

NOTICE TO A WRITTEN PROCEDURE

Denna kallelse till obligationsinnehavarna är endast utformad på engelska.

To the bondholders in:

ISIN: SE0010023770 CHR Bygga Bostäder Holding AB (publ) up to SEK 500,000,000 Senior Secured Bonds 2017/2021 (the "Bonds")

Stockholm, 31 January 2019

NOTICE TO A WRITTEN PROCEDURE –REQUEST FOR AMENDMENTS, WAIVERS AND PARTIAL REDEMPTION AGAINST PAYMENT BY WAY OF ISSUANCE OF PREFERENTIAL SHARES

This voting request for procedure in writing will be sent by regular mail on 31 January 2019 to Bondholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB on 30 January 2019. This voting request has also been published on the websites of the Issuer and the Agent (as defined below), in accordance with the terms and conditions of the Bonds (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. For further information, please see below under Section 5 C, (*Voting rights and authorisation*).

Intertrust (Sweden) AB (the "**Agent**") is under the Terms and Conditions appointed as Agent for the above mentioned issuance of Bonds of CHR Bygga Bostäder Holding AB (publ) (the "**Issuer**"). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Bondholders can vote for or against the Issuer's amendment and waiver request.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice to a Written Procedure**") shall have the meanings assigned thereto in the Terms and Conditions for the Bonds.

This voting request, and associated enclosed Schedule 1 and Schedule 2, have been construed in accordance with applicable regulations in the Terms and Conditions.

Bondholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, a power of attorney/authorisation, substantially in the form as attached hereto as Schedule 2 (the "**Power of Attorney**"), if the Bonds are held in custody other than with Euroclear Sweden AB, 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 17:00 (CET), 26 February 2019**, by regular mail, via courier or e-mail to the addresses indicated below under Section 4 F. 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 **5 February 2019** (the "**Record Date**"). This means that the person must be registered on a Securities Account with Euroclear Sweden AB, being the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

The information in this Notice to a Written Procedure regarding the Issuer and market conditions is provided by the Issuer, and the Agent expressly disclaims any liability whatsoever related to such information.

1. BACKGROUND

On 23 November 2018 the Issuer published that the Board of Directors of the Issuer and its subsidiary CHR Bygga Bostäder Entreprenad AB ("**Entreprenad**") each had resolved to prepare a balance sheet for liquidation purposes (Sw. *kontrollbalansräkning*). On 10 December 2018 the Issuer issued a notice for a general meeting to consider whether the Issuer shall go into liquidation. The general meeting was held on 21 January 2019 where it was resolved that the Issuer shall continue its business. The Issuer intends to restore the equity in Entreprenad by way of lowering the share capital in Entreprenad and relocating assets within the group.

On 31 December 2018 the Issuer issued a press release relating to a term sheet for a recapitalisation of the Issuer (the "**Term Sheet**"). The Term Sheet has been entered into with shareholders representing ca. 73 per cent. of the outstanding shares and votes in the Issuer, holders representing ca. 58 per cent. of the outstanding Bonds (together the "**Term Sheet Bondholders**") and a separate creditor. The Issuer informed in the press release that it would issue this Request as well as convene an extra general meeting among its shareholders in order to receive the requisite authorisations from its Bondholders and shareholders.

This Request consists of four separate parts, which are resolved upon by the Bondholders as one single resolution. The first part relates to a partial redemption of Bonds against payment by way of issuing preference shares in the Issuer (the "**Bond Set-Off**"), to be effective upon certain conditions specified below occurring. The second part relates to a permanent amendment to the Terms and Conditions (the "**Amendment Request**"), also effective subject to certain conditions specified below occurring. The third part relates to an interim waiver and amendment of the Terms and Conditions which shall be in effect while the conditions for the Amendment Request and the Bond Set-Off are outstanding, however not longer than up until 5 April 2019 (the "**Waiver Request**"). The fourth part consist of an authorisation to the Agent to enable the Request.

The Term Sheet Bondholders have agreed to support the Request and also agreed not to dispose of

their Bonds until the earlier of the recapitalisation pursuant to the Term Sheet being finalised and 5 April 2019. ***Please be informed that it is important that each Bondholder exercise their voting rights in this Written Procedure. The support of the Term Sheet Bondholders alone may not be sufficient in order to approve the Request.***

Bondholders are urged to read and consider the Certain Considerations set out in Schedule 4 carefully before placing a vote.

It is intended that all measures pursuant to this Request shall be carried out by no later than 5 April 2019, provided that the requisite consents are received. A more detailed timetable will follow by way of press release from the Issuer.

2. REQUEST

2.1 The Bond Set-Off

(a) The Bond Set-Off

Preferential Shares Class A

The Issuer requests that the Bondholders approve to set off SEK 63 million of the Total Nominal Amount (equivalent to 30% of the Total Nominal Amount and SEK 300,000 for each Bond) in aggregate *pro rata* for each Bond against the issuance to the Bondholders of preference shares (the “**Preferential Shares Class A**”) in the Issuer at a price per share of SEK 5 with the following rights:

- (i) Annual SEK 0.5 preferred dividend paid quarterly with preference in relation to ordinary shares and Preferential Shares Class B (as defined below).
- (ii) If the Issuer lacks distributable funds to pay a cash dividend, the dividend will accumulate at an annual rate of 11% (the “**Accumulated Amount**”). Preferential Shares Class A, shall have no further right to payment of dividend.
- (iii) If the Issuer hasn’t redeemed the Preferential Shares Class A as of the fifth anniversary of the first issue date of Preferential Shares Class A, the annual preferred dividend will increase with SEK 0.5.
- (iv) The Preferential Shares Class A shall have a voting right of 10 votes per share, in order to take the holders of Preferential Shares Class A to a control level of at least 85% of all outstanding votes in the Issuer per the first issue date of Preferential Shares Class A.

For set-off against SEK 300,000 of the Nominal Amount of each Bond, 60,000 Preferential Shares Class A will be issued to the person being registered on a Securities Account with the CSD as a direct registered owner or authorised nominee with respect to such Bond on the relevant record date (the “**Allotment Record Date**”) falling five business days prior to the first issue date of Preferential Shares Class A. The Allotment Record Date will be communicated by the Issuer by way of a press release issued no later than five business days prior to the Allotment Record Date.

Preferential Shares Class A shall be converted into Preferential Shares Class C (as defined below) provided that an additional cash equity injection in the Company in a total aggregate amount of not less than SEK 50 million (for the avoidance of doubt, excluding the Loan Amount (as defined below)) has been contributed to the Issuer no later than (and including) 31 August 2020.

The Company will have the right to redeem Preferential Shares Class A at any time at a price per share of SEK 5 plus (i) any accrued but not paid preferred dividend, divided by the number of outstanding Preferential Shares of Class A and (ii) any Accumulated Amount, divided by the number of outstanding Preferential Shares of Class A.

Each holder of a Preferential Shares Class A will have the option to convert its Preferential Shares Class A to Preferential Shares Class C at any time. Preferential Shares Class C carry the same right to dividend and right to payments as Preferential Shares Class A, but only have a voting right of 1 vote per share (instead of 10 votes per Preferential Share Class A).

Preferential Shares Class C

Preferential Shares Class C (the “**Preferential Shares Class C**”) shall entitle to the following:

- (i) Annual SEK 0.5 preferred dividend paid quarterly with preference in relation to ordinary shares and Preferential Shares Class B.
- (ii) If the Issuer lacks distributable funds to pay a cash dividend, the dividend will accumulate with the Accumulated Amount. Preferential Shares Class C, shall have no further right to payment of dividend.
- (iii) If the Issuer hasn't redeemed the Preferential Shares Class C as of the fifth anniversary of the first issue date for Preferential Shares Class A, the annual preferred dividend will increase with SEK 0.5.
- (iv) Any Accumulated Amount, relating to Preferential Shares Class A (as defined below) being reclassified to Preferential Shares Class C, shall be considered Accumulated Amount for Preferential Shares Class C instead, including that the annual rate of 11% as set out above also will apply to such transferred accumulated amount.
- (v) The Preferential Shares Class C shall have a voting right of 1 vote per share.

The Issuer shall have the right to redeem Preferential Shares Class C at any time at a price per share of SEK 5 plus (i) any accrued but not paid preferred dividend, divided by the number of outstanding Preferential Shares of Class C and (ii) any Accumulated Amount, divided by the number of outstanding Preferential Shares of Class C.

Preferential Shares Class B

The Issuer may also issue Preferential Shares Class B (the “**Preferential Shares Class B**”).

Preferential Shares Class B shall entitle to the following:

- (i) Annual SEK 0.5 preferred dividend paid quarterly with preference in relation to ordinary shares.
- (ii) If the Issuer lacks distributable funds to pay a cash dividend, the dividend will accumulate with the Accumulated Amount. Preferential Shares Class B, shall have no further right to payment of dividend.
- (iii) If the Issuer hasn't redeemed the Preferential Shares Class B as of the fifth anniversary of the first issue date for Preferential Shares Class A, the annual preferred dividend will increase with SEK 0.5.
- (iv) The Preferential Shares Class B shall have a voting right of 1 vote per share.

The Issuer shall have the right to redeem Preferential Shares Class B at any time at a price per share of SEK 5 plus (i) any accrued but not paid preferred dividend, divided by the number of outstanding Preferential Shares of Class B and (ii) any Accumulated Amount, divided by the number of outstanding Preferential Shares of Class B.

Distributions on preferential shares

Pursuant to the Amendment Request set out in Section 2.2 below, it is requested that the Terms and Conditions are amended to include a right for the Issuer to make distributions on Preferential Shares Class A, Preferential Shares Class C and also Preferential Shares Class B. Distributions may be made on such preferential shares which are (a) originally issued in the Issuer to Bondholders, (b) originally issued to one or several creditors whom have paid for their subscription of such preferential shares by way of set-off against, or delivery of, rights as creditors with respect to Financial Indebtedness outstanding in a Group Company and owed to such creditor on 1 February 2019 (plus interest at the time of issuance of such preferential shares, whether capitalised or accrued and unpaid), and (c) the result of conversion into such preferential shares in accordance with the articles of association of the Issuer.

Liquidation preference

In the event of a liquidation of the Issuer, the Issuer's distributable assets (irrespective of whether such assets consist of cash or other assets) shall be distributed in the following manner:

- (i) Firstly, the holders of Preferential Shares Class A and Preferential Shares Class C shall receive assets at an amount per share equal SEK 5 plus (i) any accrued but not paid preferred dividend, divided by the number of outstanding Preferential Shares of Class A or C (as applicable) and (ii) any Accumulated Amount, divided by the number of outstanding Preferential Shares Class A or Preferential Shares Class C (as applicable) per the date of the dissolution.
- (ii) Thereafter, if there are any distributable assets left, such remaining undistributed assets shall be distributed to the holders of Preferential Shares Class B at an amount per share equal SEK 5 plus (i) any accrued but not paid preferred dividend, divided by the number of outstanding Preferential Shares Class B and (ii) any Accumulated Amount, divided by the number of outstanding Preferential Shares Class B per the date of the dissolution.
- (iii) Thereafter, if there are any distributable assets left, such remaining undistributed assets shall be distributed solely to the holders of Ordinary Shares. Thus, Preferential Shares Class A, Preferential Shares Class B and Preferential Shares Class C, shall have no further right to any part of any remaining distributable assets.

Potential issuance of Alternative Participation Instruments

If a Bondholder (other than the Term Sheet Bondholders) is not able to hold Preferential Shares Class A, then such Bondholder may ask to receive participating debt instruments of the Issuer providing the holder thereof with economic rights that are substantially similar to those offered under the Preferential Shares Class A (but without any voting rights) instead of Preferential Shares Class A (the "**Alternative Participation Instrument**"). Any such request shall be evidenced by a description of why such Bondholder is unable to hold Preferential Shares Class A, please see [Schedule 1](#).

Depending on the number of Bondholders making such request, the reasons why such Bondholders are not able to hold Preferential Shares Class A and the cost associated with the issuing of Alternative Participation Instrument, the Issuer will decide if Alternative Participation Instrument will be issued or if only Preferential Shares Class A will be issued. The Issuer will publish its decision in a press release.

(b) Conditionality

Each of the following is a condition to the effectiveness of the Bondholders' approval (if given) to carry out the Bond Set-Off:

- (i) No less than SEK 10 million (the "**Loan Amount**") has been lent by Bertil Rydevik in cash to the Issuer in the form of a subordinated loan on terms satisfactory to the Term Sheet

Bondholders and will, no later than in connection with the Bond Set-Off be set-off against ordinary shares at a price per share of SEK 4.25 (the “**Directed Share Issue**”).

- (ii) The amendments to the articles of association of the Issuer necessary to carry out the Bond Set-Off have been duly registered.
- (iii) The Agent having received evidence that the Bond Set-Off and the Directed Share Issue will be carried out in connection with the effectiveness of the amendments to the Terms and Conditions.
- (iv) Maderna Corporate Services AB (“**Maderna**”) has made SEK 39.990.000 available to Brf Brandholmen i Nyköping 2 to be disbursed in accordance with and subject to an updated disbursement plan approved by Maderna and furthermore subject to fulfilment of the conditions set out in the facilities agreement between, *inter alios*, Maderna and the Brf Brandholmen i Nyköping 2, as amended and restated.

2.2 The Amendment Request

(a) Amendments to the Terms and Conditions

The Issuer requests that the Bondholders agree to amend the Terms and Conditions in accordance with the changes shown in Schedule 3, whereby blue text depicts new wording, red text depicts deleted wording and green text depicts moved wording. The amendment shall replace the waiver granted to the Issuer on 16 July 2018, to the extent it relates to waiving the Interest Coverage Ratio.

(b) Conditionality

The same conditions as apply for the effectiveness of the Bond Set-Off shall be fulfilled also for the effectiveness of the Amendment Request.

2.3 The Waiver Request

The Issuer requests that the Bondholders grant a temporary waiver which (if granted) shall be effective from (and including) the date of this written procedure being finalised and until the amendments to the Terms and Conditions pursuant to the Amendment Request become effective, however no longer than up until 5 April 2019. The waiver shall apply with respect to the Terms and Conditions as follows:

- (i) The definition of Permitted Debt: As set out in Schedule 3.
- (ii) The definition of Permitted Security: As set out in Schedule 3.
- (iii) Financial Undertakings: Waived in their entirety as set out in Schedule 3.
- (iv) Clause 13.14 (*Project undertakings*): As set out in Schedule 3.

2.4 General authorisation to the Agent

For the purpose of carrying out the Requests set out in Sections 2.1-2.3 above the Issuer requests that the Bondholders irrevocably authorise and assign to the Agent, or whoever the Agent appoint in its place, to, on the Bondholders behalf:

- (i) Subscribe in writing for Preferential Shares Class A in the Bond Set-Off as well as to make a written declaration to-set off an amount equivalent to SEK 300,000 for each Bond held by a Bondholder against the issuance of Preferential Shares Class A in the Issuer at a price per share

of SEK 5, or to subscribe for Alternative Participation Instrument, if applicable.

- (ii) Do all such other acts and things and to execute such other agreements or documents as may be necessary or desirable to give effect to this Request.

3. NON-RELIANCE

The Request is presented to the Bondholders without evaluation, advice or recommendations from the Agent. The Agent has not reviewed or assessed this Notice to a Written Procedure or the Request (and their effects, should it be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice to a Written Procedure or the Request (and their effects, should it be adopted). The Bondholders must independently evaluate whether the above Request (and its effects) is acceptable or not.

4. THE WRITTEN PROCEDURE

The following instructions need to be adhered to under the Written Procedure.

A. Final date to participate 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 **17:00 (CET), 26 February 2019**. Votes received thereafter may be disregarded.

B. Decision procedure

The Request pursuant to Section 2 above shall be taken as one resolution. The Agent will, in accordance with this Notice to a Written Procedure, determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request 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 under the Written Procedure will: i) be sent by notice to the Bondholders and ii) be published on the websites of a) the Issuer and b) the Agent.

The minutes from the Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable. A matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

C. Voting rights and authorisation

Anyone who wishes to participate in the Written Procedure must on the Record Date (**5 February 2019**) in the debt register:

- (i) be registered as a direct registered owner of a Securities Account; or
- (ii) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

Bonds registered with a nominee

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee 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 in its own name as instructed by you.
2. You can obtain a Power of Attorney (Schedule 2) 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 a Bondholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both 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, another Group Company or an Affiliate of the Issuer do not entitle to any voting rights.

D. Quorum

In order to form a quorum for this Written Procedure, Bondholders representing at least fifty (50) per cent. of the Adjusted Nominal Amount must reply to the request under the Written Procedure.

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.

E. Majority

To approve the Request, at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to the Request.

F. Address for sending replies

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2, if the Bonds are held in custody other than Euroclear Sweden AB, by regular mail, scanned copy by e-mail, or by courier to:

(a) *By regular mail:*

Intertrust (Sweden) AB

Attn: Trustee P.O. Box 16285

103 25 Stockholm

(b) *By courier:*

Intertrust (Sweden) AB

Attn: Trustee

Sveavägen 9

10th floor

111 57 Stockholm

(c) *By e-mail:*

E-mail: trustee@intertrustgroup.com

5. FURTHER INFORMATION

For further questions to the Agent, please contact the Agent at trustee@intertrustgroup.com or +46 70 141 10 82.

Stockholm, 31 January 2018

INTERTRUST (SWEDEN) AB

As Agent

Enclosed:

1. Voting Form
2. Power of Attorney/Authorisation
3. Markup of proposed amendments to the Terms and Conditions
4. Certain considerations

VOTING FORM

Schedule 1

For the procedure in writing in CHR Bygga Bostäder Holding AB (publ) up to SEK 500,000,000 Senior Secured Bonds 2017/2021, ISIN: SE0010023770.

The undersigned Bondholder or authorised person/entity (the "**Voting Person**"), votes either **For** or **Against** the Request by marking the applicable box below.

NOTE: If the Voting Person is not registered as Bondholder (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.

For the Request

Against the Request

Name of the Voting Person: _____

Capacity of the Voting Person: Bondholder: ¹ authorised person: ²

Voting Person's reg.no/id.no and country of incorporation/domicile: _____

Securities Account number at Euroclear Sweden AB: _____
(if applicable)

Name and Securities Account number of custodian(s): _____
(if applicable)

Nominal Amount voted for (in SEK): _____

If the Voting Person cannot hold Voting Shares Class A, please evidence by stating reason: _____

Day time telephone number, e-mail address and contact person:

Authorised signature and Name³

Place, date

¹ When voting in this capacity, no further evidence is required.

² When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (Schedule 2) from the Bondholder or other proof of authorisation showing the number of votes held on the Record Date.

³ If the undersigned is not a Bondholder according the Terms and Condition and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Bondholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

POWER OF ATTORNEY/AUTHORISATION

Schedule 2

For the procedure in writing in CHR Bygga Bostäder Holding AB (publ) up to SEK 500,000,000 Senior Secured Bonds 2017/2021, ISIN: SE0010023770.

NOTE: This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Bondholder on the Securities Account, held with Euroclear Sweden AB. It must always be established a coherent chain of power of attorneys derived from the Bondholder. I.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Bondholder.

Name of person/entity that is given authorisation (Sw. *Befullmäktigad*) to vote as per the Record Date:

Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

Name of Holder or other intermediary giving the authorisation (Sw. *Fullmaktsgivaren*):

We hereby confirm that the person/entity specified above (Sw. *Befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK _____

We are:

Registered as Bondholder on the Securities Account

Other intermediary and holds the Bonds through (specify below):

Place, date: _____

Name:

Authorised signature of Bondholder/other intermediary (Sw. *Fullmaktsgivaren*)

Markup of proposed amendments to the Terms and Conditions

Schedule 3

BYGGA | BOSTÄDER

Terms and Conditions

CHR Bygga Bostäder Holding AB (publ)

Up to SEK 500,000,000

Senior Secured Floating Rate Bonds

ISIN: SE0010023770

Originally dated 30 June 2017

As amended on 16 July 2018 [and \[DATE\] 2019](#)

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.

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

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

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

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

"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, including the Initial Bonds and any Subsequent Bonds.

"**Brf Kristallerna Facility**" means the SEK 40,000,000 term loan facility agreement with Brf Kristallerna 1, reg. no. 769630-8118, as the borrower and Maderna Corporate Services AB, reg. no. 556761-7070, as the lender.

"**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 (*nyårsafön*) 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.

~~"Cash" means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a Group Company with a bank and to which a Group Company is alone (or together with other Group Companies) beneficially entitled (other than cash that is pledged).~~

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

"**Change of Control Event**" means the occurrence of an event or series of events whereby ~~one or more persons, not being the Majority Owners (or an Affiliate of the Majority Owners), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling~~jointly ceases to, directly or indirectly, more than 50 control at least 70 per cent. of the ~~voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer~~total number of shares and votes pertaining to ordinary shares issued in the Issuer, other than as an effect of one or several issuances of ordinary shares in the Issuer made up to (and including) the Mandatory Redemption Date with payment in cash.

"**Compliance Certificate**" means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer ~~including (i) calculations and figures in respect of the Equity Ratio, Early Phase Projects Ratio and Interest Coverage Ratio (if applicable) and (ii) 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. The Compliance Certificate shall include information on the numbers of Bonds held by the Group or any Affiliate (if any).~~

"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.

~~"Cure Account" shall have the meaning given to such term in Clause 12.1.2 (Equity Cure).~~

~~"Cure Amount" shall have the meaning given to such term in Clause 12.1.2 (Equity Cure).~~

"Debt Instruments" means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

"Deferred Interest" has the meaning set forth in Clause 8(b).

~~"Early Phase Projects Ratio" means the ratio of Early Phase Projects Value to Equity.~~ "Dividend Preferential Shares" means preferential shares class A, preferential shares class B and preferential shares class C;

~~"Early Phase Projects Value" means the book value of all projects where (i) the zoning plan (Sw. detaljplan) has not been adopted and become legally binding, and/or (ii) less than 60 per cent. of the relevant apartments, houses or any other form of applicable housing in relation to the relevant project have been, in a legally binding, valid and enforceable manner (Sw. förhandsavtal), either sold or rented out (as applicable) to a third party.~~

~~"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;~~ originally issued in the Issuer to Bondholders;
- ~~(b) before deducting any Net Finance Charges;~~ originally issued to one or several creditors whom have paid for their subscription of such preferential shares by way of set-off against, or delivery of, rights as creditors with respect to Financial Indebtedness outstanding in a Group Company and owed to such creditor on 1 February 2019 (plus interest at the time of issuance of such preferential shares, whether capitalised or accrued and unpaid); and
- ~~(c) before taking into account any extraordinary items which are not in line with the ordinary course of business;~~ that have resulted from conversion into such preferential shares in accordance with the articles of association of the Issuer.
- ~~(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 is accounted for on a hedge account basis);~~
- ~~(g) — after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;~~
- ~~(h) — 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.~~

~~"Equity" means by reference to the consolidated balance sheet of the Group the sum of (i) restricted equity, (ii) non-restricted equity, and (iii) Shareholder Loans.~~

"Equity Listing Event" means an initial public offering of shares in the Issuer, after which such shares shall be admitted to trading on a Regulated Market or MTF.

~~"Equity Ratio" means the ratio of Equity to Total Assets.~~

"Event of Default" means an event or circumstance specified in any of the Clauses ~~14.2 (Maintenance Test)~~ 14.1 (Non-Payment) to ~~14.9 (14.8)~~ Continuation of the Business).

"Existing Debt" means the loans from Ture Invest AB in an outstanding amount of SEK 130,600,000.

"Existing Shareholder Loans" means the loans from Bert I Rydevik and Jonas Åkerman in an aggregate amount of SEK 8,700,000 to Brandholmen Projektgrossist 1 AB.

"Final Maturity Date" means 5 July 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 in respect of any loan owing to any member of the Group or any Shareholder Loan 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 these Terms and Conditions, the Security Documents, the Guarantee and Adherence Agreement, the Proceeds Account Pledge Agreement,

the Subordination Agreement, the Agency Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

"**Financial Indebtedness**" means:

- (a) moneys borrowed or raised (including under any bank financing or Market Loans) but excluding, for the avoidance of doubt, any preference shares (preferensaktier) issued in the Issuer;
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles applicable on the First Issue Date is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

"**Financial Instruments Accounts Act**" means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansinstrument*).

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

"**First Call Date**" means 5 July 2019.

"**First Issue Date**" means 5 July 2017.

"**Force Majeure Event**" has the meaning set forth in Clause 25(a).

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

"**Guarantee**" means the guarantee provided for under the Guarantee and Adherence Agreement.

"**Guarantee and Adherence Agreement**" means the guarantee and adherence agreement entered into by the Guarantor and the Agent, whereby the Guarantor, subject to applicable laws, irrevocably and unconditionally jointly and severally, as principal obligor guarantees to the Bondholders and the Agent, the punctual performance of all obligors' obligations under the Finance Documents.

"**Guarantor**" means CHR Bygga Bostäder Entreprenad AB, Swedish reg. no. 556864-5898.

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

"**Initial Bonds**" means the Bonds issued on the First Issue Date.

"**Insolvent**" means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Bondholders) 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 Coverage Ratio**" means the ratio of EBITDA to Net Finance Charges.~~

"**Interest Payment Date**" means 5 January, 5 April, 5 July and 5 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 5 October 2017 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 First 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 STIBOR plus the Margin.

"**Issuer**" means CHR Bygga Bostäder Holding AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556776-5762.

"**Issuing Agent**" means Arctic Securities A/S, filial Sverige, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**JS Property Loan**" means the loan granted to the Issuer from JS Property Trust LLC in an aggregate principal amount of USD 2,000,000.

~~"Maintenance Test" means the test as set out in Clause 12.1.1 (The Maintenance Test and testing date).~~

"**Majority Owner**" means Bertil Rydevik (personal identity no. 520609-5134), David Ridemar (personal identity no. 640617-0172), Hadar Cars (personal identity no. 640913-0330), ~~Nils Arne Holmudden (personal identity no. 510923-4855)~~ and Jonas Åkerman (personal identity no. 631010-0190).

"**Make Whole Amount**" means the sum of:

- (a) the present value on the relevant record date of 103.60 per cent. of the Nominal Amount as if such payment originally should have taken place on the Interest Payment Date falling the First Call Date; and
- (b) the present value on the relevant record date of the remaining coupon payments (assuming that the interest rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date plus the Margin), less any accrued but unpaid interest, through and including the First Call Date,

both calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the First Call Date) (plus accrued interest on redeemed amount) and where "relevant record date" shall mean a date agreed upon between the Trustee, the CSD and the Issuer in connection with such repayment.

"**Management Entity**" means a Subsidiary of the Issuer which is not a Project Entity.

"Mandatory Redemption Date" means 31 August 2020.

"**Margin**" means 9.00 per cent. *per annum*.

"**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 Issuer's ability to perform and comply with the undertakings set out in Clause 11.1 (*Information from the Issuer*) or Clause 13 (*General Undertakings*);
or

(c) the validity or enforceability of the Terms and Conditions.

"**Mortgage Loan**" means any Financial Indebtedness incurred for the purpose of financing housing for contractors in a maximum amount of SEK 20,000,000.

"**MTF**" means any multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

~~"**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 (including any one-off payments relating to repayment of Existing Debt) and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Shareholder Loans).~~

"**Net Proceeds**" means the proceeds from the issuance of the Bonds after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

~~"**New Equity**" means any contribution of cash to the Issuer in the form of shareholder's equity or Shareholder Loans, whether or not contributed against the issue of any shares in the Issuer.~~

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

"**Outstanding Nominal Amount**" means the Nominal Amount less any repayments and amortisations made.

"**Penser Loans**" means the loan in an amount of SEK 28,000,000 in aggregate entered into by the Issuer as borrower and Erik Penser Bank as lender.

"**Penser Brandholmen Loan**" means the loan with a principal amount of SEK 14,000,000 in aggregate entered into by Brandholmen Projektgrossist 1 AB as borrower and Erik Penser Bank as lender.

"**Permitted Debt**" means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) of the Group incurred pursuant to any financial leasing arrangements incurred in the ordinary course of the Group's business in a maximum amount of SEK 5,000,000;
- (c) incurred by the Issuer under a revolving credit facility in a maximum amount of SEK 15,000,000;
- (d) incurred by the Issuer under the Penser Loans;
- (e) incurred by the issuer under the Penser Brandholmen Loan;

- (f) [incurred by the Issuer under the JS Property Loan;](#)
- (g) ~~(f)~~ incurred under a Mortgage Loan (or a guarantee provided for such loan) in a maximum amount of SEK 20,000,000, in aggregate;
- (h) ~~(g)~~ incurred by a member of the Group from another member of the Group;
- (i) ~~(h)~~ of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (j) ~~(i)~~ arising under a foreign exchange transaction or commodity derivatives 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 the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (k) ~~(j)~~ arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (l) ~~(k)~~ related to any Shareholder Loans;
- (m) ~~(l)~~ incurred under Advance Purchase Agreements;
- (n) ~~(m)~~ incurred by a Project Entity under any Project Facility;
- (o) ~~(n)~~ of any person acquired by a member of the Group after the First Issue Date which has been incurred under arrangements in existence at the date of acquisition, but not incurred, increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six (6) months following the date of acquisition, ~~provided that the Incurrence Test is met;~~
- (p) ~~(o)~~ incurred by the Issuer if such Financial Indebtedness ~~meets the Incurrence Test tested pro forma including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue by the Issuer under the Terms and Conditions, or (ii) ranks pari passu and is not secured by any member of the Group or with any assets of the Group or~~ is subordinated to the obligations of the Issuer under the Finance Documents, and has a final maturity date or a final redemption date or, when applicable, early redemption dates or instalment dates which occur no earlier than thirty (30) days after the Final Redemption Date;
- (q) ~~(p)~~ as a result of a refinance of the Bonds in full;
- (r) ~~(q)~~ any guarantee granted by the Issuer under any Project Facility; ~~and~~
- (s) [incurred in relation to unsold apartments in a maximum amount of SEK 15,000,000 for each of the Projects Brandholmen 1, Brandholmen 2, Brandholmen 3 and Brandholmen 4; and](#)

(t) ~~(r)~~ any other Financial Indebtedness not covered under (a)-~~(es)~~ above in an aggregate maximum amount of SEK 5,000,000.

"Permitted Security" means any security:

- (a) 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 or in relation to intercompany debt);
- (b) provided in relation to any lease agreement entered into by a Group Company;
- (c) provided over any assets being subject to a financial lease , permitted pursuant to (b) of the definition of Permitted Debt above;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) any guarantee or security provided by or over a Group Company to secure any debt permitted pursuant to (a), (b), ~~(eg)~~, ~~(fk)~~, ~~(j)~~, ~~(m)~~ and (n) and (o) under the definition Permitted Debt;
- (f) any security in the form of business mortgage (företagsinteckning) to secure any debt permitted pursuant to (c) and (t) under the definition Permitted Debt;
- (g) security over relevant unsold apartments to secure any debt permitted pursuant to (s) under the definition Permitted Debt;
- (h) ~~(f)~~ provided for any guarantees issued by a Group Company in the ordinary course of business;
- (i) ~~(g)~~ agreed to be provided for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided that any perfection requirements in relation thereto are satisfied only after repayment of the Bonds in full; or
- (j) ~~(h)~~ any other security not covered under (a)-~~(gi)~~ above securing an aggregate maximum amount of SEK ~~5,000,000~~ 5,000,000, provided that any such security not may secure any debt pursuant to (c) and (t) under the definition Permitted Debt.

"Proceeds Account" means a bank account of the Issuer held with a reputable bank, into which the Net Proceeds 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 First 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).

"Project" means:

- (a) the acquisition of a real property or a real property company;
- (b) a construction and development of real estate; or
- (c) other activities relating to (a) and (b) above in the ordinary course of business.

"Project Entity" means any Subsidiary, joint-venture company, associated company (Sw. *intressebolag*), housing co-operative, partnership company (Sw. *kommanditbolag*), trading company (Sw. *handelsbolag*), economic association (Sw. *ekonomisk förening*) or any other legal entity where the Group holds, or in case of a housing co-operative holds or have held, ownership or financial interest and which owns or manages Projects.

"Project Facility" means any senior project financing incurred by a Project Entity from any third party for the purpose of financing or refinancing a Project or part of a Project.

"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, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

"Redemption Date" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 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).

"Restricted Payment" shall have the meaning given to such term in Clause 13.2 (*Distributions*).

["Second Amendment"](#) means the second amendment to these Terms and Conditions pursuant to a Written Procedure initiated on or around 31 January 2019.

"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 the Agent on the First Issue Date.

"Security Documents" means:

- (a) pledge agreements over all present and future shares issued by all direct and indirect Management Entities of the Issuer;
- (b) pledge agreements over all intercompany loans granted by the Issuer; and
- (c) any other documents evidencing security granted by the Issuer or a Group Company pursuant to Clause 13.16 (*Additional Security*).

"Shareholder Loans" means any shareholder loan of the Issuer or any of its Subsidiaries, where the Issuer or the relevant Subsidiary is the debtor, if such shareholder loan:

- (a) according to its terms is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and
- (c) according to its terms yield only payment-in-kind interest.

"STIBOR" means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholms' website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing

Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or

- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

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

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

"**Swedish Government Bond Rate**" means:

- (a) the interpolated SGB rate between the SGB 12 March 2019 (series 1052) and the SGB 1 December 2020 (series 1047) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption; or
- (b) if no quotation is available pursuant to paragraph (a), the SGB rate which the Issuing Agent deems appropriate for the purpose of the calculation set out in this definition (acting reasonably),

if any such rate is below zero, the Swedish Government Bond Rate will be deemed to be zero.

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

~~"**Total Assets**" means the consolidated aggregate book value of the Group's total assets according to the latest Financial Report.~~

"**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 issuance of the Bonds, and (ii) the listing of the Bonds.

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

"**Written Procedure**" means the written or electronic procedure for decision making among the 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) "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;
 - (iii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iv) 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;
 - (v) an Event of Default is continuing if it has not been remedied or waived;
 - (vi) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vii) 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 (www.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.
- (d) No delay or omission of the 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 Swedish Kronor 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 nominal amount of each Initial Bond ~~is~~issued on the First Issue Date was SEK 1,000,000 and is, following the Second Amendment, SEK 700,000 (the "Nominal Amount"). The Total Nominal Amount of the Initial Bonds ~~is SEK 210,000,000~~was SEK 210,000,000 at the First Issue Date and is, following the Second Amendment, SEK 147,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) ~~Provided that the Incurrence Test is met, the~~The Issuer may, at one or several occasions, issue Subsequent Bonds provided that no Event of Default is continuing and that a consent from the Bondholders is obtained in accordance with Clause 16 (Decisions by Bondholders). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. ~~The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 500,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i).~~—Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (e) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.
- (f) 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.
- (g) 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) refinance the Existing Debt and the Existing Shareholder Loans, and (ii) general corporate purposes (including acquisition of properties).

4. Conditions Precedent

- (a) The payment of the Net Proceeds to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the Agent, in form and substance satisfactory to the Agent (acting reasonably):
 - (i) constitutional documents and corporate resolutions from the Issuer and each company providing Transaction Security regarding the entering into of the Finance Documents;
 - (ii) copies of the duly executed Finance Documents;
 - (iii) a funds flow statement duly executed by the Issuer;
 - (iv) evidence that the Existing Shareholder Loans have been repaid;
 - (v) evidence that the Existing Debt will be repaid immediately following disbursement of the Net Proceeds;
 - (vi) evidence that security existing in favour of the Existing Debt will be released and discharged upon repayment of the Existing Debt; and
 - (vii) evidence that the Transaction Security has been duly provided and either has been or, if being subject to security under the Existing Debt, will be perfected in accordance with the terms of the Finance Documents.
- (c) When the conditions precedent for disbursement set out in Clause 4(b) have been received by the Agent, the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose of repayment of the Existing Debt and Existing Shareholder Loans in accordance with Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (d) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within sixty (60) days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the

Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4(d). The repurchase date shall fall no later than twenty (20) Business Days after the ending of the sixty (60) days period referred to above.

5. Bonds in Book-Entry Form

- (a) The Bonds will be 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. [Deferred Interest pursuant to Clause 8\(b\) shall be paid to such person who is registered as a Bondholder on the Record Date prior to the final Redemption Date](#)
- (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(d) 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.

8. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period. [Notwithstanding the foregoing, from \(but excluding\) the Interest Payment Date falling on 5 January 2019 up to \(and](#)

including) the final Redemption Date, payment of Interest to the Bondholders shall be deferred and paid on the final Redemption Date (the “Deferred Interest”). Interest shall accrue on the amount of the Deferred Interest as if it had been added to the Nominal Amount on each Interest Payment Date.

- (c) 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).
- (d) 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 some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Outstanding 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, sold or cancelled by the Issuer.

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not some only, of the outstanding Bonds in full:
 - (i) any time prior to the First Call Date, at an amount per Bond equal to the Make Whole Amount;
 - (ii) any time from and including the First Call Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 103.60 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid Interest;
 - (iii) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.70 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid Interest;

- (iv) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the first Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 101.80 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid Interest;
 - (v) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the first Business Day falling 45 months after the First Issue Date at an amount per Bond equal to 100.90 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid Interest; and
 - (vi) any time from and including the first Business Day falling 45 months after the First Issue Date to the Final Maturity Date at an amount per Bond equal to 100 per cent. of the Outstanding 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 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 Voluntary partial redemption

- (a) Provided that at least 75 per cent. of the aggregate Nominal Amount of the Bonds must remain outstanding after such redemption, the Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 25 per cent. of the total Nominal Amount, in which case all outstanding 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 SEK 1.00) plus a premium on the repaid amount corresponding to the applicable premium amounts as set forth in Clause 9.3(a) for the relevant period.
- (b) Partial redemption in accordance with this 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 Swedish Kronor and paid to the person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

9.5 **Mandatory partial redemption**

- (a) Provided that equity in a total aggregate amount not less than SEK 50,000,000 (for the avoidance of doubt, excluding an amount of SEK 10,000,000 in aggregate paid to the Issuer by Bertil Rydevik in connection with the Second Amendment has not been contributed in cash to the Issuer by way of one or several issuances of ordinary shares in the Issuer during the period from (and excluding) the Second Amendment up to (and including) the Mandatory Redemption Date, the Issuer shall repay SEK 63,000,000 of the Total Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*.
- (b) Partial redemption in accordance with this Clause 9.5 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. The notice is irrevocable but may, at the Issuer's discretion, be conditioned upon the conditions for a mandatory partial redemption pursuant to paragraph (a) above having occurred. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in part at the applicable amount on the Mandatory Redemption Date. The applicable amount shall be paid to the person who is registered as a Bondholder on the Record Date prior to the Mandatory Redemption Date.

9.6 **9.5-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 101 per cent. of the Outstanding 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 repurchase 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 shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause ~~9.5~~9.6(a).

9.7 **9.6-General**

- (a) 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, 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 by virtue of the conflict.

- (b) Any Bonds repurchased by the Issuer may at the Issuer's discretion be retained, sold or cancelled.

10. Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants on the First Issue Date the Transaction Security and the Guarantor grants the Guarantee to the Secured Parties as represented by the Agent.
- (b) The Agent shall hold the Transaction Security and the Guarantee on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall enter into the Security Documents and the Guarantee and Adherence Agreement and perfect the Transaction Security in accordance with the Security Documents on or before the First Issue Date.
- (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 opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security and/or the Guarantee, creating further Security or Guarantee for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security and/or the Guarantee, in each case in accordance with the terms of the Finance Documents.

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 press release and by publication on the website of the Issuer:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year;
 - (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 unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer for such period, including :
 - (A) 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

(B) a specification of the total Deferred Interest accrued up until (but excluding) the immediately preceding Interest Payment Date;

- (iii) issue a Compliance Certificate to the Agent in connection with:
 - (A) the incurrence of Financial Indebtedness or the making of any Restricted Payment;
 - (B) in connection with the Financial Reports delivered for each Reference Date; and
 - (C) at the Agent's request, within 20 days from such request;
- (iv) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) The Issuer shall promptly 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) The Issuer shall promptly 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.
- (d) 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.
- (e) When and for as long as the Bonds are listed, the financial reports mentioned in paragraph 11.1(a)(i) and 11.1(a)(ii) above shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act.

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 Issuer 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 Undertakings~~ ~~[Deleted]~~

~~12.1 Maintenance Test~~

~~12.1.1 The Maintenance Test and testing date~~

- ~~(a) The Maintenance Test is met if:

 - ~~(i) the Equity Ratio at all times is at least 25.00 per cent.;~~
 - ~~(ii) the Interest Coverage Ratio at all times exceeds 2.00:1;~~
 - ~~(iii) the Early Phase Projects Ratio is equal to or less than 50 per cent.; and~~
 - ~~(iv) the aggregate amount of Cash and Cash Equivalents at all times is at least SEK 15,000,000.~~~~
- ~~(b) The Maintenance Test shall be tested on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 31 December 2017.~~
- ~~(c) Notwithstanding paragraph (b) above, the Maintenance Test in respect of the Interest Coverage Ratio shall not be tested:

 - ~~(i) from and for as long as any amount is outstanding under the Brf Kristallerna Facility;~~
 - ~~(ii) until (but excluding) the Reference Date falling on 30 June 2019 if an equity contribution is made to the Issuer in an aggregate amount of SEK 35,000,000; or~~~~

- (iii) ~~for as long as any Bonds are outstanding if an equity contribution (including any contribution pursuant to (ii) above) is made to the Issuer in an aggregate amount of SEK 43,000,000.~~

~~12.1.2 Equity Cure~~

- (a) ~~If there is a breach of the Maintenance Test, no Event of Default will occur if, within fifteen (15) Business Days of a delivery of a Compliance Certificate evidencing that breach, the Issuer has deposited an amount of New Equity sufficient to ensure compliance with the Maintenance Test, as at the relevant test date (the "Cure Amount") on a bank account (the "Cure Account") pledged in favour of the Bondholders and the Agent.~~
- (b) ~~The Agent may at any time, upon the instruction by the Bondholders, apply the deposited Cure Amount towards prepayment of the Bonds. Any such repayment shall be made with a premium on the due and payable amount as set forth in Clause 9.3(a)(ii) to Clause 9.3(a)(vi) for the relevant period and shall, for the non-call period (until the First Call Date), be the price set out in Clause 9.3(a)(i).~~
- (c) ~~The calculation of the Interest Coverage Ratio shall be adjusted so that the Net Finance Charges for the Reference Period is reduced with an amount equal to the Cure Amount multiplied with the average interest rate paid by the Issuer under the Bonds after taken into account payments and receipt under any hedging arrangements during the previous twelve (12) month period. Any Equity Cure shall for the calculation of Interest Coverage Ratio be counted in any calendar quarter and shall be included in the financial covenant calculations until such time as that calendar quarter falls outside the Reference Period. The calculation of the Equity Ratio shall be adjusted so that Equity at the relevant test date is increased with an amount equal to the Cure Amount.~~
- (d) ~~Any Equity Cure must be made in cash and no more than two (2) Equity Cures may be made over the life of the Bonds.~~

~~12.2 Incurrence Test~~

- (a) ~~The Incurrence Test is met if:~~
- (i) ~~the Equity Ratio is at least:~~
- (A) ~~27.50 per cent. prior to (and including) the First Call Date; and~~
- (B) ~~30.00 per cent. following (but excluding) the First Call Date;~~
- (ii) ~~the Interest Coverage Ratio exceeds 2.00:1;~~
- (iii) ~~the aggregate amount of Cash and Cash Equivalents is at least SEK 15,000,000;~~

~~(iv) no Event of Default is continuing or would occur upon the incurrence of new Financial Indebtedness or the making of a Restricted Payment; and~~

~~(v) the Bonds have been admitted to trading on a Regulated Market and continues to be admitted to trading.~~

~~(b) The calculation of the Equity Ratio, Interest Coverage Ratio and the aggregate value of Cash and Cash Equivalents shall be made as per a testing date determined by the Issuer, falling no more than three (3) months prior to the incurrence of the new Financial Indebtedness or the distribution of the Restricted Payment. The Equity Ratio and the Interest Coverage Ratio shall, on a pro forma basis, be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation.~~

[\[This section has been deleted.\]](#)

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 ~~12~~13 for as long as any Bonds remain outstanding.

13.2 Distributions

- (a) The Issuer shall not, and shall procure that none of the Subsidiaries:
- (i) pay any dividend in respect of its shares, ~~{other than :~~
 - [\(A\) to the Issuer or any wholly owned Subsidiary of the Issuer};](#)
and
 - [\(B\) dividends on Dividend Preferential Shares in accordance with the preferential rights attached to them;](#)
 - (ii) repurchase or redeem any of its own shares;
 - (iii) redeem or reduce its share capital or other restricted or unrestricted equity (Sw. *eget kapital*) with repayment to shareholders;
 - (iv) repay any Shareholder Loans or pay interest thereon;
 - (v) make any prepayments or repayments under any long-term debt ranking junior or *pari passu* with the Bonds, except:
 - (A) under the Penser Loans as set out below;
 - (B) under the Penser Brandholmen Loan as set out below;

- (C) under the [JCJS](#) Property Loan ~~if made with proceeds from an Equity Listing Event~~; or
- (D) under any Project Facility;
- (vi) grant any loans except to wholly-owned Subsidiaries of the Issuer; or
- (vii) make any other similar distribution or transfers of value (Sw. *värdeöverföringar*) within the meaning of the Swedish Companies Act to its direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (other than to the Issuer or any wholly owned Subsidiary of the Issuer),

whereby items (i)-(vii) above are together and individually referred to as a "Restricted Payment".

- (b) Notwithstanding paragraph (a) above, the Issuer may make a Restricted Payment:
 - (i) to a Subsidiary which is not a directly or indirectly wholly-owned Subsidiary of the Issuer or a partnership, if such payment is made on a *pro rata* basis; ~~(ii) before the First Call Date has occurred, if such payment is made in the form of dividends in an amount not exceeding SEK 10,000,000 in aggregate per financial year on preference shares issued by the Issuer~~; and/or
 - (ii) ~~(iii)~~ following the First Call Date, if, at the time of the payment:
 - (A) an Equity Listing Event has occurred ~~(however this condition shall not apply for payments of dividends on preference shares); (B) the Incurrence Test is fulfilled (calculated on a pro forma basis including the relevant Restricted Payment)~~; and
 - (B) ~~(C)~~ the aggregate amount of all Restricted Payments of the Group in any financial year (including the relevant Restricted Payment), does not exceed 50 per cent. of the Group's consolidated net profit for the previous financial year.

13.3 Penser Loans

The Issuer shall procure that the net disposal proceeds resulting from a disposal of a Project financed by a Penser Loan shall be applied towards repayment of outstanding amounts of the Penser Loans until fully repaid.

13.4 Penser Brandholmen Loans

The Issuer shall procure that the net disposal proceeds resulting from a disposal of the Brandholmen Project financed by the Penser Brandholmen Loan shall be applied towards repayment of outstanding amounts of the Penser Brandholmen Loan until fully repaid.

13.5 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 First Issue Date if such substantial change would have a Material Adverse Effect.

13.6 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries, incur any Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur Financial Indebtedness that constitute Permitted Debt, if such Permitted Debt is incurred on market terms (or better).

13.7 Disposal of Assets

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on market terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

13.8 Dealings with Related Parties

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

13.9 Negative Pledge

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

13.10 Admission to trading

The Issuer shall ensure that (i) the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm within 60 days after the First Issue Date and with an intention to complete such listing within 30 days after the First Issue Date, and (ii) any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm, within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds, and (iii) the Bonds, once admitted to trading on the relevant Regulated Market, continue to be listed thereon 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).

13.11 Mergers and demergers

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries, enter into a merger or demerger if such merger or demerger is likely to have a Material Adverse Effect.
- (b) The Issuer shall not enter into a merger where the Issuer is not the surviving entity and the Issuer shall not enter into a demerger.

13.12 Management of Properties

The Issuer shall, and shall procure that each other Group Company, keep the Properties in a good state or repair and maintenance, as will enable each Group Company owning a Property to comply in all material respects with the obligations under the relevant rental agreements and in accordance with all applicable laws and regulations provided that the Group Companies shall be permitted to develop the Properties in the ordinary course of Business, subject to project undertakings below.

13.13 Insurance

Should the Issuer or a Group Company receive compensation under an insurance policy, such proceeds shall be promptly applied for replacement and/or repair of assets, and if not so applied within six (6) months such amount, if in excess of SEK 10,000,000, shall be applied in full towards partial repayment on outstanding Bonds (at par) by way of reducing the Outstanding Nominal Amount of each Bond *pro rata* (rounded down to the nearest SEK 1,000).

13.14 Project undertakings

The Issuer shall ensure that:

- (a) at least fifty (50) per cent. of the Projects (in relation to square meter) are carried out in Sweden;
- (b) a 2/3 majority of all Projects (in relation to square meters) are carried out for the purpose of building residential properties;
- (c) a Project Facility does not exceed 70 per cent. of the total forecasted production costs (which includes the acquisition of the property) of such Project ~~and that no more than one (1) Project Facility for each Project is utilised;~~ and
- (d) no Project Entity commences the construction of a Project until the relevant apartments, houses or any other form of applicable housing in relation to all Projects (including the Projects in question) have been, in a legally binding, valid and enforceable manner (*Sw. förhandsavtal*), either sold or rented out (as applicable) to a third party to at least 60 per cent. in the aggregate.

13.15 Loans Out

The Issuer shall not, and shall procure that none of its Subsidiaries, provide any loan to any party other than another Group Company or a housing co-operative (Sw. *bostadsrät tförening*), provided that all participant share are held by the Issuer or wholly-owned subsidiaries of the Issuer, in the ordinary course of business and provided such loans are pledged pursuant to paragraph (b) of the definition of Security Documents.

13.16 Additional Security

The Issuer shall procure that security is granted over (i) the shares in each acquired Management Entity (including over shares in minority held Management Entities, (ii) all partnership shares in partnerships which are not Project Entities, (iii) all new intercompany loans granted by the Issuer, in each case as continuing Security for the due and punctual fulfilment of the Secured Obligations.

14. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 14 (other than Clause ~~14.10~~14.9 (*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 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, subject to the Equity Cure, failed to comply with the Maintenance Test.~~

14.2 ~~14.3~~ Other Obligations

The Issuer does not comply with the Finance Documents in any other way than as set out in Clause 14.1 (*Non-Payment*) ~~and Clause 14.2 (*Maintenance Test*)~~ above, 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 payable without such prior written request).

14.3 ~~14.4~~ Cross-Acceleration

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is 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 ~~14.4~~14.3 (*Cross-Acceleration*) if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

14.4 ~~14.5~~ **Insolvency**

If:

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

14.5 ~~14.6~~ **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 (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any 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 or any of its assets or any analogous procedure or step is taken in any jurisdiction.

14.6 ~~14.7~~ **Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 5,000,000 and is not discharged within sixty (60) days.

14.7 ~~14.8~~ **Impossibility or Illegality**

It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

14.8 ~~14.9~~ **Continuation of the Business**

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

14.9 ~~14.10~~ 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 ~~14.10~~14.9(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 ~~14.10~~14.9(a) by reference to a specific Event of Default if it is no longer continuing or 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 (representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such instruction 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)) 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 ~~14.10~~14.9, the Issuer shall redeem all Bonds at an amount per Bond equal to, as applicable considering when the acceleration occurs, the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*).

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:
- (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 Agency Agreement (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 20.2(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 15 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 9.4 (*Voluntary partial redemption*) due but not made, the Record Date specified in Clause 9.4(b) 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 of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a 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) 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 Record Date prior to the date of the Bondholders' Meeting, 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.
- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) 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 Transaction Security or the Guarantee, except in accordance with the terms of the Security Documents or the Guarantee and Adherence Agreement;
 - (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 the Terms and Conditions.
- (f) Any matter not covered by Clause 16(e) 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.
- (g) 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(e), and otherwise 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.
- (h) 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(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.
- (n) 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.
- (o) 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 Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant 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 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 20.4(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) and (iv) 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(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to

Clause 16(e) or 16(f), 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 (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 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. Appointment and Replacement of the Agent

20.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the 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 20.1(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 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) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders 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. However, the Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.

- (d) The Agent is not 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 Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (f) The 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) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The 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 20.2(i).

20.3 Limited liability for the Agent

- (a) The Agent will not 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. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 16 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause ~~14.10~~[14.9](#).
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

20.4 Replacement of the Agent

- (a) Subject to Clause 20.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor 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 20.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (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 appointing a new Agent. 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 be dismissed and a new Agent appointed.

- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the 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.
- (h) In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21. 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.

22. 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 (*företagsrekonstrukt öm*) 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 22(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 20.1(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 20.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2(k) before a Bondholder may take any action referred to in Clause 22(a).
- (c) The provisions of Clause 22(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause [9.59.6](#) (*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.

23. 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.

24. Notices and Press Releases

24.1 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;
 - (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; 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 Issuer 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 will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(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 24.1(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.

24.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (Voluntary total redemption (Call option)), 9.4 (*Voluntary partial redemption*), 11.1(b), ~~14.10~~14.9(c), 16(o), 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 24.2(a), if any information relating to the Bonds or the Issuer 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.

25. 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 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26. Governing Law and Jurisdiction

- (a) 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 tingsrät*).
-

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

CHR Bygga Bostäder Holding AB (publ)

as Issuer

Name:

Intertrust (Sweden) AB

as Agent

Name:

Certain considerations

Schedule 4

General

Any investment in the Preferential Shares Class A or Alternative Participation Instrument (jointly the “**Securities**”) is subject to a number of risks. There are risks both regarding circumstances linked to the Issuer and its subsidiaries (jointly the “**Group**”) as a whole, those relating to the Requests set out in the Notice for Written Procedure and those which bear no specific relation to the Issuer and/or the Group. Prior to voting in the Written Procedure, Bondholders should carefully consider the risk factors associated with any investment in the Securities, the Group's business and the industry in which it operates including, in particular, the risk factors described below. Bondholders should note that the risks relating to the Group, its industry and the Securities per the below are the risks that the Issuer believes to be the most essential to an assessment by a Bondholder when voting in the Written Procedure.

The considerations described below are not an exhaustive list or explanation of all risks which Bondholders may face in relation to its voting decision. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results or financial condition and, if any such risk should occur, and Bondholders could lose all or part of their investment. Bondholders should consider carefully the Requests from the Issuer in the Notice for Written Procedure in light of the information in the Notice for Written Procedure (including this Schedule 4), all other information available and their personal circumstances.

Please note that no due diligence (legal, financial, insurance or tax) has been conducted in connection with the preparation of the Requests set out in the Notice for Written Procedure.

The risk factors per the below are not given in any particular order.

Considerations relating to the Requests specifically

Preferential Shares and Alternative Participation Instrument

Pursuant to the Bond Set-Off, Bondholders will receive the Preferential Shares Class A. These shares will not be listed on a regulated market, multilateral trading facility or any other securities exchange. Certain Bondholders and savings structures may have restrictions on their ability to hold the Preferential Shares Class A, or any subsequent Preferential Shares Class B or Preferential Shares Class C, and their transferability may be limited. This may for example apply to Bondholders who hold their investments as Individual Pension Savings (Sw. *individuell pensionssparande – IPS*) or as an Investment Savings Account (Sw. *investeringssparkonto – ISK*) or through insurance such as capital or pension insurance (Sw. *kapital- eller pensionsförsäkring*), or similar savings structures. If the unlisted shares are not permitted investments in a given savings structure, they may have to be sold by the Bondholder in an illiquid market, which may have a negative effect on their ability to sell the shares at a value that is acceptable to them, or at all. It is recommended that Bondholders who hold their Bonds through such savings structures consult on appropriate actions with the financial institutions they hold their investments through or their financial advisers as soon as possible. In addition, the Preferential Shares Class A are subject to restrictions on

transferability and resale and may not be transferred or resold except in accordance with the laws of Sweden or the laws of any other applicable jurisdiction.

As an alternative to receiving Preferential Shares Class A, a Bondholder (other than the Term Sheet Bondholders) may ask to receive Alternative Participation Instrument providing the holder thereof with economic rights that are substantially similar to those offered under the Preferential Shares Class A (but without any voting rights). Any such request shall however be evidenced by a description of why such Bondholder is unable to hold Preferential Shares Class A and the Issuer will decide if Alternative Participation Instrument will be issued. Any Alternative Participation Instrument issued will not be listed on a regulated market, multilateral trading facility or any other securities exchange and may be subject to the same restrictions as described above for Preferential Shares. It should also be noted that it is expected by the Issuer that very few, if any, Bondholders will request delivery of Alternative Participation Instrument why the transferability of such an instrument should be expected to be lower than for Preferential Shares Class A.

The Issuer's ability to pay dividends is dependent upon its future factors.

The amount of any future dividends that the Company will pay, if any, will depend upon several factors, such as future earnings, financial condition, cash flows, net-working capital requirements, capital expenditures, compliance with debt covenants and other factors. The Company's performance may not allow adherence to the Securities and, in particular, the Issuer's ability to pay dividends may be impaired i.a. if any of the risks described in the Notice for Written Procedure (including this Schedule 4) were to materialize. There is a risk that the Issuer may not have sufficient distributable funds. Accordingly, there is a risk that dividend may not be proposed or declared, or any other distribution may not be made, in any given year or at all. At present the Company assesses that no dividends will be distributed within the next few years.

Amendments to the Terms and Conditions

The Amendment Request, as depicted in Schedule 3, includes several substantial changes to the nature of the Bonds. For example, Interest under the Bonds will from the Interest Payment Date falling on 5 January 2019 not be paid quarterly on the following Interest Payment Dates but instead be deferred and paid on the final Redemption Date. As such, no ordinary yield payments will be made in cash under the Bonds until the final Redemption Date. Moreover, all financial undertakings in respect of the Bonds will be suspended why the previous Maintenance Test and Incurrence Test not will serve as conditions under the Bonds and consequently any default in respect of the Maintenance Test will not serve as a ground for accelerating the Bonds.

Pursuant to the Amendment Request, the Issuer will be obliged to make a mandatory partial redemption of the Bonds in an aggregate amount of SEK 63 million on 31 August 2020 if the Issuer is unable to raise at least SEK 50 million in cash by way of one or several issuances of ordinary shares in the Issuer prior to such date. There is currently no commitment for such amount to be raised and there can be no assurance that the required amount can be raised. Equally, there can be no assurance that the Issuer is able to fund the mandatory partial redemption in accordance with its obligation.

Financial information

The most up to date financial information available in respect of the Group is the financial report for the third calendar quarter of 2018, and the financial report for the fourth calendar quarter 2018 is scheduled to be made public subsequent to the procedure per the Notice for Written Procedure. As such, it is not possible for Bondholders to take into account the financial performance for the fourth calendar quarter 2018 when deciding how to vote in the Written Procedure.

Shareholding in the Issuer subsequent to the Bond Issue

The founders of the Group (Bertil Rydevik, Jonas Åkerman, Hadar Cars, David Ridemar and Nils-Arne Holmudden) hold at present 87 per cent of the shares and the votes in the Issuer and will subsequent to the consummation of the Bond Set-Off own in aggregate approximately 47 per cent of the shares and approximately 9 per cent of the votes in the Issuer.

The Bondholders will subsequent to the consummation of the Bond Set-Off own in aggregate approximately 47 per cent of the shares and approximately 90 per cent of the votes in the Issuer.

Shareholders in other countries outside Sweden may not be able to participate in any potential future rights offerings

If the Issuer issues new shares, current shareholders shall, as a general rule, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to the issue. Shareholders in certain other countries may be subject to limitations that prevent them from utilizing their preferential right, or that otherwise makes participation difficult or limited. For example, shareholders in the U.S. may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the applicable law is effective in respect of such subscription rights and shares or an exemption from the registration requirements under such act is available. Shareholders in other jurisdictions outside Sweden may be similarly affected if the subscription rights and the new shares being offered have not been registered with or approved by the relevant authorities in such jurisdictions. The Issuer is under no obligation to file a registration statement or seek similar approvals under the laws of any jurisdiction outside Sweden in respect of any subscription rights and shares and doing so in the future may be impractical and costly. To the extent that shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, there is a risk that their ownership in the Issuer may be diluted or reduced.

Currency effects for shareholders outside Sweden

Any future dividends will be denominated in SEK. In the event that the value of the SEK decreases in relation to foreign currencies it could result in negative consequences for the valuation of the foreign investor's holding in the Issuer as well as any dividends received. Furthermore, there is a risk that foreign investors may incur transaction fees when exchanging SEK to a different currency.

Tax consequences for the Issuer

As a result of the successful completion of the Bond Set-Off, the equity of the Issuer will increase by an amount equal to the Nominal Amount of the Bonds set-off. The Issuer benefits from a large tax shield as a result of significant tax losses in previous years. It is the Issuer's opinion that the Bond Set-Off should neither lead to any current tax nor any effect on the

deferred tax assets recognised in the Issuer's accounts. It could however not be ruled out that the tax authority or the relevant court would make another assessment.

Tax consequences for the Bondholders

Below is a summary of certain Swedish tax issues related to the Request for the Bond Set-Off for Bondholders in the Issuer that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide general information only. The summary does not cover situations where a Bondholder receives Alternative Participation Instruments instead of shares in the Bond Set-Off. Neither does the summary cover situations, including but not limited to, where Bonds are held as current assets in business operations, situations where Bonds are held by a limited partnership or a partnership or situations where Bonds are held in an investment savings account (*investeringsparkonto*). Further, special tax rules apply to certain categories of companies, for example life insurance companies. The tax consequences for each individual Bondholder depend to some extent on the holder's particular circumstances. Each Bondholder is advised to consult an independent tax advisor as to the tax consequences relating to the Bondholder's particular circumstances that could arise from the offer, including the applicability and effect of foreign tax legislation (including regulations) and provisions in tax treaties for the avoidance of double taxation. The summary below is based on the assumption that the Bondholder and the Issuer did not share a community of interest at the time when the Bondholder's claim on the Issuer arose.

Share acquisition by way of a set-off

In the Bond Set-Off, Bondholders are deemed to acquire shares by way of a set-off against part of their claims on the Issuer. Upon such a partial disposal of the Bonds, a taxable capital gain alternatively a tax deductible capital loss should arise, see further below.

The capital gain or the capital loss should be computed as the difference between the fair market value of the acquired shares (less expenses, if any, related to the disposal and possibly less accrued interest on the Bonds) and the acquisition value of the part of Bonds disposed of. The acquisition value for all Bonds of the same class and type shall be added together and computed collectively in accordance with the average method (*genomsnittsmetoden*).

The shares should be considered to be acquired at a price corresponding to the fair market value of the Bonds disposed of. This value should normally be the same as the fair market value of the shares (normally established by a valuation).

Private individuals

For private individuals resident in Sweden for tax purposes, capital income such as interest income and capital gains at the partial disposal of Bonds is taxed in the capital income category. The tax rate in the capital income category is 30 per cent. Provided that the Bonds are deemed to be listed for tax purposes, capital losses on the Bonds are fully tax deductible in the capital income category. Otherwise, capital losses are tax deductible at 70 per cent in the capital income category. Compensation for accrued but not due interest at the sale of Bonds is treated as interest income for tax purposes.

Limited liability companies

For limited liability companies (*aktiebolag*) all income, including interest income and capital gains at the partial disposal of Bonds, is taxed as income from business operations at a tax

rate of 21,4 per cent. for the financial years starting from 1 January 2019. Interest income is taxed in accordance with generally accepted accounting principles. The rules regarding compensation for accrued but not due interest do not apply to income from business operations. Capital losses on the Bonds are normally fully tax deductible.

Bondholders not resident in Sweden for tax purposes

Bondholders not resident in Sweden for tax purposes - which are not conducting business through a permanent establishment in Sweden to which the Bonds are effectively connected - are normally not liable for taxation in Sweden in respect of the Bonds. Bondholders may, however, be subject to taxation in their state of residence.

Considerations relating to the Group and the market generally

Insolvency risk etc

The Issuer and its wholly owned subsidiary CHR Bygga Bostäder Entreprenad AB, respectively, has per 31st October issued control balance sheets (Sw. *kontrollbalansräkning*). Due to the fact that the two issued control balance sheets show that both the Issuer's and CHR Bygga Bostäder Entreprenad AB's respective equity have fallen below half of the registered share capital, extra general meetings will be held in both the Issuer and CHR Bygga Bostäder Entreprenad AB on 21st January 2018. At the respective extra general meeting, resolutions will be taken whether to continue the business or to put the company into liquidation. While the Bond Set-Off will go some way to recapitalising the Issuer and the Group, it should be noted that similar financial constraints may occur in the future.

Macroeconomic factors

The real estate market is to a large extent affected by macroeconomic factors such as, inter alia, the general economic development, growth, employment trends, level of production of new premises and residential properties, changes in infrastructure, population growth, inflation and interest rate levels. If one or more of these factors would have a negative development, this could have a material negative impact on the Group's operations, earnings and financial position. Market disruption in the real estate market where the Group is active and an economic downturn in the global market as a whole may affect the Group and the Group's customers' financial position. Furthermore, deterioration in the global economy, decreased liquidity in the Swedish market for residential properties or decreased demand for the Group's products or services may also have a material negative impact on the Group's operations, earnings and financial position.

Property risk

The Group's business plan is to acquire properties either directly or indirectly through companies. The properties are then developed and sold to housing cooperatives. Returns from the properties will largely depend on the costs and expenses incurred during the development of the properties, such as infrastructural work or construction work, as well as on changes in the market value of the properties. The market value of properties is generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. There is a risk that the property value will be affected by competition from other property owners, or convenience and safety of the properties. There is a risk that the Group will experience a decrease in the market value

of its properties, and such decrease would have a negative effect on the Group's operations, financial position, earnings and results.

Transaction risk

Acquisitions of companies and properties are part of the Group's business. Such transactions are subject to risks and uncertainties. Property acquisitions, whether directly or through share acquisitions in property owning companies, involve environmental risks, financial risks, legal risks and risks of technical nature. If any such risks relating to future operations, acquired companies or properties would materialize this could have a negative effect on the Group's operations, financial position, earnings and results. The property acquisition agreements that the Group enters into areas a rule conditional upon several requirements being met, such as land parcelling, construction of infrastructure and environmental surveys. Should such conditions not be met, or should completion of fulfilment be delayed, the Group may not be able to acquire the properties, alternatively acquire them significantly later than what was originally planned, which may have a negative effect on the Group's operations, financial position, earnings and results.

Risk related to property divestment agreements

The Group's business idea is to sell properties indirectly via companies to housing cooperatives. The agreements entered into between the Group and the housing cooperatives include limited warranties, and has no limitation as regards damages or grounds for claims. Should any defects materialize in the divested properties, and the housing cooperatives claim damages, it could have a negative effect on the Group's operations, financial position, earnings and results.

Construction risk

Construction projects involve certain inherent risks. These risks include construction defects, technical defects which may as a result mean that the properties may not be used for residential purposes, as well as other construction issues, hidden defects, damage (including through fire or other natural disasters) and pollution. If such technical problems would occur, it would result in a delay of the planned construction and/or development work, as well as higher construction costs, which may have a negative effect on the Group's operations, financial position, earnings and results. The Group has their own construction company which in turn hire contractors to carry out the construction work. The contract between the Group and the contractors contain no provisions for damages regarding potential delays or additional costs incurred by the contractors. The Group therefore stands the risk of any delays or additional costs incurred during the construction. Should any construction defects be detected, the Group may within 6 months from the completion of a project issue a complaint to the contractors, who shall, immediately following such complaint, remediate the defect at their own cost. As the Group has no insurance regarding construction defects, it means that should any defects occur or be detected later than 6 months after the completion of a project, the Group stands the risk for this. Should such risk materialize, this may have a negative effect on the Group's operations, financial position, earnings and results.

Project risk

Several ongoing projects on the Group's properties are in an early stage. Property projects in early stages are always subject to significant risks and the acquisition of the expected value depends upon the successful implementation of the property projects. Property development projects entail risks relating to the completion of the acquisition of the properties,

procurement of building permits and other necessary government approvals, the completion of the construction and the divestment of the properties indirectly via companies to housing cooperatives. There is a risk that a project is delayed for various reasons or that the cost of the project may overrun the estimated budget. The project may be aborted or become more expensive and thereby yield less profits than what is estimated by the Group, which may have a negative effect on the Group's operations, financial position, earnings and results.

Environmental risk

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

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

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

Should any of the above-mentioned risks materialize it could have a material negative impact on the Group's operations, earnings and financial position.

Exploitation risk

As the Group's main business is development of properties, the Group depends largely on the possibility to exploit land necessary for the property development. If the Group would not be able to exploit as much land area as necessary, it could have a material negative impact on the Group's operations, earnings and financial position, which affects the ability of the Issuer to fulfil its obligations under the Securities.

Competitive landscape

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

participants as well as deteriorated competition possibilities could have a material negative impact on the Group's operations, earnings and financial position.

The construction business has historically been involved in a number of scandals relating to bribery and cartels. The business is considered as a high-risk industry when it comes to different kinds of anti-competitive behaviours and has in the past been subject for several investigations by the European Commission and different National Competition Authorities in the EU, including Sweden. The anti-competitive climate within the business is particularly due to overall weak competition on the market, which is often dominated by a few strong players. These anti-competitive factors also make it difficult for new entrants to penetrate the market. The construction business was most recently investigated by the Swedish Competition Authority in 2012, with the purpose to procure evidence of anti-competitive cooperation among competitors.

Although there is nothing indicating that the Group is involved in any kind of irregularities, it cannot be ruled out that the Group might become subject to investigations and proceedings by the Competition Authorities in the future. Furthermore, there is also a risk that the Group could be subject to cartels entered into by sub-contractors, which could affect the sub-contractors pricing towards the Group. If one or several of the above factors would develop negatively or if any of the described risks would materialize, it could have a material negative impact on the Group's operations, earnings and financial position.

Key persons

The Group's future development depends largely on the skills, experience and commitment of its key employees and advisers. These persons also have comprehensive knowledge of the Group and the industry in general. Therefore, it is important for the Group's future business activities and development that it is able to retain, and where necessary also recruit, skilled persons. If the Group should become unable to retain or recruit such persons, this would adversely impact the Group's operations, financial position, earnings and results. In light of this, it should be noted that it has been published by the Issuer that the CEO of the Group is on sick leave and replaced in the interim by a board member.

Specific risks related to the project Bergshamra

Project Bergshamra is parcel of land in Nyköping, for which the Group has paid a down payment of 4 MSEK to the seller. Due to financial constraints, the Group has not been able to complete the transaction per the agreement with the seller. The seller has however agreed that for the time being, the deposit is still valid and can be applied to the purchase should the deal move forward. There is however currently no agreement in place on the last day for the transaction to be completed. Should the seller request full payment and the Group is unable to pay, the Group will lose the down payment which could have a negative effect on the Group's operations, financial position, earnings and results.

Specific risks related to the project Brandholmen 2

Project Brandholmen 2 is a project in Nyköping. The project is currently underway with expected move-in q2 2019. The Brandholmen 2 cooperative is currently delayed between 6 months to 1 year depending when buyers signed their respective preliminary agreement (Sw. *förhandsavtal*). The Brandholmen 2 cooperative has accepted some buyers to cancel their preliminary agreements and there are others requesting cancellation due to the delay. The Brandholmen 2 cooperative has limited legal possibilities to deny a buyer such right, should a

buyer choose to pursue any such claim. Brandholmen 2 cooperative has received a construction loan of approx. 60MSEK. Due to the control balance sheet for CHR Bygga Bostäder Entreprenad AB, the loan agreement with the lender in respect of the construction loan to Brandholmen 2 has been amended. Should not all terms in the new amended loan agreement be met, the project may need to be stopped or delayed. A delay or stoppage may result in increased costs, buyers deciding to cancel their preliminary agreements or other impacts occurring, that could have a negative effect on the Group's operations, financial position, earnings and results.

Specific risks related to the project Brandholmen 3

Project Brandholmen 3 is a project in Nyköping. The project is currently underway with expected move-in q1 2020. The Brandholmen 3 cooperative currently has no construction loan, which is a prerequisite to continue the project, and is per the current time plan delayed up to 12 months depending on when a buyer signed the preliminary agreement. The Brandholmen 3 cooperative has accepted some buyers to cancel their preliminary agreements and there are others requesting cancellation due to the anticipated delay. The Brandholmen 3 cooperative has limited legal possibilities to deny a buyer such right once the delay is definitive, should a buyer choose to pursue any such claim. The timing of the financing for the Group may impact the possibility to complete the project per the current time plan. A delay or stoppage may result in increased costs, additional buyers requesting to cancel their preliminary agreements or other impacts occurring, that could have a negative effect on the Group's operations, financial position, earnings and results.

Specific risks related to the project Brandholmen 4

Project Brandholmen 4 is a project in Nyköping. The project is currently underway with expected move-in q2 2020. The Brandholmen 4 cooperative currently has no construction loan, which is a prerequisite to continue the project, and is per the current time plan delayed up to 12 months depending on when a buyer signed the preliminary agreement. The Brandholmen 4 cooperative has accepted some buyers to cancel their preliminary agreements and there are others requesting cancellation due to the anticipated delay. The Brandholmen 4 cooperative has limited legal possibilities to deny a buyer such right once the delay is definitive, should a buyer choose to pursue any such claim. The timing of the financing for the Group may impact the possibility to complete the project per the current time plan. A delay or stoppage may result in increased costs, additional buyers requesting to cancel their preliminary agreements or other impacts occurring, that could have a negative effect on the Group's operations, financial position, earnings and results.

Future investment needs

In order to finance, inter alia, real estate investments, the Group may need to use available financial assets and/or obtain additional financing, for example financing through loans or issue of new shares. Previously approved and ongoing investments may require additional or alternative funding. Access to additional or alternative financing is dependent on several factors such as market conditions, the general availability of credit and the Group's credit-worthiness. There is a risk that the Group fails to secure sufficient funding on favourable conditions or fails to obtain the funding. A negative development in sales or in margins, unforeseen liabilities, changes in the timing of tax payments, settlement of accounts payable and paid accounts receivable may lead to lack of liquidity and working capital. If new funding cannot be obtained when necessary it could have a material negative impact on the Group's operations, earnings and financial position.

Borrowing costs of the Group and interest risk

The Group has incurred, and may further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks in the geographical markets in which the Group operates. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Groups' operations, financial position, earnings and results. To manage its interest rate exposure, the Group may in the future enter into interest derivative contracts. However, it is possible that (if used) any such current or future hedging will not afford the Group sufficient protection against adverse effects of interest rate movements. Moreover, the success of any hedging activities is highly dependent on the accuracy of the Group's assumptions and forecasts. All erroneous estimations that affect such assumptions and forecasts could have a negative effect on the Group's operations, financial position, earnings and results.

Negative publicity

Negative publicity or announcement relating to the Group in respect of its current financial and operational difficulties or otherwise may, regardless of whether justified, have a negative effect on the Group's operations, financial position, earnings and results.

Dependency upon laws, regulations and decisions

The Group's business and property development is regulated and affected by several different laws and regulations as well as proceedings and decisions related to these laws and regulations. For example, the Planning and Building Act (Sw. *Plan- och bygglagen (2010:900)*), building codes, security regulations, regulation related to building materials and rules regarding buildings, fire and safety requirements and environmental regulations, can all have an impact on the Group's business and the cost and ability to develop properties. The Group conducts its property developments in accordance with its interpretation of applicable laws and regulations, however there is a risk that the Group's or its advisors' interpretation could be incorrect or that such laws and regulations may change in the future. Should the Group be exposed to regulatory compliance issues, there is a risk that the Group will be subject to fines or reputational risks. There is also a risk that laws or regulations may hinder the Group from developing or converting properties in accordance with their intentions, or that the projects are delayed or more costly than anticipated.

There is also a risk that changes to current laws and regulations could result in unexpected costs or lead to limitations in the development of the Group's business.

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

Insurance

The Group has insurances covering its core business against losses and/or potential liability in relation to claims by third parties. Certain types of losses are not covered by the insurances since such losses are not considered to be possible to insure. Furthermore, there may be losses that are expressly excluded or for any other reasons are not covered by the insurances. The insurances could also be limited to a certain amount or series of losses. If the Group is unable to maintain its insurance cover on terms acceptable to it or if future business requirements exceed or fall outside the Group's insurance cover or if the Group's provisions for uninsured costs are insufficient to cover the final costs it could have a material negative impact on the Group's operations, earnings and financial position.

Political risks

The Group is subject to political risks since the local municipalities have the planning monopoly (Sw. *planmonopol*) which means that the municipalities alone may decide which party that shall be able to exploit the relevant land area. Shifts of power and/or the local opinion may hence affect the Group's ability to exploit land. If changes in the political environment would occur, it could have a material negative impact on the Group's operations, earnings and financial position.

Tax related risks

The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. There is a risk that the Group's or its advisers' interpretation and the Group's application of laws, provisions, judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have a negative effect on the Group's results and financial position. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes on the direct or indirect sale of property and/or tax losses carried forward being forfeited, which could affect the Group's results and financial position in the future. The results of a governmental investigation regarding the tax related impact of divesting properties by packaging the properties into property holding companies were presented on 30 March 2017, suggesting a legislative change. The suggested change implies that the tax consequences of a transfer of the shares in a property holding company shall equal those of a direct sale of the property. Even though the legislative process is still in an early stage, there is a risk that a legislative change will be affected in line with the suggestion, which would have an impact on the tax effects in connection with divestment of shares in property holding companies going forward and result in a negative effect on the Group's results and financial position.

The Swedish Tax Agency (STA) initiated in May 2018 an audit regarding value added tax in the subsidiary CHR Bygga Bostäder Entreprenad AB. In November 2018 the STA sent an inquiry to the subsidiary of findings in their audit and requesting answers. The STA preliminary evaluated that the actual administrative costs in period fiscal year 2015 – March 2018 had not been invoiced to the housing cooperatives. The STA has preliminary calculated the outstanding VAT amount to approx. 11 MSEK to be paid by the subsidiary. The subsidiary has in December 2018 answered the inquiry which included that all administrative costs had been taken in to consideration in the calculation of the original project budgets and in the fees to the housing cooperative. The response from the STA is still pending.

Credit risk

Where there is a risk that the Group's counterparties will be unable to fulfil their financial obligations towards the Group, the Group is exposed to credit risk. The financial situation of the Group's current and potential counterparties may become such that they cannot pay the agreed final payment or other amounts owed to the Group as they fall due or otherwise fail to fulfil their obligations. This would adversely affect the Group's operations, earnings, results and financial position.

Issuer's dependence on other companies in the Group

The Issuer is a holding company and holds no significant assets other than the ownership in its subsidiaries. The Issuer therefore depends on the receipt of sufficient income and cash flow related from the operations of the subsidiaries. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to pay dividends, which may from time to time be restricted by corporate restrictions and law. A decrease in any such income and cash flow may have a material adverse effect on the Issuer's financial condition and its ability to service its costs, expenses and dividends on shares. Further, some of the members of the Group have entered into financing arrangements limiting such companies' abilities to pay dividends and other distributions within the Group or otherwise.

Changes in legislation

Various pieces of legislations and regulations (including, without limitation, competition regulations, land law, environmental regulations and taxes) affect the business conducted by the Group. New or amended legislation and regulations could call for unexpected costs or impose restrictions on the development of the business operations which could have an adverse effect on the Group's business, operations, earnings, results and financial position.