a Cure Amount, the calculation of the Net Interest Bearing Debt shall be adjusted so that the Net Interest Bearing Debt for the Reference Period is reduced with an amount equal to the Cure Amount.
- (c) Any Equity Cure counted in any calendar quarter shall be included in the Maintenance Test calculations until such time as that calendar quarter falls outside the Reference Period.
- (d) Any Equity Cure must be made in cash and no more than two (2) Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

12.2 Incurrence Test

The Incurrence Test is met if the Net Interest Bearing Debt to EBITDA is below:

- (a) 3.00:1 from the Issue Date until (and including) the first anniversary of the Issue Date;
- (b) 2.75:1 from the first anniversary of the Issue Date until (and including) the second anniversary of the Issue Date;
- (c) 2.50:1 from the second anniversary of the Issue Date until (and including) the Final Maturity Date; and
- (d) not Event of Default is continuing.

12.2.2 Testing of the Incurrence Test – Applicable Margin

Following an Equity Listing Event, the Incurrence Test shall be tested as per a testing date determined by the Issuer falling after the date of the Equity Listing Event (the "**First Margin Test Date**"). Following the First Margin Test Date, the Incurrence Test shall be tested quarterly on the basis of the Financial Report for the period covered by the relevant Reference Date on the basis of the Compliance Certificate delivered in connection therewith.

12.3 Calculation Adjustments

- (a) The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test and/or the Maintenance Test, but adjusted so that:
 - (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Reference Period;
 - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Reference Period (provided that the adjusted EBITDA calculations of the acquired

entity shall be verified by a third party finance due diligence provider); and

(iii) any increase in value of stock of an acquired entity, which is solely due to the combination of that acquired entity with the Group, shall be disregarded, pro forma, for the entire Reference Period.

(b) In addition to the above, adjustments to EBITDA included in the investor presentation dated 7 February 2018 relating to the Bonds were maintained for any Reference Period ending on or before 31 December 2018.

13. General Undertakings

13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

13.2 Distributions

The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on its shares (other than to the Issuer or a wholly-owned Subsidiary of the Issuer), (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) grant any loans (other than as set out in Clause 13.9 (*Loans Out*)), (v) repay any Subordinated Loans or capitalised or accrued interest thereunder, or (vi) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a wholly-owned Subsidiary of the Issuer).

13.3 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 as of the date when the Net Proceeds from the Bonds are disbursed from the Proceeds Account, if such substantial change would have a Material Adverse Effect.

13.4 Financial Indebtedness

The Issuer shall not (and shall procure that no other Group Company will) incur, prolong, renew or extend any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to prolong, renew or extend Financial Indebtedness that constitutes Permitted Debt.

13.5 Disposal of Assets

The Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of any shares in any Group Company or of any substantial assets (including but not limited to material intellectual property rights) or operations to any Person not being the Issuer or any of its wholly-owned Group Companies, except:

- (a) 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; and
- (b) for any assets or operations by a Group Company to another Group Company (including in relation to the Restructuring) provided that if such assets or operations are held by a Group Company over which Transaction Security has been granted the shares in the acquiring Group Company are or shall no later than either (i) the date of the disposal or (ii) if applicable, the date referred to in Clause 13.11(a)(ii), become subject to Transaction Security.

13.6 Dealings with Related Parties

The Issuer shall, and shall procure that its Subsidiaries will, 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.

13.7 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Issuer and the Group have a right to provide, retain, prolong or renew any Permitted Security.

13.8 Listing

The Issuer shall procure that the Bonds, continue to be listed on the corporate bond list of Nasdaq Stockholm for as long as any Bond is outstanding (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).

13.9 Loans Out

The Issuer shall not, and shall procure that none of its Subsidiaries will, extend any loans in any form to any other party than (i) to other Group Companies, (ii) in the ordinary course of business, (iii) to a company where a Group Company holds a minority interest if such loan is granted on a pro rata basis; and (iv) any other loans in an aggregate outstanding amount not exceeding EUR 1,000,000.

13.10 Further Transaction Security

The Issuer shall and shall procure that each Group Company will, upon the incurrence of a Material Intra-Group Loan, grant a pledge over that Material Intra-Group Loan as security for all amounts outstanding under the Finance Documents and simultaneously therewith deliver to the Agent (unless previously provided):

- (a) constitutional documents and corporate resolutions (approving the relevant Security Documents and authorising a signatory/-ies to execute the relevant

Security Document) for the relevant security provider, together constituting evidence that the relevant Security Documents have been duly executed;

- (b) a legal opinion on the capacity, due execution, in respect of any non-Swedish entity being party to the relevant Security Document, issued by a reputable law firm; and
- (c) a legal opinion on the validity and enforceability of any relevant Security Document not governed by Swedish law, issued by a reputable law firm.

13.11 Conditions Subsequent

- (a) The Issuer shall as soon as reasonably practicable and:
 - (i) no later than 31 January 2020, provide to the Agent a market valuation dated no earlier than the Effective Date of the Group's factory and real property in Liepaja, Latvia, by an independent valuer;
 - (ii) no later than 28 February 2020 procure that the Additional Transaction Security is granted and the documents and evidence listed in Clause 13.10 (*Further Transaction Security*) relating thereto are delivered simultaneously therewith to the Agent; and
 - (iii) no later than 30 April 2020, provide to the Agent a letter of intent (or other equivalent confirmation of interest) from investor(s) evidencing such investor(s) intent to contribute cash to the Issuer by way of (i) equity injection, in the form of a share issue and/or an unconditional shareholder contribution, and/or (ii) Subordinated Loan in a minimum amount of EUR 6,000,000 by no later than 1 June 2020.
- (b) The Agent may assume that the documentation and evidence delivered to it pursuant to paragraph (a) is accurate, legally valid, enforceable, correct and true, and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documents referred to in paragraph (a) from a legal or commercial perspective of the Bondholders.

14. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.12 (*Acceleration of the Bonds*)) is an Event of Default.

14.1 Non-Payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents, unless, other than with respect to a payment to be made under Clause 9.4 (*Mandatory partial redemption*), its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of the due date.

14.2 Maintenance Test

The Issuer has failed to comply with the Maintenance Test, and such failure has not been cured in accordance with the provisions for an Equity Cure.

14.3 Mandatory partial redemption

The Issuer has failed to comply with Clause 9.4 (*Mandatory partial redemption*).

14.4 Conditions Subsequent

The Issuer has failed to comply with Clause 13.11 (*Conditions Subsequent*).

14.5 Other Obligations

A party (other than the Agent) does not comply with its obligations under the Finance Documents, in any other way than as set out in Clauses 14.1 (*Non-Payment*) to and including 14.4 (*Mandatory partial redemption*)

The Issuer has failed to comply with Clause 9.4 (*Mandatory partial redemption*).

Conditions Subsequent) provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds due and payable without such prior written request).

14.6 Cross-Acceleration

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is duly and properly declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 14.6 if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 1,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

14.7 Insolvency

- (a) Any Group Company (other than the Transferring 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 generally (except for holders of Bonds) with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company (other than the Transferring Group Company).

14.8 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 sixty (60) days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

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

14.9 Mergers and Demergers

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to existing security between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

14.10 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction which affects any asset or assets of any Group Company (other than the Transferring Group Company) having an aggregate value of an amount equal to or exceeding EUR 1,000,000 and is not discharged within sixty (60) days.

14.11 Continuation of the Business

The Issuer or any other Group Company (other than the Transferring Group Company) ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

14.12 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following an instruction given pursuant to Clause 14.12(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any

or all of its rights, remedies, powers and discretions under the Finance Documents.

- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.12(a) by reference to a specific Event of Default if it is no longer continuing or, other than with respect to an Event of Default caused by a breach of Clause 9.4 (*Mandatory partial redemption*) which may not be waived, if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate 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 acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 14.12, the Issuer shall redeem all Bonds at an amount per Bond equal to the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable considering when the acceleration occurs, and, for the non-call period (until the First Call Date), the amount set out in Clause 9.3(a)(i).

15. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Agent and/or the Security Agent:
 - (i) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in

accordance with the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 21.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(c);

- (ii) 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);
- (iii) thirdly, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (iv) fourthly, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15(a)(i).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply and for any partial redemption in accordance with Clause 9.5 (*Voluntary partial redemption*) due but not made, the Record Date specified in Clause 9.5(c) shall apply.

16. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16(c) being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Bondholder(s) with the information available in the debt register (*skuldbok*) kept by the CSD in respect of the Bonds in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- (e) Only a Person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
 - (i) on the Business Day specified in the notice pursuant to Clause 17(c), in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- (f) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
- (i) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
 - (ii) release the security provided under the Security Documents, except in accordance with the Finance Documents;
 - (iii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (iv) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or
 - (v) amend the provisions regarding the majority requirements under these Terms and Conditions.
- (g) Any matter not covered by Clause 16(f) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). 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 19(a)(i) or (19(a)(ii))), an acceleration of the Bonds or the enforcement of any Transaction Security.
- (h) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(f) or otherwise at least twenty (20) per cent of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- (i) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(h) shall not apply to such second Bondholders' Meeting or Written Procedure.

- (j) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- (k) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (l) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (m) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (n) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (o) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) 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.
- (p) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

17. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a valid

request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) 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 Bondholders), (iv) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

18. Written Procedure

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Agent) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (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 Bondholder 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 Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the

voting shall be made electronically, instructions for such voting shall be included in the communication.

- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(f) and 16(g) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(f) or 16(g), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. Amendments and Waivers

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders 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.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published on its website in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

20. Parallel Debt

- (a) For the purpose of this Clause 20 (*Parallel Debt*) the "**Corresponding Obligations**" mean all amounts payable by the Issuer to each of the Bondholders (whether present or future and whether actual or contingent) under these Terms and Conditions.
- (b) Notwithstanding any other provision of these Terms and Conditions, for the purpose of ensuring and preserving the enforceability of the Security

Documents, the Issuer irrevocably and unconditionally undertakes to pay to the Security Agent, as creditor in its own right and not as representative of the Bondholders, sums equal to and in the currency of the Corresponding Obligations. The payment undertaking of the Issuer under this Clause 20 (*Parallel Debt*) is to be referred to as a "**Parallel Debt**" and such Parallel Debt can, subject to any other forms of evidence, be evidenced in the form of a non-negotiable promissory note (in the form specified in Annex 1 to these Terms and Conditions) issued by the Issuer to the Security Agent provided that the amount of the debt under such promissory note shall at all times not exceed the amount payable by the Issuer under the Corresponding Obligations (the "**Promissory Note**").

- (c) The Security Agent shall have its own separate and independent claim to receive payment of the Parallel Debt from the Issuer.
- (d) The Parallel Debt constitutes an undertaking, obligation and liability to the Security Agent which is separate and independent from, and without prejudice to, the Corresponding Obligations.
- (e) For the avoidance of doubt, the aggregate amount due by the Issuer under the Parallel Debt will be decreased to the extent the Issuer has paid any amounts to the Bondholders under these Terms and Conditions or in the amount the payments have been made by the Security Agent to the Bondholders in case the Security Agent has enforced the Security Document, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- (f) For the avoidance of doubt, to the extent the Issuer has paid any amounts to the Security Agent under the Parallel Debt the Corresponding Obligations will be decreased accordingly, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- (g) To the extent the Security Agent receives any amount in payment of the Parallel Debt following its respective specific written claim made to the Issuer, the Security Agent shall transfer such amount to the Bondholders in accordance with these Terms and Conditions.
- (h) For the purpose of clarification, the Parallel Debt will become due and payable at the same time and to the same extent as the Corresponding Obligations become due and payable.

21. Appointment and Replacement of the Agent and the Security Agent

21.1 Appointment of Agent and the Security Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions), in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 21.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

21.2 Duties of the Agent and the Security Agent

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, inter alia,

holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.

- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security Agent from external experts engaged by it for the purpose of

carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).

- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is 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.
- (i) If in the Agent's or the Security Agent's reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) 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.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) Each of the Agent and the Security Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2(i).

21.3 Limited liability for the Agent and the Security Agent

- (a) Neither the Agent nor the Security Agent will be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. Neither the Agent nor the Security Agent shall be responsible for indirect loss.
- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall 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 it to the Bondholders, provided that it 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 it for that purpose.

- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

21.4 Replacement of the Agent and the Security Agent

- (a) Subject to Clause 21.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 21.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance

as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent under the Finance Documents.

- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent and acceptance by such successor Agent and/or the successor Security Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent and/or the Security Agent (as applicable). Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent and/or the Security Agent.
- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the Security Agent the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the Security Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent and/or the new Security Agent agrees otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the Security Agent (as applicable).

22. Appointment and Replacement of the Issuing Agent

- (a) 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.
- (b) 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.

23. Appointment and replacement of the CSD

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- (b) The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

24. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 24(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 21.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2(k) before a Bondholder may take any action referred to in Clause 24(a).
- (c) The provisions of Clause 24(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

25. Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for

payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.

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

26. Notices and Press Releases

26.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time, initially trustee@intertrustgroup.com;
 - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time, initially diana.suprunovica@laumafabrics.com; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent it is possible to deliver by way of courier to the addresses registered with the CSD) or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1(a) or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 26.1(a).
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

26.2 Press releases

- (a) After an application to list the Bonds have been submitted, any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.5 (*Voluntary partial redemption*), 11.1(b), 14.12(c), 16(p), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 26.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. 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 Bondholders, the Agent shall be entitled to issue such press release.

27. Force Majeure and Limitation of Liability

- (a) 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.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) 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.
- (d) The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

28. Governing Law and Jurisdiction

- (a) Save for Clause 20 (*Parallel Debt*) and the Promissory Note, which shall be governed by and construed in accordance with Dutch law, 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.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).



Annex 1

PROMISSORY NOTE

European Lingerie Group AB (publ), registration number: 559135-0136, legal address: Norrlandsgatan 16, 111 43 Stockholm, Sweden (the "**Debtor**")

hereby unconditionally and irrevocably promises to pay to

Intertrust (Sweden) AB, registration number: 556625-5476, legal address: P.O. Box 16285, SE-103 25, Stockholm, Sweden (the "**Creditor**"),

EUR 18,000,000 on the following terms and conditions:

1. PRINCIPAL AMOUNT AND INTEREST

1.1. The principal amount of the debt is EUR 18,000,000 on the date hereof and may be any other amount as agreed upon between the Debtor and Creditor (the "**Debt**").

1.2. The interest rate shall be 7.75 per cent. per annum.

2. REPAYMENT AND PAYMENT OF INTEREST

2.1. The Debt shall be repaid by the Debtor on the Creditor's demand in part or in full (as demanded).

2.2. The Debtor shall pay the Debt in part or in full (as demanded) within 5 (five) business days after receipt of a respective application from the Creditor.

2.3. Interest shall be calculated on the amount of the Debt by the Creditor and payable as demanded by it. The Debtor shall pay the interest in part or in full (as demanded) within 5 (five) business days after first receipt of a respective application from the

PARĀDZĪME

European Lingerie Group AB (publ), reģistrācijas numurs: 559135-0136, juridiskā adrese: Norrlandsgatan 16,111 43 Stokholma, Zviedrija ("**Parādnieks**")

ar šo bez nosacījumiem un neatsaucami apņemas samaksāt

Intertrust (Sweden) AB, reģistrācijas numurs: 556625-5476, juridiskā adrese: P.O. Box 16285, SE-103 25 Stokholma, Zviedrija ("**Kreditors**"),

EUR 18'000'000, saskaņā ar šādiem noteikumiem un nosacījumiem:

1. PAMATSUMMA UN PROCENTI

1.1. Parāda pamatsumma uz šo datumu ir EUR 18'000'000 ("**Parāds**") un, vienojoties starp Parādnieku un Kreditoru, var būt jebkura cita summa.

1.2. Procenti tiek noteikti kā 7.75 procenti gadā.

2. PARĀDA ATMAKSA UN PROCENTU MAKSĀJUMI

2.1. Parāds atmaksājams pēc Kreditora pieprasījuma daļēji vai pilnībā (kā pieprasīts).

2.2. Parādniekam jāatmaksā Parāds pilnībā vai daļēji (kā pieprasīts) 5 (piecu) darba dienu laikā pēc attiecīga Kreditora pieprasījuma saņemšanas.

2.3. Kreditors procentus aprēķina par Parāda summas atlikumu, un tie ir maksājami pēc Kreditora pieprasījuma. Parādniekam jāveic procentu samaksa pilnībā vai daļēji (kā pieprasīts) 5 (piecu) darba dienu laikā pēc attiecīga Kreditora pirmā pieprasījuma saņemšanas.

Creditor.

3. COLLATERAL

Mortgage over the real estates:

3.1. Address: Ziemeļu iela 19, Liepāja,
Liepāja city land registry division No.
600,

Cadastral number: 1700 011 0026;

3.2. Address: Ziemeļu iela 19A, Liepāja,
Liepāja city land registry division No.
2742,

Cadastral number: 1700 511 0025;

3.3. Address: Ziemeļu iela 19, Liepāja,
Liepāja city land registry division No.
600 A,

Cadastral number: 1700 511 0026;

(the “**Property**”).

4. MISCELLANEOUS

4.1. This promissory note is not a
negotiable instrument.

4.2. This promissory note shall be
governed by Dutch law.

4.3. The addresses and contacts of the
Parties are as follows:

The Debtor:

European Lingerie Group AB (publ)

Address: Norrlandsgatan 16, 111 43
Stockholm, Sweden

Phone: +371 28391256

E-mail:
diana.suprunovica@laumafabrics.com

Attn: Diana Suprunovica

The Creditor:

Intertrust (Sweden) AB

Address: P.O. Box 16285, SE-103
25, Stockholm, Sweden

3. NODROŠINĀJUMS

Hipotēkas uz nekustamajiem īpašumiem:

3.1. Adrese: Ziemeļu iela 19, Liepāja,
Liepājas pilsētas zemesgrāmatas
nodalījums Nr. 600,
Kadastra numurs: 1700 011 0026;

3.2. Adrese: Ziemeļu iela 19A, Liepāja,
Liepājas pilsētas zemesgrāmatas
nodalījums Nr. 2742,
Kadastra numurs: 1700 511 0025;

3.3. Adrese: Ziemeļu iela 19, Liepāja,
Liepājas pilsētas zemesgrāmatas
nodalījums Nr. 600 A,
Kadastra numurs: 1700 511 0026;

(“**Īpašums**”).

4. DAŽĀDI

4.1. Šī parādzīme nav maksāšanas
līdzeklis.

4.2. Šai parādzīmei piemērojams
Nīderlandes Karalistes likums.

4.3. Pušu adreses un kontaktu
koordinātes ir sekojošas:

Parādnieks:

European Lingerie Group AB (publ)

Adrese: Norrlandsgatan 16,111 43
Stokholma, Zviedrija

Tālrunis: +371 28391256

E-mail:
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Kreditors:

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Attn: Trustee

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E-mail: trustee@intertrustgroup.com

Kam: Trustee

Stockholm, __ February 2018

**On behalf of European Lingerie Group AB
(publ):**

Name:
Title:

**On behalf of
Intertrust (Sweden) AB:**

Name:
Title:

Stokholma, __ February 2018

**European Lingerie Group AB (publ)
vārdā:**

Vārds, Uzvārds:
Amats:

Intertrust (Sweden) AB vārdā:

Vārds, uzvārds:
Amats:

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

EUROPEAN LINGERIE GROUP AB (PUBL)

as Issuer

Name:

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

INTERTRUST (SWEDEN) AB

as Agent and Security Agent

Name: