

**TERMS AND CONDITIONS OF THE NOTES**



**TERMS AND CONDITIONS FOR**

**OUTOKUMPU OYJ**

**EUR 250,000,000**

**RATED SENIOR SECURED FIXED RATE NOTES**

**ISIN: FI4000331004**

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## 1. Definitions and Construction

### 1.1 Definitions

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

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time, except where specifically stated to refer to such standards as in force on the Issue Date).

“**Act on Noteholders’ Agent**” means the Finnish Act on Noteholders’ Agent (Fin: *Laki joukkolainanhaltijoiden edustajasta 574/2017*, as amended).

“**Additional Amounts**” has the meaning set forth in Clause 21.

“**Additional Senior Financing**” means any indebtedness incurred by any Group Company which is notified to the Security Agent by the Issuer as indebtedness to be treated as “Additional Senior Financing” for the purposes of the Intercreditor Agreement.

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

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

“**Agency Agreement**” means the agency agreement entered into on or before the Issue Date, between the Issuer and Intertrust (Finland) Oy, or any replacement agency agreement entered into after the Issue Date between the Issuer and a replacing Noteholders’ Agent.

“**Agent**” means the Noteholders’ Agent and the Security Agent, as applicable.

“**Applicable Premium**” means, in relation to a Note, the higher of:

- (a) 1.00 percent of the principal amount of such Note; and
- (b) the excess (to the extent positive) of:
  - (i) the present value at relevant Redemption Date of (i) the redemption price of such Note at the First Call Date, (such redemption price expressed in percentage of principal amount and as set out in Clause 8.4.2), plus (ii) all required interest payments due on such Note to and including the First Call Date, (excluding accrued but unpaid Interest to the Redemption Date), computed using (a) a rate per annum equal to the annual yield to maturity of the Comparable Bond, assuming a price equal to the Comparable Bond Price for the Calculation Date plus (b) 0.50 percent; over
  - (ii) the outstanding principal amount of such Note, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

The Applicable Premium shall be calculated and determined by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Noteholders’ Agent or any Paying Agent.

“**Asset Backed Lending**” means any asset based lending facility or facilities entered into by

- (a) Outokumpu Stainless USA, LLC (or any other Group Company the jurisdiction of incorporation or organization of which is a state of the United States or the District of Columbia); or
- (b) Outokumpu Europe Oy,

where the aggregate indebtedness outstanding at any time does not exceed EUR 500,000,000 (or its equivalent).

“**Book-Entry Securities System**” means the Infinity system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

“**Book-Entry System Act**” means the Finnish Act on Book-Entry System and Clearing Operations (Fin: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* 348/2017, as amended).

“**Business Day**” means a day on which the deposit banks are generally open for business in Helsinki.

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

“**Calculation Date**” means the third Business Day prior to the Redemption Date.

“**Cash and Cash Equivalent Investments**” means cash and cash equivalents as reported by the Issuer in its consolidated financial statements.

“**Cash Proceeds**” has the meaning set forth in Clause 11.5.2.

“**Change of Control Event**” means (A) the occurrence of an event or series of events whereby one or more Persons, acting in concert (Fin: *yksissä tuumin toimiminen*), acquire control over the Issuer and where “**control**” means (a) acquiring or controlling, directly or indirectly, more than 50 percent of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders) or (b) the right to, directly or indirectly, appoint or remove at least a majority of the members of the board of directors of the Issuer; or (B) the direct or indirect sale, transfer, conveyance or other disposition, in any transaction or a series of related transactions, of all or substantially all of the properties or assets of the Group as a whole to any Person or group of Persons acting in concert, other than the Issuer or one of its Subsidiaries.

“**Comparable Bond**” means the DBR 1.500 percent due May 15, 2024 (ISIN: DE0001102358).

“**Comparable Bond Price**” means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations; or (b) if the Issuer obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

“**CSD**” means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, FI-00101 Helsinki, Finland or any entity replacing the same as a central securities depository.

“**CSD Business Day**” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“**Designated Non-cash Consideration**” means the fair market value (as determined in good faith by the Issuer) of non-cash consideration received by the Issuer or one of the Group Companies in connection with a disposal of assets in accordance with Clause 11.5 that is so designated as Designated Non-Cash Consideration pursuant to an officer’s certificate, setting forth the basis of such valuation, less the amount of cash and cash equivalents received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Clause 11.5.

“**EBITDA**” means the reported EBIT of the Group before depreciation, amortization and impairments (excluding the results from discontinued operations) as reported by the Issuer in its latest audited consolidated financial statements.

“**EEA**” means the European Economic Area.

“**Equity Offering**” means an offering of ordinary shares or another class of shares by the Issuer for cash consideration, the proceeds of which are contributed to the equity of the Issuer other than, for the avoidance of doubt, as a result of the conversion of the existing convertible notes into equity of the Issuer.

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

“**Event of Default**” means an event or circumstance specified in paragraphs (a) to (g) of Clause 12.1.

“**Existing Financial Indebtedness**” means the Financial Indebtedness under the facilities listed in Appendix 2 (*Certain Existing Financial Indebtedness*).

“**Final Maturity Date**” means June 18, 2024.

“**Finance Documents**” means these Terms and Conditions, the Intercreditor Agreement, the Intercreditor Accession Deed, the Transaction Security Documents, any Security Confirmation, any document evidencing Replacing Guarantee or Replacing Security, any document by which these Terms and Conditions and any other before mentioned document are amended or any part thereof waived in compliance with Clause 18 (*Amendments and Waivers*) and, for the purposes of the Intercreditor Agreement only, also the Agency Agreement.

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease other than any liability in respect of a lease or hire purchase contract which would, in accordance with the Accounting Principles in force prior to the Issue Date, have been treated as an operating lease.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability in respect of Finance Leases;
- (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 in order to benefit from, the 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.

“**Finnish Securities Market Act**” means the Finnish Securities Market Act (Fin: *Arvopaperimarkkinalaki 746/2012*, as amended).

“**First Call Date**” means June 18, 2020.

“**Force Majeure Event**” has the meaning set forth in Clause 24.1.

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

“**guarantee**” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any Person or to make an investment in or loan to any Person or to purchase assets of any Person where, in each case, such obligation is assumed in order to maintain or assist the ability of such Person to meet its indebtedness but for the avoidance of doubt excludes any comfort letter that does not include any such obligation and further, does not include any obligation arising in relation to mutual real estate companies or companies established in accordance with the so-called *mankala* principle where, *inter alia*, each shareholder is obligated to make any investment in, and pay for the costs and expenses arising from the company’s operations, relative to its ownership.

“**incurrence**” or “**incur**” includes the issuance, assumption, guarantee of, or otherwise becoming liable for, any Financial Indebtedness (including through acquiring an asset, business or entity).

“**Incurrence Test**” means the test set forth in Clause 11.10 (*Financial Undertakings*).

“**Insolvent**” means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fin: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders in their capacity as such) with a view to rescheduling and conversion to equity (or any other unusual discharge) of any of its indebtedness (including company reorganization under the Finnish Act on Company Reorganization (Fin: *Laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

“**Instructing Group**” means, at any time, those senior creditors whose senior credit participations at that time aggregate more than 50 percent of the total senior credit participations (calculated on the basis of commitments, as applicable) at that time as more precisely described and calculated in accordance with the Intercreditor Agreement.

“**Intercreditor Accession Deed**” means the intercreditor accession deed dated on or around the Issue Date between the Noteholders’ Agent and the Security Agent pursuant to which the Noteholders’ Agent has acceded, or will accede, on behalf of the Noteholders, to the Intercreditor Agreement.

“**Intercreditor Agreement**” means:

- (a) initially the intercreditor agreement entered into on February 28, 2014 between, among others, the Issuer, the Debtors (as defined in the Intercreditor Agreement), The Law Debenture Trust Corporation p.l.c. as Security Agent, Nordea Bank AB (publ) as agent and the Lenders (as defined in the Intercreditor Agreement) to which the Noteholders’ Agent has acceded, or will accede, on behalf of the Noteholders on or around the Issue Date; and
- (b) any Subsequent Intercreditor Agreement, as applicable.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 7.1 to 7.3.

“**Interest Bearing Debt**” means consolidated short-term and long-term interest bearing liabilities of the Group including without limitation loans from related parties, any indebtedness incurred in respect of any debenture, bond or note, loans from financial institutions, Pension Loans, indebtedness incurred in respect of the issuance of any commercial paper, indebtedness incurred in respect of finance leases and other current liabilities and other long term liabilities reported under current and long term debt in the consolidated balance sheet of the latest consolidated financial statements of the Group and excluding accrued interest, derivative liabilities and liabilities directly attributable to assets held for sale.

**“Interest Payment Date”** means June 18 and December 18 in each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be December 18, 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

**“Interest Period”** means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

**“Interest Rate”** means 4.125 percent per annum.

**“Investment Grade Status”** shall occur when the Issuer receives one (or more) of the following:

- (a) a rating of “BBB-” or higher from Standard & Poor’s Rating Services; or
- (b) a rating of “Baa3” or higher from Moody’s Investors Service Limited;

or the equivalent of such rating by either such rating organization.

**“Issue Date”** means June 18, 2018.

**“Issuer”** means Outokumpu Oyj, a public limited liability company incorporated under the laws of Finland with business identity code 0215254-2.

**“Kemi Deep Mine Project”** means the feasibility study and ongoing investment relating to the deepening of the existing underground chromium mine in Kemi, with the purpose of ensuring the supply of chromium ore.

**“Material Group Company”** means:

- (a) the Issuer;
- (b) until the Security Release Event, a provider of Transaction Guarantee;
- (c) until the Security Release Event, a wholly-owned Group Company that holds shares in any party mentioned in paragraph (b) above;
- (d) a Subsidiary of the Issuer which has positive earnings before interest, tax, depreciation and amortization (calculated on the same basis as EBITDA) representing five percent or more (and providing that the amount of such earnings is greater than EUR 40,000,000) of positive EBITDA or which has net sales (excluding intra-group items) representing 10 percent or more (and providing that the amount of such sales is greater than EUR 700,000,000) of the net sales of the Group calculated on a consolidated basis; or
- (e) a Subsidiary of the Issuer to which is transferred the whole or substantially the whole of the business, assets and undertaking of another Material Group Company.

Fulfilment of the conditions set out in paragraph (d)(ii) above shall be determined by reference to the latest audited (if available or otherwise unaudited) annual financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited annual consolidated financial statements of the Group.

However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the annual financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary.

**“MiFID II”** means Directive 2014/65/EU.

**“Net Interest Bearing Debt”** means Interest Bearing Debt less Cash and Cash Equivalent Investments.

“**Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Noteholder**” means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 4 of the Book-Entry System Act as direct registered owner (Fin: *omistaja*) or nominee (Fin: *hallintarekisteröinnin hoitaja*) with respect to a Note.

“**Noteholders’ Agent**” means Intertrust (Finland) Oy, incorporated under the laws of Finland with corporate registration number 2343108-1, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Noteholders’ Agent, in accordance with these Terms and Conditions.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders’ Meeting*).

“**Notes**” means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fin: *Velkakirjalaki 622/1947*, as amended) (Fin: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions.

“**Outstanding Nominal Amount**” means the Nominal Amount of each Note from time to time taking into account any prepayments made on the Notes.

“**Paying Agency Agreement**” means the agreement dated May 25, 2018 regarding services related to the Notes entered into by and between the Issuer and the Paying Agent in connection with the issuance of the Notes (as amended and restated from time to time).

“**Paying Agent**” means Nordea Bank AB (publ), Finnish Branch acting as issuing agent (Fin: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Paying Agent in accordance with the regulations of the CSD.

“**Pension Loan**” means loans from Finnish or Swedish pension insurance companies granted by such company to a Group Company as a result of the re-borrowing of pension funds deposited with that company by a Group Company.

“**Permitted Guarantee**” means:

- (a) any Transaction Guarantee;
- (b) any Replacing Guarantee and any corresponding guarantee granted for a third party;
- (c) the endorsement of negotiable instruments in the ordinary course of trade;
- (d) any indemnity or performance or similar guarantee or bond guaranteeing performance (including payment) by a Group Company under any contract entered into in the ordinary course of day to day business other than in respect of Financial Indebtedness;
- (e) any guarantee relating to the Kemi Deep Mine Project;
- (f) any guarantee relating to Project Manga or any other joint venture or investment project in which any Group Company is a party, in each case in proportion to the shareholding of the relevant Group Company, not exceeding in aggregate EUR 80,000,000 at any time, and any take or pay obligations relating to such entity or project;
- (g) any guarantee given in respect of the netting or set-off arrangements permitted under these Terms and Conditions;
- (h) any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction which indemnity is in a customary form and subject to customary limitations;
- (i) any counter-indemnity in respect of any guarantee issued by a bank or financial institution in respect of any indebtedness under any Pension Loan and any guarantee in relation to any pension obligation;



- (j) any guarantee, indemnity, counter-indemnity, bond or letter of credit given in respect of any leases of real property entered into in the ordinary course of day-to-day business;
- (k) any guarantees issued by Visenta Försäkrings AB not exceeding in aggregate EUR 25,000,000 at any time;
- (l) any guarantee required by law or regulation; or
- (m) any guarantees or indemnities not permitted by the preceding paragraphs where the aggregate amount of all actual and contingent liabilities thereunder does not (i) prior to the Security Release Event exceed EUR 200,000,000 and (ii) after the Security Release Event exceed 15 percent of the Group's total consolidated assets at any given time.

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

“**Put Option Notice**” has the meaning set forth in Clause 8.7.2.

“**Put Option Redemption Date**” means, in respect of any Note, the date which falls 10 Business Days after the date on which the relevant Noteholder exercises its option in accordance with Clause 8.7.1.

“**Put Option Redemption Period**” means the period from and including the date on which a Security Release Put Option Event occurs (whether or not the Issuer has given a Put Option Notice) to and including the date falling 60 days after the date on which such Put Option Notice is given, provided that if no Put Option Notice is given, the Put Option Redemption Period shall not terminate.

“**PRIPs Regulation**” means Regulation (EU) No 1286/2014.

“**Project Manga**” means the Group's investment in Manga LNG Oy and the construction and operation of a liquefied natural gas terminal at Tornio Harbor, Northern Finland.

“**Rating Downgrade**” means, after any release of the Transaction Security and/or Transaction Guarantee in full or in part in accordance with Clause 9.2, an event that the Notes are no longer rated at least either (i) BB- or higher by Standard & Poor's Rating Services or (ii) Ba3 or higher by Moody's Investors Service Limited.

“**Record Time**” means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 13 (*Distribution of Proceeds*); and
- (b) in relation to a Noteholders' Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 16.3 or Clause 17.3, as applicable; and
- (c) otherwise, the end of the fifth CSD Business Day prior to another relevant date.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and Repurchase of the Notes*).

“**Reference Bond Dealer**” means any primary bond dealer selected by the Issuer.

“**Reference Bond Dealer Quotations**” means the arithmetic average, as determined by the Issuer, of the bid and offer prices for the Comparable Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by any Reference Bond Dealer at 11.00 a.m. (Brussels) on the Calculation Date.

“**Relevant Market**” means the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

“**Replacing Guarantee**” has the meaning set forth in Clause 9.4.1.

“**Replacing Security**” has the meaning set forth in Clause 9.4.1.

“**Replacing Security Agent**” means any party appointed to hold the Replacing Security and/or Replacing Guarantee on behalf of, among others, the Noteholders.

“**Reversion Date**” means, after the Issuer having achieved Investment Grade Status, the date, if any, that the Issuer (including, for the avoidance of doubt, any permitted successor entity of the Issuer as a result of a merger, demerger or otherwise) shall cease to have such Investment Grade Status.

“**Secured Obligations**” means all present and future liabilities of any Group Company towards the Secured Parties under or in respect of (including refinancing, novation, deferral or extension of) the financings referred to in paragraphs (i)-(iii) of Appendix 2 (*Certain Existing Financial Indebtedness*) and all Additional Senior Financings (including for the avoidance of doubt the Notes and the Agency Agreement), in each case both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity, and more precisely having the meaning given to it in the Intercreditor Agreement.

“**Secured Parties**” means the parties, other than Group Companies, to the financings referred to in paragraphs (i)-(iii) of Appendix 2 (*Certain Existing Financial Indebtedness*), the Intercreditor Agreement and any Additional Senior Financings, or representatives of such parties, as applicable, and more precisely having the meaning given to it in the Intercreditor Agreement (for the avoidance of doubt including the Noteholders acting through the Noteholders’ Agent and the Noteholders’ Agent).

“**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 Law Debenture Trust Corporation p.l.c. or any successor, transferee, replacement or assignee thereof, which has become the Security Agent in accordance with the Intercreditor Agreement.

“**Security Confirmation**” means any confirmation or other agreement signed by any of the Security Providers on or about the Issue Date regarding the coverage of the relevant Transaction Security or Transaction Guarantee of the obligations of the Issuer under these Terms and Conditions.

“**Security Provider**” means the Issuer or any of its subsidiaries providing Transaction Security or a Transaction Guarantee or Replacing Security or Replacing Guarantee, as applicable.

“**Security Release Event**” has the meaning set forth in Clause 9.2.2.

“**Security Release Put Option Event**” means an event where within 30 days of the release of the Transaction Security and/or Transaction Guarantee in full or in part in accordance with Clause 9.2 a Rating Downgrade occurs.

“**Senior Secured Notes**” means any senior notes issued by the Issuer which benefit from the Transaction Security and the Transaction Guarantee in accordance with the Intercreditor Agreement.

“**Shareholders’ Equity**” means the amount identified as “Total Equity” in the consolidated balance sheet of the latest consolidated financial statements of the Group, and for avoidance of doubt shall include the sum of the amounts attributable (if any) to share capital, premium fund, invested unrestricted equity reserve, other reserves, retained earnings and non-controlling interests.

“**Subsequent Intercreditor Agreement**” means any intercreditor agreement that will be entered between any of the creditors of the Issuer.

“**Subsidiary**” means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares or ownership rights representing more than 50 percent of the total number of votes held by the owners, (ii) otherwise controls more than 50 percent of the total number of votes held by the owners, (iii) has the

power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the Accounting Principles.

“**Suspension Event**” has the meaning set forth in Clause 11.13.1.

“**Suspension Period**” has the meaning set forth in Clause 11.13.1.

“**Taxes**” has the meaning set forth in Clause 21.

“**Total Assets**” means the amount identified as “Total Assets” in the consolidated balance sheet of the latest consolidated financial statements of the Group.

“**Total Nominal Amount**” means the aggregate Nominal Amount or the aggregate Outstanding Nominal Amount, as the case may be, of all the Notes outstanding at the relevant time.

“**Transaction Guarantee**” means the guarantees issued under the Intercreditor Agreement:

- (a) on the Issue Date, by Outokumpu Europe Oy, Outokumpu Stainless Oy, Outokumpu Stainless AB, Outokumpu Stainless Holding GmbH, Outokumpu Nirosta GmbH, Outokumpu Holding Nederland BV, Outokumpu Americas, Inc and Outokumpu Stainless USA, LLC; and
- (b) by any other party which after the Issue Date becomes a party to the Intercreditor Agreement as a Guarantor,

guaranteeing the Secured Obligations, to the extent not released in accordance with the Intercreditor Agreement.

“**Transaction Security**” means the security interests created or expressed to be created by the Issuer and its Subsidiaries and listed in Appendix 3 (*Transaction Security*) and any other security interest later created or expressed to be created by the Issuer and its Subsidiaries over any of their assets from time to time, in each case created in favor of the Security Agent as trustee or agent (as applicable) for all of the Secured Parties in respect of the Secured Obligations, to the extent not released in accordance with the Intercreditor Agreement.

“**Transaction Security Documents**” means the documents governing the Transaction Security.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*Written Procedure*).

## **1.2 Construction**

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a provision of law is a reference to that provision as amended or re-enacted;
- (d) words denoting the singular number shall include the plural and vice versa; and
- (e) a time of day is a reference to Helsinki time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in Euro 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 Euro for the previous Business Day, as published by the European Central Bank on its website (*www.ecb.int*). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.

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

## 2. Issuance, Subscription and Status of the Notes

- 2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.
- 2.2 The Notes are offered for subscription in a minimum amount of EUR 100,000 to professional clients and eligible counterparties outside of the United States of America through a book-building procedure (private placement). The subscription period shall commence and end on June 11, 2018. Bids for subscription shall be submitted to BNP Paribas, 10 Harewood Avenue, London NW1 6AA, United Kingdom, telephone: +44 207595 8222; Nordea Bank AB (publ), c/o Nordea Bank AB (publ), Finnish Branch, Nordea Markets / Institutional Sales, Aleksis Kiven katu 9, Helsinki, FI-00020 NORDEA, Finland, telephone: +358 9 369 50119; Danske Bank A/S, Finland Branch, Kasarmikatu 21, FI-00130 Helsinki, Finland, tel. +358 10 543 8865; and Swedbank AB (publ) c/o Swedbank AB (publ), Finnish Branch, P.O. Box 1107, FI-00101 Helsinki, Finland, telephone: +358 20 7469 143. Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer each investor that has submitted a subscription shall be notified by the Issuer whether and, where applicable, to what extent such subscription is accepted. Subscriptions notified by the Issuer as having been accepted shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be entered by the Paying Agent to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of the CSD.
- 2.3 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder (i) agrees that the Notes shall benefit from and be subject to the Finance Documents, (ii) agrees to be bound by these Terms and Conditions, the Intercreditor Agreement and the other Finance Documents and (iii) agrees that the Noteholders' Agent is authorized to accede to the Intercreditor Agreement for itself and on behalf of the Noteholders. These Terms and Conditions are subject to the Intercreditor Agreement. In the event any discrepancy between these Terms and Conditions and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.
- 2.4 The nominal amount (Fin: *arvo-osuuden yksikkökoko*) of each Note is EUR 1,000 (the "**Nominal Amount**"). The aggregate nominal amount of the Notes is EUR 250,000,000. All Notes are issued on the Issue Date on a fully paid basis at an issue price of 100 percent of the Nominal Amount.
- 2.5 The Notes constitute direct, unconditional, unsubordinated obligations of the Issuer, except in respect of obligations which have priority pursuant to Clause 13.1, and shall at all times rank *pari passu* and without any preference among them. Until the occurrence of the Security Release Event, the Notes constitute secured and guaranteed obligations of the Issuer secured by the Transaction Security and the Transaction Guarantees. The Transaction Security and the Transaction Guarantees also secure a major part of the other borrowings of the Issuer. The priority in respect of enforcement proceeds from the Transaction Security and Transaction Guarantees is referred to in Clause 9.1.6 and includes certain liabilities that have better priority than the Notes to such enforcement proceeds.
- 2.6 The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

2.7 Subject to Clause 2.6, each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

### **3. Use of Proceeds**

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, primarily for the total voluntary redemption of the Issuer's existing EUR 202.5 million senior secured fixed rate notes due 2021 and the remaining proceeds shall be used for general corporate purposes of the Group.

### **4. Conditions for Disbursement**

4.1 The Paying Agent shall pay the net proceeds from the issuance of the Notes to the Issuer on the later of (i) the Issue Date and (ii) the day on which the Noteholders' Agent notifies the Paying Agent as agreed in the Agency Agreement that it has received the following, in form and substance satisfactory to it:

- (a) the Terms and Conditions;
- (b) the Paying Agency Agreement and the Agency Agreement duly executed by the parties thereto;
- (c) the Intercreditor Accession Deed duly executed by the parties thereto;
- (d) evidence of a notice having been delivered to the Security Agent by the Issuer pursuant to which notice the Issuer designates obligations under the Notes as Additional Senior Financing;
- (e) evidence of the Issuer having notified the Security Agent in writing that the Noteholders' Agent shall be treated, and benefit from the same rights and protective provisions, *mutatis mutandis*, as the representative of the holders of the notes issued by the Issuer and which are due in 2021;
- (f) the Security Confirmations;
- (g) an extract of a resolution from the board of directors of the Issuer, approving (or authorizing the approval of) the issue of the Notes and authorizing specified person(s) to approve and execute any documents and take any other action necessary to consummate such issue;
- (h) an English legal opinion regarding the Intercreditor Accession Deed addressed to the Paying Agent, the Noteholders' Agent and the lead managers of the issuance of the Notes;
- (i) a Finnish law legal opinion regarding issuance of Notes, the subscription agreement and the Agency Agreement addressed to the Paying Agent, the Noteholders' Agent and the lead managers of the issuance of the Notes; and
- (j) evidence that the Person(s) who has/have signed the Paying Agency Agreement and the Agency Agreement on behalf of the Issuer is/are duly authorized to do so.

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

4.3 The Noteholders' Agent shall confirm to the Paying Agent when it has received the documents and evidence referred to in Clause 4.1.

## **5. Notes in Book-entry Form**

- 5.1 The Notes will be issued in dematerialized form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.
- 5.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 4 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Noteholders' Agent or the Paying Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Noteholders' Agent or the Paying Agent, as applicable.
- 5.3 The Noteholders' Agent and the Paying Agent shall have the right to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Noteholders' Agent and the Paying Agent is at any time on its behalf entitled to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes.
- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Noteholders' Agent as are notified by the Noteholders' Agent, in order for such individuals to independently obtain information referred to in Clause 5.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Noteholders' Agent or unless consent thereto is given by the Noteholders.
- 5.5 The Issuer, the Noteholders' Agent and the Paying Agent may use the information referred to in Clause 5.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes or to fulfil any requirement of law or regulation and shall not disclose such information to any Noteholder or third party unless necessary for the before-mentioned purposes.

## **6. Payments in Respect of the Notes**

- 6.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- 6.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time.
- 6.3 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

## **7. Interest**

- 7.1 Each Note carries Interest at the applicable Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date.
- 7.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 7.3 Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360 -day basis).
- 7.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is one (1) percentage point higher than the Interest Rate. Accrued default interest shall not be

capitalized. No default interest shall accrue where the failure to pay was solely attributable to the Noteholders' Agent, the Paying Agent or the CSD, in which case the Interest Rate shall apply instead.

## **8. Redemption and Repurchase of the Notes**

### **8.1 *Redemption at Maturity***

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

### **8.2 *Issuer's Purchase of Notes***

The Issuer may at any time and at any price purchase any Notes on the market or in any other manner, provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Noteholders on equal terms. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

### **8.3 *Mandatory Repurchase due to a Change of Control Event (Put Option)***

- 8.3.1 Upon the occurrence of a Change of Control Event, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 101 percent of the Outstanding Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 10.1.3 (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.
- 8.3.2 The notice from the Issuer pursuant to Clause 10.1.3 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1.3. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 8.3.1.
- 8.3.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.3, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.3 by virtue of such conflict.
- 8.3.4 Any Notes repurchased by the Issuer pursuant to this Clause 8.3 may at the Issuer's discretion be retained, sold or cancelled.
- 8.3.5 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 8.3, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Notes in the manner and on the terms set out in this Clause 8.3 (or on terms more favorable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 8.3, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit. The Issuer shall not be required to repurchase any Notes pursuant to this Clause 8.3.5 if it has exercised its right to redeem all of the Notes in accordance with Clause 8.4 (*Voluntary Total Redemption*) prior to the occurrence of the Change of Control Event.
- 8.3.6 If Notes representing more than 90 percent of the aggregate Outstanding Nominal Amount of the Notes have been repurchased pursuant to this Clause 8.3, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 8.3.1 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date

pursuant to Clause 8.3.2. Such repurchase may occur at the earliest on the tenth CSD Business Day following the date of such notice.

#### **8.4 Voluntary Total Redemption**

- 8.4.1 At any time prior to the First Call Date, the Issuer may redeem all but not part of the Notes (make-whole call), at a redemption price equal to 100 percent of the principal amount of the Notes redeemed, plus the Applicable Premium as of the Redemption Date and accrued and unpaid interest to the Redemption Date, subject to the rights of Noteholders on the relevant Record Time to receive interest due on the relevant Interest Payment Date.
- 8.4.2 On or after the First Call Date, the Issuer may on any one occasion redeem all but not only part of Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest to the Redemption Date, subject to the rights of Noteholders on the relevant Record Time to receive interest due on the relevant Interest Payment Date.

<b>Months from the Issue Date</b>	<b>Redemption Price</b>
at least 24 but less than 36	102.0625 percent
at least 36 but less than 48	101.0313 percent
at least 48 and thereafter	100.00 percent

- 8.4.3 The Issuer shall give the Noteholders' Agent notice of any contemplated redemption at least five (5) Business Days prior to the notice being given to the Noteholders.
- 8.4.4 Redemption in accordance with this Clause 8.4 shall be made by the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

#### **8.5 Voluntary Partial Redemption upon an Equity Offering**

- 8.5.1 At any time and from time to time prior to the First Call Date, the Issuer may partially redeem the Notes upon not less than 30 nor more than 60 days prior notice to the Noteholders with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 104.125 percent plus accrued and unpaid interest to the Redemption Date, in an aggregate principal amount for all such redemptions not to exceed 40 percent of the original Total Nominal Amount (with all outstanding Notes being partially repaid by way of reducing the Outstanding Nominal Amount of each Note *pro rata*), provided that:
- (a) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and
  - (b) not less than 60 percent of the original Total Nominal Amount remain outstanding immediately thereafter.
- 8.5.2 Notice of any redemption upon any Equity Offering may be given prior to the completion thereof.
- 8.5.3 The Issuer shall give the Noteholders' Agent notice of any contemplated redemption at least five (5) Business Days prior to the notice being given to the Noteholders.
- 8.5.4 Any notice to the Noteholders in accordance with Clause 8.6.1 is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Notes in part at the applicable amounts. The applicable amount shall be an even amount in Euro and paid to the Person who is registered as a Noteholder at the Record Time prior to the relevant repurchase date.



## **8.6 *Early Redemption due to Withholding Tax Event***

8.6.1 At any time, the Issuer may redeem all but not part of the Notes at a redemption price equal to 100 percent of the principal amount of the Notes redeemed, plus accrued and unpaid interest to the Redemption Date, if on or after the Issue Date:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts, as a result of any change in, or amendment to, the laws or regulations of Finland or any political subdivision thereof or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after Issue Date; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts in relation to a payment in respect of the Notes then due.

8.6.2 Notice of the redemption shall be given to the Noteholders no later than 30 Business Days prior to the early redemption date.

## **8.7 *Mandatory Repurchase due to a Security Release Put Option Event***

8.7.1 Upon the occurrence of a Security Release Put Option Event, the Issuer shall, at the option of any Noteholder, upon the Noteholder giving notice to the Issuer at any time during the Put Option Redemption Period, redeem its Notes on the Put Option Redemption Date at a price equal to 100 percent of the principal amount of the Notes redeemed, plus accrued and unpaid interest to (but excluding) the Put Option Redemption Date.

8.7.2 Immediately upon the Issuer becoming aware that a Security Release Put Option Event has occurred, the Issuer shall give notice (the “**Put Option Notice**”) to the Noteholders in accordance with Clause 22.1 (*Notices*) confirming the occurrence of the Security Release Put Option Event and instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased.

8.7.3 If Notes representing more than 90 percent of the aggregate Outstanding Nominal Amount of the Notes have been repurchased pursuant to this Clause 8.7, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price equal to 100 percent of the Outstanding Nominal Amount of the Notes together with accrued but unpaid interest to the Redemption Date by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to Clause 8.7.1. Such repurchase may occur at the earliest on the tenth CSD Business Day following the date of such notice.

## **9. *Transaction Security***

### **9.1 *Transaction Security and Transaction Guarantee***

9.1.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, Transaction Security has been provided in accordance with the terms of the Transaction Security Documents entered into by and between the Issuer and certain Security Providers and the Security Agent as trustee or agent acting on behalf of the Secured Parties and as confirmed by the Security Confirmation.

9.1.2 As continuing security for the due and punctual fulfilment of the Secured Obligations, Transaction Guarantee has been issued in accordance with the terms of the Intercreditor Agreement and as confirmed by the Security Confirmation.

9.1.3 The Transaction Security will be held and administered by the Security Agent. The Transaction Security Documents or Intercreditor Agreement evidencing such Transaction Security and Transaction Guarantee, as applicable, have been and in the future will be executed, by the Security Agent for and on behalf of all the Secured Parties in accordance with the Intercreditor Agreement to which the Noteholders’ Agent is a party as an agent and representative of the Noteholders.

- 9.1.4 The Security Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or the Transaction Guarantees or for any other purposes in accordance with the terms of the Intercreditor Agreement.
- 9.1.5 The Noteholders' Agent shall be entitled to give instructions (on behalf of the Noteholders) relating to the Transaction Security and the Transaction Guarantees to the Security Agent in accordance with the Intercreditor Agreement.
- 9.1.6 The Transaction Security and Transaction Guarantee are shared among the Secured Parties. All the Secured Obligations secured by the Transaction Security or Transaction Guarantee shall rank in right and priority of payment and the Transaction Security and Transaction Guarantee shall secure the Secured Obligations, *pari passu* and *pro rata* without preference between them, except for liabilities owed to the Security Agent and certain costs incurred by the Secured Parties which have priority to enforcement proceeds relating to Transaction Security and Transaction Guarantees in accordance with Clause 13 (*Distribution of Proceeds*).
- 9.1.7 A creditor, that receives or recovers (including by way of set-off) any amount in excess of what it is permitted to receive pursuant to the Intercreditor Agreement, shall not be entitled to retain such amount and shall promptly pay such amount to the Security Agent for application in accordance with Clause 13 (*Distribution of Proceeds*).

## **9.2 Release of Transaction Security or Transaction Guarantee**

- 9.2.1 The Security Agent may at any time (without the prior consent of the Noteholders), release any Transaction Security or Transaction Guarantee in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement. For the avoidance of doubt, the remaining Transaction Security and Transaction Guarantee will continue in force with the same terms and rank in accordance with the Intercreditor Agreement.
- 9.2.2 In addition to the above Clause 9.2.1 if:
- (a) once the Issuer has received an issuer rating of BB or higher by Standard & Poor's Rating Services or corporate family rating (CFR) of Ba2 or higher by Moody's Investors Service Limited, the Secured Parties representing at least 50 percent of the Secured Obligations (calculated in accordance with the Intercreditor Agreement) agree to release all of the Transaction Security and/or the Transaction Guarantee; or
  - (b) the Secured Obligations (save for the Notes and other Senior Secured Notes) have been refinanced, are agreed to be amended to continue or pursuant to their terms and conditions may or shall continue on an unsecured and/or unguaranteed basis; and

provided in each case that:

- (i) no Event of Default is continuing;
- (ii) each noteholders' agent of the holders of the other Senior Secured Notes, if any, is pursuant to the terms and conditions of such other Senior Secured Notes (including, for the avoidance of doubt, pursuant to a separate decision by the holders of such other Senior Secured Notes) authorized to release all the Transaction Security and/or the Transaction Guarantee with respect to such Senior Secured Notes or would become authorized to do so automatically as a result of the Noteholders' Agent taking the necessary release actions pursuant to this Clause 9.2.2; and
- (iii) the release of the Transaction Security and/or the Transaction Guarantee will be effected simultaneously with respect to all the Secured Obligations,

the Noteholders' Agent is authorized and shall, at the request of the Issuer and subject to the Issuer providing evidence satisfactory to the Noteholders' Agent that the conditions above have been or will, on the release date, be satisfied, take any action required to release (or instruct the Security Agent to

release) the Transaction Security and/or the Transaction Guarantee, as applicable, on behalf of the Noteholders without separate consent from the Noteholders. The Noteholders' Agent shall enter into required documents and agreements with the Security Agent and any other party and take any other actions in order to effect the release at the cost of the Issuer. The effective date for the release of all the Transaction Security and/or the Transaction Guarantee by the Security Agent in accordance with the above shall constitute the "**Security Release Event**".

9.2.3 In addition to the above Clause 9.2.1 if:

- (a) once the Issuer has received an issuer rating of BB or higher by Standard & Poor's Rating Services or corporate family rating (CFR) of Ba2 or higher by Moody's Investors Service Limited, the Secured Parties representing at least 50 percent of the Secured Obligations (calculated in accordance with the Intercreditor Agreement) agree to release a part of the Transaction Security and/or the Transaction Guarantee; or
- (b) the Issuer or a Security Provider sells, transfers or otherwise disposes of any assets subject to Transaction Security to the Issuer or another Security Provider, and such assets become covered by Transaction Security provided by such recipient Security Provider or corresponding new Transaction Security is granted by such recipient Security Provider; or
- (c) a Security Provider (other than the Issuer) is to cease to exist as result of a merger, demerger, corporate reorganization or solvent liquidation not prohibited under these Terms and Conditions; and

provided, in each case, that:

- (i) no Event of Default is continuing;
- (ii) each noteholders' agent of the holders of the other Senior Secured Notes, if any, is pursuant to the terms and conditions of such other Senior Secured Notes (including, for the avoidance of doubt, pursuant to a separate decision by the holders of such other Senior Secured Notes) authorized to release such part of the Transaction Security and/or the Transaction Guarantee with respect to such Senior Secured Notes or would become authorized to do so automatically as a result of the Noteholders' Agent taking the necessary release actions pursuant to this Clause 9.2.3; and
- (iii) the release of such part of the Transaction Security and/or the Transaction Guarantee will be effected simultaneously with respect to all the Secured Obligations;

the Noteholders' Agent is authorized and shall, at the request of the Issuer and subject to the Issuer providing evidence satisfactory to the Noteholders' Agent that the conditions above have been or will, on the release date, be satisfied, take any action required to release (or instruct the Security Agent to release) the part to be released of the Transaction Security and/or part of the Transaction Guarantee, as applicable, on behalf of the Noteholders without separate consent from the Noteholders. The Noteholders' Agent shall enter into required documents and agreements with the Security Agent and any other party and take any other actions in order to effect the release at the cost of the Issuer.

### **9.3 *Enforcement of Transaction Security or Transaction Guarantee***

9.3.1 Only the Security Agent may exercise the rights under the Transaction Security Documents and the Transaction Guarantee and only the Security Agent has the right to enforce the Transaction Security and the Transaction Guarantee based on the instructions given by the Instructing Group under the Intercreditor Agreement.

9.3.2 The Noteholders shall not be entitled, individually or collectively, to take any direct action to enforce any rights in their favor under the Transaction Security Documents or the Transaction Guarantee.

9.3.3 The Security Agent shall enforce the Transaction Security and Transaction Guarantee in accordance with the terms of the Transaction Security Documents and Intercreditor Agreement.

9.3.4 All security and/or guarantee or arrangement having similar effects may be released by the Security Agent, without need for any further referral to or authority from anyone in case of a distress disposal or an appropriation in accordance with the Intercreditor Agreement.

#### **9.4 Replacing Guarantee and Replacing Security**

9.4.1 If a Security Release Event has occurred and any time after that a guarantee(s) or security is provided for creditors of the Issuer or any Group Company that would result in the level referred to in paragraph (o) under Clause 11.6.3 or paragraph (h) under Clause 11.7 (*Subsidiary Guarantees*) being exceeded, the Issuer undertakes to (and procures that Group Companies, as applicable, will) provide the Noteholders (represented by the Noteholders' Agent):

- (a) a guarantee securing the obligations under these Terms and Conditions equally and ratably with any guarantee to be given for such creditors (the "**Replacing Guarantee**"); or
- (b) any security securing the obligations under these Terms and Condition equally and ratably with any security to be given for such creditors (the "**Replacing Security**"), as applicable.

9.4.2 The Noteholders' Agent shall be entitled to enter into any document (on behalf of the Noteholders) evidencing any Replacing Guarantee or Replacing Security, and is hereby authorized to give instructions relating to the Replacing Security and the Replacing Guarantees on behalf of the Noteholders.

9.4.3 In relation to the Replacing Guarantee and Replacing Security the Noteholders Agent shall be entitled to (i) enter into any Subsequent Intercreditor Agreement on behalf of the Noteholders, provided that the ranking of external debt of the Group and the priority of payments among such debt in accordance therewith is not less beneficial to the Noteholders than under the Intercreditor Agreement in force on the Issue Date and (ii) to appoint any Replacing Security Agent (or act as the Replacing Security Agent, if there is no appropriate option among the creditor representatives for the other Secured Parties, if any).

### **10. Information to Noteholders**

#### **10.1 Information from the Issuer**

10.1.1 The Issuer will make the following information available to the Noteholders by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event by the relevant date (prescribed under the Finnish Securities Market Act and the rules and regulations of the Relevant Market) after the end of each financial year, its audited consolidated financial statements for that financial year and annual report;
- (b) as soon as the same become available, but in any event by the relevant date (prescribed under the rules and regulations of the Relevant Market) after the end of each quarter of its financial year, its consolidated financial statements or the year-end report (Fin: *tilinpäätöstiedote*) (as applicable) for such period;
- (c) as soon as practicable following an acquisition or disposal by a Group Company of Notes in an amount exceeding 10 percent of the aggregate Nominal Amount of the Notes, the aggregate Nominal Amount of the Notes held by the Group Companies and the amount of Notes cancelled by the Issuer;
- (d) any other information required to be disclosed under the Market Abuse Regulation (EU No 596/2014) and the Finnish Securities Market Act and the rules and regulations of the Relevant Market; and
- (e) any other information that would, if the Notes were as of the Issue Date listed on the Relevant Market, be required pursuant to the Rules of the Exchange of Nasdaq Helsinki Ltd (as in force from time to time and on the Issue Date being Rules 5.3.2.3 (*Auditor's report*) and 5.3.3 (*Other disclosure requirements*)).

- 10.1.2 The Issuer will inform as soon as practicable at the request of the Noteholders' Agent, the aggregate Nominal Amount of the Notes held by the Group Companies and the amount of Notes cancelled by the Issuer.
- 10.1.3 The Issuer shall immediately notify the Noteholders and the Noteholders' 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 and be conditional upon the occurrence of such Change of Control Event if a definitive agreement is in place providing for a Change of Control Event.
- 10.1.4 The Issuer shall immediately notify the Noteholders' Agent upon the release of any Transaction Security/ Replacing Security or Transaction Guarantee/ Replacing Guarantee, as applicable, unless published in accordance with Clause 10.1.1 or unless the Noteholders' Agent has been notified thereof pursuant to the Intercreditor Agreement.
- 10.1.5 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Noteholders' Agent upon request by the Noteholders' Agent.
- 10.1.6 The Issuer shall upon:
- (a) the incurrence of Interest Bearing Debt:
    - (i) in respect of which the Issuer is required to make a disclosure (in accordance with paragraphs 10.1.1(d) or 10.1.1(e) under Clause 10.1.1); or
    - (ii) in respect of incurrence of Interest Bearing Debt (other than any utilization of any credit facility existing on the Issue Date (or facility replacing such facility provided the amount does not exceed the existing facility) or issuance of commercial paper or owed to another Group Company) the amount of which is greater than or equal to EUR 50,000,000 (or its equivalent in other currencies); or
  - (b) a Material Group Company merging with a Person other than another Group Company; or
  - (c) a Material Group Company demerging, if as a result of such demerger or reorganization any assets and/or operations would be transferred to a Person not being a Group Company,
- submit to the Noteholders' Agent a compliance certificate in the form of Appendix 1 (*Form of Compliance Certificate*) hereto setting out calculations and figures as to whether the Incurrence Test referred to in Clause 11.10 (*Financial Undertakings*) is met for the purposes of Clause 11.2.1 and Clause 11.4.1 or, in the case of incurrence of Financial Indebtedness while the Incurrence Test is not met, detailing the type and amount of such Financial Indebtedness permitted in Clause 11.2.2, and, in each case containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it).
- 10.1.7 The Issuer shall upon request by the Noteholders' Agent, submit to the Noteholders' Agent a list of entities that were Material Group Companies on the basis of the audited consolidated financial statements last published.
- 10.1.8 The Issuer shall immediately notify the Noteholders' 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 Noteholders' Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Noteholders' Agent not receive such information, the Noteholders' Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Noteholders' Agent does not have actual knowledge of such event or circumstance.
- 10.1.9 The Issuer shall immediately notify the Noteholders' Agent upon the occurrence of the Reversion Date.

## **10.2 Information from the Noteholders' Agent**

Subject to the restrictions of a non-disclosure agreement entered into by the Noteholders' Agent with the Issuer, the Noteholders' Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Noteholders' Agent shall notify the Noteholders of the occurrence of an Event of Default in accordance with Clause 12.3.

## **10.3 Publication of Finance Documents**

The latest version of these Terms and Conditions shall be available on the websites of the Issuer and the Noteholders' Agent. The other Finance Documents shall be available for review to the Noteholders and prospective Noteholders at the office of the Issuer and Noteholders' Agent during normal business hours.

## **11. Undertakings**

### **11.1 General**

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 11 for so long as the Notes remain outstanding.

### **11.2 Financial Indebtedness**

11.2.1 Except as provided under Clause 11.2.2, the Issuer shall not (and shall procure that no other Group Company will) incur any Financial Indebtedness, provided that the Issuer and such Group Company may incur Financial Indebtedness if:

- (a) no Event of Default is continuing or would occur as a result thereof; and
- (b) the Incurrence Test is met (for the avoidance of doubt meaning that the Incurrence Test level measured in accordance with Clause 11.10 (*Financial Undertakings*) shall not be exceeded).

11.2.2 Notwithstanding Clause 11.2.1, the Issuer and any other Group Company may incur Financial Indebtedness:

- (a) arising under the Finance Documents;
- (b) existing on the Issue Date and specified in Appendix 2 (*Certain Existing Financial Indebtedness*) (including any unutilized parts thereof) and any refinancing thereof provided that the principal amount of such refinancing does not exceed the principal amount of the Existing Financial Indebtedness being refinanced and that the borrower in respect of such refinancing is the same as the borrower of the Financial Indebtedness being refinanced;
- (c) arising under hedging transactions entered into in the ordinary course of business in connection with, *e.g.*, protection against interest rate, currency or commodity price fluctuations but excluding speculative hedging purposes;
- (d) in respect of which a Group Company is the creditor;
- (e) arising under a Permitted Guarantee;
- (f) any guarantee for or constituting Financial Indebtedness permitted by the other paragraphs set out in this Clause 11.2.2 (provided that after the Security Release Event such guarantees are in compliance with Clause 11.7 (*Subsidiary Guarantees*));
- (g) of any person acquired by a Group Company after the date of the Issue Date which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six months following the date of acquisition;

- (h) under Finance Leases of vehicles, plant, land, equipment or computers, provided that the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed EUR 400,000,000 (or its equivalent in other currencies) at any time;
- (i) any commercial paper issued by the Issuer;
- (j) arising under or in respect of any Pension Loan;
- (k) in connection with any cash pooling, netting or setting off arrangement entered into by members of the Group in the ordinary course of their banking arrangements for the purposes of netting debit and credit balances of members of the Group including any overdraft, intra-day limit and other credit facility granted for any such arrangement;
- (l) arising under any Asset Backed Lending;
- (m) arising under a sale of receivables on a recourse basis and the aggregate amount of all trade receivables so secured or sold does not exceed EUR 50,000,000 (or its equivalent in other currencies) at any time;
- (n) any amount of any liability under an agreement in respect of the supply of assets or services under which payment is due no more than 120 days after the date of supply (or such longer period as reflects the payment terms agreed with the supplier as a result of any standard supplier finance programs or where such longer payment terms reflect the ordinary payment terms offered by that supplier); and
- (o) not permitted by the preceding paragraphs the outstanding principal amount of which does not exceed the higher of EUR 250,000,000 (or its equivalent in other currencies) or 5 percent of Total Assets in aggregate for all members of the Group.

### **11.3 Continuation of Business**

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

### **11.4 Mergers and De-mergers**

11.4.1 The Issuer shall not (and shall procure that no other Material Group Company will) carry out:

- (a) any merger (or other business combination or corporate reorganization involving the consolidation of assets and obligations) of the Issuer or such other Material Group Company with any other Person (other than (i) a Group Company provided that the Issuer (if involved) is the surviving entity or (ii) a Person other than a Group Company but then provided that (A) if that Material Group Company is the surviving entity, the Incurrence Test is met and (B) if that Material Group Company (other than the Issuer) is not the surviving entity, the Incurrence Test is met and the merger consideration, to the extent payable in cash, is applied in accordance with Clause 11.5.2 (if such application would be required if the merger would have been carried out as a disposal));
- (b) any demerger (or a corporate reorganization having the same or equivalent effect) of the Issuer;
- (c) any demerger (or a corporate reorganization having the same or equivalent effect) of a Material Group Company other than the Issuer, if as a result of such demerger or reorganization any assets and/or operations would be transferred to a Person not being a Group Company, unless the Incurrence Test is met and the demerger consideration, to the extent in cash, is applied in accordance with Clause 11.5.2 (if such application would be required if the merger would have been carried out as a disposal); or
- (d) any liquidation of the Issuer.

11.4.2 Each Noteholder agrees, with respect to the Notes it holds, not to exercise, and hereby waives in advance, its right in accordance with the Finnish Companies Act (Fin: *Osaakeyhtiölaki* 624/2006, as amended) to object to any merger or demerger if (and only if) such merger or demerger (as applicable) (a) is not prohibited under these Terms and Conditions or (b) has been consented to by the Noteholders in a Noteholders' Meeting or by way of a Written Procedure.

### **11.5 Disposals**

11.5.1 The Issuer shall not (and shall procure that no other Group Company will) sell, transfer or otherwise dispose of all or a substantial part of the Group's assets (including shares or other securities in any Person) or operations (other than to the Issuer or a Group Company), outside the ordinary course of trading of the Group, unless such sale, transfer or disposal:

- (a) is lawful payment of dividends or other distribution of funds in compliance with applicable company law; or
- (b) is carried out at fair market value on terms and conditions customary for such transactions provided that at least 75 percent of such disposal proceeds shall be in the form of:
  - (i) cash;
  - (ii) cash equivalents; and/or
  - (iii) Designated Non-cash Consideration having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Clause 11.5 that is at any one time outstanding, not exceeding the greater of 1.5 percent of total assets of the Group and EUR 100 million (the fair market value of each issue of Designated Non-cash consideration being measured at the time received and without giving effect to subsequent changes in value); or
- (c) is arising under a sale of receivables on a non-recourse basis.

11.5.2 If any cash and cash equivalent proceeds from a sale, transfer or disposal of assets (whether by a single transaction or a series of transactions that can be deemed a single transaction and other than cash and cash equivalents received from any sale of receivables or relating to the cash management of the Group) referred to in Clause 11.5.1 above exceed EUR 50,000,000 (or its equivalent in other currencies), to the extent such cash and cash equivalent proceeds exceed EUR 50,000,000 (or its equivalent in other currencies) (such excess, the "**Cash Proceeds**"), the Issuer:

- (a) may within twelve (12) months after receipt thereof apply, and/or cause such Group Company to apply, such Cash Proceeds at its option only to make an investment in properties and/or current and non-current assets that will be used in the business of the Group or in repayment or discharge of any Financial Indebtedness incurred by the Group Companies; and
- (b) shall, to the extent the Cash Proceeds are not applied in accordance with paragraph (a) above, apply the remaining Cash Proceeds towards repayment or discharge of any Financial Indebtedness incurred by the Group Companies without delay after the expiry of the twelve (12) month period referred to in (a) above,

or as an alternative way to fulfil the requirement under paragraphs (a) and (b) the Issuer may offer to repurchase the Notes for the higher of (i) their Outstanding Nominal Amount and (ii) the fair market value of the Notes, in which case the requirement under paragraphs (a) and (b) shall be deemed fulfilled irrespective of whether any Notes are so repurchased.

11.5.3 For the avoidance of doubt, Cash Proceeds required to be applied in accordance with Clause 11.5.2 above shall be only the amount in excess of EUR 50,000,000.

### **11.6 Negative Pledge**

11.6.1 Except as provided under Clause 11.6.2 or Clause 11.6.3 (as applicable), the Issuer shall not (and shall procure that no other Material Group Company will):



- (a) create or allow to subsist any Security over any of its assets;
- (b) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or reacquired by any Group Company;
- (c) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (d) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (e) enter into any other preferential arrangement having a similar effect,

in respect of items (b) to (e), in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

11.6.2 Prior to the Security Release Event Clause 11.6.1 does not apply to:

- (a) any Transaction Security;
- (b) any Replacing Security;
- (c) any lien or set-off arrangement arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (d) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group and any lien arising under the general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*) with whom any Group Company maintains a banking relationship in the ordinary course of business;
- (e) any payment or close out netting or set-off arrangement pursuant to any hedging transaction or foreign exchange transaction entered into by a Group Company which constitutes Financial Indebtedness permitted under the Clause 11.2.2, including any security or security like arrangement under a hedging agreement or credit support arrangements related to a hedging agreement entered into in the ordinary course of business, provided that the liabilities secured by security or security like arrangement under all such hedging agreements and credit support arrangements do not exceed EUR 100,000,000 (or its equivalent) in aggregate;
- (f) any Security over or affecting any asset or business of any company which becomes a Group Company, or pertaining to any asset or business acquired by a Group Company, after the Issue Date, where the Security is created prior to the date on which that company becomes a Group Company, or that asset or business is acquired by a Group Company, if: (i) the Security was not created in contemplation of the acquisition of that company, asset or business; (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company, asset or business; and (iii) the Security is removed or discharged within six months of that company becoming a Group Company or that asset or business being acquired by a Group Company;
- (g) any Security arising under any retention of title, extended retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (h) any Security arising as a consequence of any Finance Lease permitted pursuant to these Terms and Conditions;
- (i) any Security securing indebtedness under any Pension Loans or other pension obligations;
- (j) (i) any Security granted by Outokumpu Stainless USA, LLC (or any other Group Company the jurisdiction of incorporation or organization of which is a state of the

United States or the District of Columbia) and/or Outokumpu Europe Oy over its trade receivables, inventory, bank account and any credit insurance; or

- (ii) any second ranking Security granted by Outokumpu Stainless USA, LLC (or any other Group Company the jurisdiction of incorporation or organization of which is a state of the United States or the District of Columbia) and/or Outokumpu Europe Oy over plant and machinery on customary terms and subject to customary intercreditor arrangements between the Secured Parties and the lenders in respect of any Asset Backed Lending,

as security for its indebtedness under any Asset Backed Lending;

- (k) any lien created or subsisting in order to comply with section 8a of the German "Altersteilzeitgesetz" or pursuant to section 7e of the German Social Law Act No. 4 (*Sozialgesetzbuch IV*) or in connection with any trustee arrangement to secure payment obligations pursuant to pension schemes and or social plans;
- (l) any Security created in favor of a tax authority where a Group Company is contesting a tax claim in good faith;
- (m) any Security in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
- (n) arising under a sale of receivables on a recourse basis and the aggregate amount of all trade receivables so secured or sold does not exceed EUR 50,000,000 (or its equivalent in other currencies) at any time;
- (o) any Security relating to the Kemi Deep Mine Project or the Project Manga;
- (p) any Security relating to the Project Manga or any other joint venture or investment project in which any Group Company is a party not exceeding in aggregate EUR 150,000,000 (or its equivalent in other currencies) at any time; and
- (q) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any Group Company other than any permitted under paragraphs (a) to (p) above) does not exceed the higher of EUR 250,000,000 (or its equivalent in other currencies) or 4 percent of Total Assets (before the Security Release Event).

11.6.3 After the Security Release Event, Clause 11.6.1 shall not apply to:

- (a) any lien or set-off arrangement arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (b) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group and any lien arising under the general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*) with whom any Group Company maintains a banking relationship in the ordinary course of business;
- (c) any payment or close out netting or set-off arrangement pursuant to any hedging transaction or foreign exchange transaction entered into by a Group Company which constitutes Financial Indebtedness permitted under the Clause 11.2.2, excluding any credit support arrangement to the extent the aggregate amount of such credit support arrangements exceed EUR 50,000,000;
- (d) any Security over or affecting any asset or business of any company which becomes a Group Company, or pertaining to any asset or business acquired by a Group Company, after the Issue Date, where the Security is created prior to the date on which that company becomes a Group Company, or that asset or business is acquired by a Group Company, if: (i) the Security was not created in contemplation of the acquisition of that company, asset or business; (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that

company, asset or business; and (iii) the Security is removed or discharged within six months of that company becoming a Group Company or that asset or business being acquired by a Group Company;

- (e) any Security arising under any retention of title, extended retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (f) any Security arising as a consequence of any Finance Lease permitted pursuant to these Terms and Conditions;
- (g) any Security securing indebtedness under any Pension Loans or other pension obligations;
- (h)
  - (i) any Security granted by Outokumpu Stainless USA, LLC (or any other Group Company the jurisdiction of incorporation or organization of which is a state of the United States or the District of Columbia) and/or Outokumpu Europe Oy over its trade receivables, inventory, bank account and any credit insurance; or
  - (ii) any second ranking Security granted by Outokumpu Stainless USA, LLC (or any other Group Company the jurisdiction of incorporation or organization of which is a state of the United States or the District of Columbia) and/or Outokumpu Europe Oy over plant and machinery on customary terms and subject to customary intercreditor arrangements between the Secured Parties and the lenders in respect of any Asset Backed Lending,

as security for its indebtedness under any Asset Backed Lending;

- (i) any lien created or subsisting in order to comply with section 8a of the German "Altersteilzeitgesetz" or pursuant to section 7e of the German Social Law Act No. 4 (Sozialgesetzbuch IV) or in connection with any trustee arrangements to secure payment obligations pursuant to pension schemes and or social plans;
- (j) any Security created in favor of a tax authority where a Group Company is contesting a tax claim in good faith;
- (k) any Security in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
- (l) any Replacing Security securing equally and rateable the Issuer's obligations under these Terms and Conditions;
- (m) arising under a sale of receivables on a recourse basis and the aggregate amount of all trade receivables so secured or sold does not exceed EUR 50,000,000 (or its equivalent in other currencies) at any time;
- (n) any Security relating to the Kemi Deep Mine Project; and
- (o) any Security not permitted pursuant to paragraphs (a) to (n) securing Financial Indebtedness that in aggregate does not exceed 7.5 percent of the Group's total consolidated assets at any given time unless the granting of such Security is required by law.

### **11.7 *Subsidiary Guarantees***

At any time after the Security Release Event, the Issuer shall procure that none of its Subsidiaries grant guarantees in respect of the Interest Bearing Debt of the Issuer or any other Group Company, except for:

- (a) guarantees by such Subsidiaries for the obligations of their Subsidiaries;
- (b) guarantees by such Subsidiaries for the obligations of any other Group Company in favor of another Group Company;

- (c) the Transaction Guarantees;
- (d) the endorsement of negotiable instruments in the ordinary course of trade;
- (e) any guarantee given in respect of the cashpooling, netting or set-off arrangements permitted under the Terms and Conditions including any overdraft, intra-day limit and other credit facility granted for any such arrangement;
- (f) any counter-indemnity in respect of any guarantee issued by the Issuer in respect of any indebtedness of such Subsidiary;
- (g) any Replacing Guarantee and any corresponding guarantee granted for a third party; and
- (h) any guarantee guaranteeing Financial Indebtedness (not permitted pursuant to paragraphs (a) - (g)) that in aggregate does not exceed 7.5 percent of the Group's total consolidated assets at any given time unless the granting of such guarantee is required by law.

#### **11.8 Compliance with Laws**

The Issuer shall (and shall procure that each other Group Company will) comply with all laws and regulations to which it may be subject from time to time, if failure so to comply would materially impair its ability to perform its payment obligations under the Notes.

#### **11.9 Related Party Transactions**

The Issuer shall (and shall procure that each other Group Company will) conduct all dealings with the direct and indirect shareholders of the Group Companies and/or any Affiliates of such direct or indirect shareholders at arm's length.

#### **11.10 Financial Undertakings**

11.10.1 The Incurrence Test for the purposes of Clause 11.2.1 and Clause 11.4.1 (when applicable) is met (for the avoidance of doubt meaning that the Incurrence Test level defined below shall not be exceeded) if the ratio of Net Interest Bearing Debt to Shareholders' Equity (*Gearing*) does not exceed 100 percent, calculated in accordance with the calculation principles set out in this Clause 11.10.

11.10.2 The ratio of Net Interest Bearing Debt to Shareholders' Equity for purposes of the Incurrence Test shall be calculated in accordance with the Accounting Principles and by reference to the latest financial statements published pursuant to paragraphs 10.1.1(a) and 10.1.1(b) of Clause 10.1.1 and using end of the period values for balance sheet items but the Net Interest Bearing Debt shall (a) in respect of an Incurrence Test for the purposes of Clause 11.2.1 include the new Interest Bearing Debt incurred and (b) in respect of an Incurrence Test for the purposes of Clause 11.4.1(a) the figures for Shareholders' Equity and Net Interest Bearing Debt shall be adjusted so that the effect of merging entities shall be included.

#### **11.11 Admission to Trading**

11.11.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Relevant Market, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading or traded on another regulated market or multilateral trading facility (each as defined in Directive 2004/39/EC on markets in financial instruments).

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

### **11.12 Undertakings Relating to the Agency Agreement**

11.12.1 The Issuer shall, in accordance with the Agency Agreement:

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

11.12.2 The Issuer and the Noteholders' Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

### **11.13 Suspension of Covenants on Achievement of Investment Grade Status**

11.13.1 If on any date following the Issue Date, the Issuer have achieved Investment Grade Status and no Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until the Reversion Date (such period, the "**Suspension Period**"), the provisions of the following Clauses will not apply to the Notes: Clause 11.2 (*Financial Indebtedness*), Clause 11.4 (*Mergers and De-mergers*), Clause 11.5 (*Disposals*), Clause 11.7 (*Subsidiary Guarantees*) and Clause 11.10 (*Financial Undertakings*) and, in each case, any related default provision of the Terms and Conditions will cease to be effective and will not be applicable to the Group. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer taken during the continuance of the Suspension Event in compliance with these Terms and Conditions as applicable during the Suspension Period.

11.13.2 As of the Reversion Date, any Financial Indebtedness incurred during the continuance of the Suspension Event will be construed as follows:

- (a) All bilateral and syndicated loans and credit facilities entered into as well as secured, unsecured or convertible notes issued by any Group Company during the Suspension Period and existing on the Reversion Date shall be deemed to be listed in Appendix 2 (*Certain Existing Financial Indebtedness*) and as having existed on the Issue Date for the purposes of paragraph 11.2.2(b) of Clause 11.2.2;
- (b) Any liability arising under any guarantee granted or other commitment (including but not limited to those listed in the definition Permitted Guarantee) undertaken by a Group Company during the Suspension Period shall be deemed to arise under a Permitted Guarantee for the purposes of paragraph 11.2.2(e) of Clause 11.2.2;
- (c) Any Financial Indebtedness under any Finance Lease of vehicles, plant, land, equipment or computers entered into during the Suspension Period shall be excluded for the purposes of paragraph 11.2.2(h) of Clause 11.2.2;
- (d) Any asset based lending facilities entered into by any Group Company during the Suspension Period shall be deemed an Asset Backed Lending for the purposes of paragraph 11.2.2(l) of Clause 11.2.2; and
- (e) Any receivables sold on a recourse basis during the Suspension Period shall be excluded for the purposes of paragraph (m) of Clause 11.2.2.

11.13.3 Any disposal within the meaning of Clause 11.5.1 to which a Group Company has committed during the Suspension Period shall not be construed as a disposal for the purposes of Clause 11.5 (*Disposals*).

11.13.4 Any guarantee to the granting of which a Subsidiary of the Issuer has committed during the Suspension Period shall be excluded for the purposes of Clause 11.7 (*Subsidiary Guarantees*);

11.13.5 There can be no assurance that the Notes will ever achieve or maintain Investment Grade Status.

## **12. Acceleration of the Notes**

12.1 Except as may be restricted pursuant to Clause 12.7, the Noteholders' Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least 25 percent of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Noteholders' Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 12.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Noteholders' Agent determines, and/or (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer or any other Material Group Company does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above) and such non-compliance has a detrimental effect on the interests of the Noteholders, unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within twenty (20) Business Days of the earlier of the Noteholders' Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) the Issuer or any other Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any material asset of the Issuer or any other Material Group Company and is not discharged within fourteen (14) Business Days;
- (f) any Financial Indebtedness of the Issuer or any other Material Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (f) if (i) any relevant payment to be made is contested in good faith and as long as it has not resulted in a payment obligation of the relevant Group Company (confirmed by a court, arbitral tribunal or a government authority, subject to Clause 12.5) or (ii) the aggregate amount of Financial Indebtedness referred to herein is less than EUR 20,000,000 (or its equivalent in other currencies); or
- (g) the Issuer or any other Material Group Company ceases or threatens to cease all or a material part of its business other than as a result of a sale, transfer or other disposal of assets by a Material Group Company not prohibited under these Terms and Conditions or a merger, demerger, corporate reorganization (having the same or equivalent effect as a merger or

demerger) or solvent liquidation of or by a Material Group Company other than the Issuer prohibited under these Terms and Conditions.

- 12.2 The Noteholders' Agent may not accelerate the Notes in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing.
- 12.3 The Noteholders' Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Noteholders' Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Noteholders' Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Noteholders' Agent shall, within twenty (20) Business Days of the date on which the Noteholders' Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days), decide if the Notes shall be so accelerated. If the Noteholders' Agent decides not to accelerate the Notes, the Noteholders' Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Noteholders' Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.
- 12.4 If the Noteholders instruct the Noteholders' Agent to accelerate the Notes, the Noteholders' Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Noteholders Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, subject to the terms of the Intercreditor Agreement, unless the relevant Event of Default is no longer continuing.
- 12.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal 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.
- 12.6 In the event of an acceleration of the Notes in accordance with this Clause 12, the Issuer shall redeem all Notes at an amount per Note equal to 100 percent of the Nominal Amount.
- 12.7 Pursuant to the Intercreditor Agreement the Noteholders and the Noteholders' Agent are restricted from taking enforcement action in respect of the Finance Documents without a consent of the holders of more than 66 2/3 percent of the Secured Obligations (as more precisely calculated in accordance with the Intercreditor Agreement constituting Majority Senior Creditors under the Intercreditor Agreement), except for:
- (a) in insolvency proceedings taking any enforcement action, other than in respect of enforcement of Transaction Security or entering into any compromise with the Issuer or any Guarantor being the subject of the insolvency proceeding;
  - (b) making a claim in the winding-up, dissolution, administration, reorganization or similar insolvency event of the Issuer or a Guarantor for liabilities under the Notes owed to the Noteholders;
  - (c) following the occurrence of an Event of Default acceleration of the Notes or other Secured Obligations owed to the Noteholders or the Noteholders' Agent in accordance with these Terms and Conditions; and
  - (d) suing for, commencing or joining any legal or arbitration proceedings against the Issuer or any provider of Transaction Security or Transaction Guarantee to recover the Secured Obligations owed to the Noteholders in accordance with these Terms and Conditions.

### **13. Distribution of Proceeds**

- 13.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 12 (*Acceleration of the Notes*) or any other Secured Obligations in accordance with their terms or otherwise received by the Security Agent with respect to the Secured Obligations in accordance with the Intercreditor Agreement and any proceeds received from an

enforcement of the Transaction Security and the Transaction Guarantee (in each case to the extent proceeds from the Transaction Security and the Transaction Guarantee can be applied towards satisfaction of the Secured Obligations) shall be distributed as set out in the Intercreditor Agreement in the following order:

- (a) *firstly*, in or towards payment *pro rata* and *pari passu* basis in discharging any sums owing to the Security Agent, any receiver or any delegate of the Security Agent;
- (b) *secondly*, on a *pro rata* and *pari passu* basis, in discharging all costs and expenses incurred by any senior creditor in connection with any realization or enforcement of the Transaction Security or Transaction Guarantees taken in accordance with the Intercreditor Agreement or any action taken at the request of the Security Agent in accordance with the Intercreditor Agreement;
- (c) *thirdly*, on a *pro rata* basis to the Secured Parties for application towards the discharge of Secured Obligations (not covered by the above paragraphs);
- (d) *fourthly*, if none of the debtors under the Intercreditor Agreement is under any further actual or contingent liability under the documents evidencing Secured Obligations, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any such debtor; and
- (e) *fifthly*, the balance if any, in payment or distribution to the relevant debtor.

13.2 Any amount which in compliance with the Intercreditor Agreement (if applicable) is payable in respect of the Notes shall be applied in the following order of priority, in accordance with the instructions of the Noteholders' Agent:

- (a) *firstly*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Noteholders' Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Paying Agent in accordance with the Paying Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, exercising rights for the enforcement of Transaction Security, Transaction Guarantee, Replacing Security or Replacing Guarantee or the protection of the Noteholders' rights in each case as may have been incurred by the Noteholders' Agent, (iii) any costs incurred by the Noteholders' Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.3.7, and (iv) any costs and expenses incurred by the Noteholders' Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.12;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 7.4;
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer or the Security Provider, that provided Transaction Security/ Transaction Guarantee or Replacing Security/ Replacing Guarantee that was enforced, as appropriate.

13.3 If a Noteholder or another party has with the consent of the Noteholders' Agent paid any fees, costs, expenses or indemnities referred to in Clause 13.2(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.2(a).

13.4 Funds that the Noteholders' Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security or Transaction Guarantee or Replacing Security or Replacing Guarantee, as applicable, constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Noteholders'



Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.

- 13.5 If the Issuer or the Noteholders' Agent shall make any payment under this Clause 13, the Issuer or the Noteholders' Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Time specified in Clause 6.1 shall apply.

#### **14. Right to Act on Behalf of a Noteholder**

- 14.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorizing such Person or provide other evidence of ownership or authorization satisfactory to the Noteholders' Agent.
- 14.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 14.3 The Noteholders' Agent shall only have to examine the face of a power of attorney or other evidence of authorization that has been provided to it pursuant to Clause 14.1 and may assume that it has been duly authorized, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Noteholders' Agent.

#### **15. Decisions by Noteholders**

- 15.1 A request by the Noteholders' Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Noteholders' Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least 10 percent of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the Noteholders' Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Noteholders' Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Noteholders' Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the opinion of the Noteholders' Agent more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Noteholders' Agent shall have the right to decide where such matter shall be dealt with.
- 15.3 The Noteholders' Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Noteholders' Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 14 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:
- (a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 16.3, in respect of a Noteholders' Meeting, or
  - (b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,

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

15.5 The following matters shall require the consent of Noteholders representing at least 75 percent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 and 2.7;
- (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 8 (*Redemption and Repurchase of the Notes*);
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of Proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (g) a release of the Transaction Security or Transaction Guarantee provided under the Transaction Security Documents or Intercreditor Agreement, as applicable, (except in accordance with the Intercreditor Agreement and Clause 9.2 (*Release of Transaction Security or Transaction Guarantee*));
- (h) any amendment of the Intercreditor Agreement or replacement by Subsequent Intercreditor Agreement whereby the ranking of external debt of the Group and the priority of payments among such debt becomes less beneficial to the Noteholders than under the Intercreditor Agreement in force on the Issue Date;
- (i) any amendment or release of any Transaction Security Document (subject to the terms of the Intercreditor Agreement and not covered by Clause 18 (*Amendments and Waivers*));
- (j) a mandatory exchange of the Notes for other securities; and
- (k) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 12 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 50 percent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 18.1(a), (b), (d), (e), (f), (g) or (h) which does not require any further consent of the Noteholders) or an acceleration of the Notes or the exercise of the rights of the Noteholders to enforce any Transaction Security, Transaction Guarantee, Replacing Security or Replacing Guarantee, as applicable.

15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least 50 percent of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise 20 percent of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorized representatives); or

- (b) if in respect of a Written Procedure, reply to the request.
- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Noteholders' Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 Any decision which extends or increases the obligations of the Issuer or the Noteholders' Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Noteholders' Agent, under the Finance Documents shall be subject to the Issuer's or the Noteholders' Agent's consent, as applicable.
- 15.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 15.12 All costs and expenses incurred by the Issuer or the Noteholders' Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Noteholders' Agent, shall be paid by the Issuer.
- 15.13 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Noteholders' Agent provide the Noteholders' Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such Person is directly registered as owner of such Notes. The Noteholders' Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company.
- 15.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Noteholders' Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Noteholders' Agent, as applicable.

## **16. Noteholders' Meeting**

- 16.1 The Noteholders' Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2 Should the Issuer want to replace the Noteholders' Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Noteholders' Agent. After a request from the Noteholders pursuant to Clause 19.5.4, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1.
- 16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

16.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice.

16.5 Without amending or varying these Terms and Conditions, the Noteholders' Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Noteholders' Agent may deem appropriate.

## **17. Written Procedure**

17.1 The Noteholders' Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.

17.2 Should the Issuer want to replace the Noteholders' Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Noteholders' Agent.

17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.

17.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.5 or 15.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18. Amendments and Waivers**

18.1 The Issuer and the Noteholders' Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document (or where such amendment or waiver is restricted by the Intercreditor Agreement take such action in respect of the Notes as may be taken with a view to such amendment or waiver being made in accordance with the Intercreditor Agreement), provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*); or
- (d) such amendment is needed for the release of the Transaction Security in accordance with Clause 9.2 (*Release of Transaction Security or Transaction Guarantee*); or
- (e) any such amendment of the Intercreditor Agreement or replacement by Subsequent Intercreditor Agreement which does not result in the ranking of external debt of the Group and the priority of payments among such debt to become less beneficial to the Noteholders than under the Intercreditor Agreement in force on the Issue Date; or

- (f) such amendment or waiver or a consent or written instruction is required to comply with or carry out the intentions of the Intercreditor Agreement and the Transaction Security Documents; or
  - (g) such amendment or waiver or a consent or a written instruction relates to any other amendment or waiver in respect of the Transaction Security than the release thereof; or
  - (h) such amendment is entered into to enable any refinancing or replacement of any Secured Obligations *pari passu* with the other Secured Obligations and which does not benefit from any guarantees or security beyond those benefiting the other Secured Parties.
- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Noteholders' Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organization or authority.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Noteholders' Agent, as the case may be.

## **19. Appointment and Replacement of the Agents**

### **19.1 Appointment of Noteholders' Agent**

- 19.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:
- (a) agrees to and accepts the appointment of the Noteholders' Agent to act as its agent and representative under the Act on Noteholders' Agent in all matters relating to the Notes and the Finance Documents (including, for the avoidance of doubt, under the Intercreditor Agreement), and authorizes the Noteholders 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 all matters set out in the Act on Noteholders' Agent and particularly in any legal or arbitration proceedings relating to the Notes held by such Noteholder (including any legal or arbitration proceeding relating to the enforcement of the Transaction Security, Transaction Guarantee or perfection, preservation, protection or enforcement of the Replacing Security or Replacing Guarantee (to the extent included in the role of the Noteholders' Agent)) and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Noteholders' Agent by the Act on Noteholders' Agent, these Terms and Conditions and the Intercreditor Agreement together with all such rights, powers, authorities and discretions as are incidental thereto; and
  - (b) agrees and accepts that the Noteholders' Agent shall have the rights, protections and benefits of the Intercreditor Agreement.
- 19.1.2 Each Noteholder shall immediately upon request provide the Noteholders' Agent with any such documents (in form and substance satisfactory to the Noteholders' Agent) that the Noteholders' Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Noteholders' Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Noteholders' Agent is unable to represent such Noteholder.
- 19.1.3 The Issuer shall promptly upon request provide the Noteholders' Agent with any documents and other assistance (in form and substance satisfactory to the Noteholders' Agent), that the Noteholders' Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

- 19.1.4 The Noteholders' 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 Noteholders' Agent's obligations as Noteholders' Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Noteholders' Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **19.2 Security Agent**

- 19.2.1 Under the Intercreditor Agreement (acceded or to be acceded by the Noteholders' Agent on behalf of the Noteholders) the Security Agent has been appointed as the trustee, agent or representative (as applicable) of the Secured Parties, to represent and act for the Secured Parties in relation to the Transaction Security and Transaction Guarantee. By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder accepts the appointment of the Security Agent as well as other terms of the Intercreditor Agreement and undertakes to act in accordance with the Intercreditor Agreement.
- 19.2.2 In accordance with the Intercreditor Agreement, the Security Agent shall execute each Transaction Security Document and hold the Transaction Security and Transaction Guarantee created thereunder as trustee, agent or representative (as applicable) for and on behalf of all the Secured Parties pursuant to the Intercreditor Agreement. The Security Agent shall have no duties or responsibilities with respect to the Transaction Security, except for those set out in the Intercreditor Agreement and the Transaction Security Document.
- 19.2.3 Pursuant to the Intercreditor Agreement and the Transaction Security Documents, all the rights, powers, authorities and discretions under the Transaction Security Documents and Transaction Guarantee may only be exercised by the Security Agent (exclusively) for and on behalf of the Secured Parties (including the Noteholders).
- 19.2.4 Each Noteholder shall immediately upon request of the Noteholders' Agent provide the Security Agent or Replacing Security Agent with any such documents (in form and substance satisfactory to the Security Agent) that the Security Agent/Replacing Security Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Intercreditor Agreement and the Transaction Security Documents. The Security Agent/ Replacing Security Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Security Agent/ Replacing Security Agent is unable to represent such Noteholder.
- 19.2.5 Under the Intercreditor Agreement the Noteholders undertake to vote in any official insolvency or rehabilitation proceeding relating to a Group Company as instructed by the Security Agent.

## **19.3 Duties of the Noteholders' Agent**

- 19.3.1 The Noteholders' Agent shall represent the Noteholders in accordance with the Finance Documents including, *inter alia*, holding any and all Replacing Security and Replacing Guarantee, if applicable, on behalf of the Noteholders and, where relevant, enforcing the Replacing Security and Replacing Guarantees on behalf of the Noteholders. Except as specified in Clause 4 (*Conditions for Disbursement*), the Noteholders' Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Replacing Security or Replacing Guarantee.
- 19.3.2 When acting in accordance with the Finance Documents, the Noteholders' Agent is always acting with binding effect on behalf of the Noteholders. The Noteholders' Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.3.3 The Noteholders' Agent shall monitor the compliance by the Issuer with its obligations under the Finance Documents on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Noteholders' Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.
- 19.3.4 The Noteholders' Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.

- 19.3.5 The Noteholders' Agent is entitled to delegate its duties to other professional parties, but the Noteholders' Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.3.6 The Noteholders' Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 19.3.7 The Noteholders' Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Noteholders' Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Noteholders' Agent reasonably believes is or may lead to an Event of Default (ii) a matter relating to the Issuer which the Noteholders' Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents or (iii) making a determination under the Finance Documents or acting under the Intercreditor Agreement or with respect to Replacing Security or a Replacement Guarantee, as applicable. Any compensation for damages or other recoveries received by the Noteholders' 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 13 (*Distribution of Proceeds*).
- 19.3.8 Notwithstanding any other provision of the Finance Documents to the contrary, the Noteholders' 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.
- 19.3.9 If in the reasonable opinion of the Noteholders' Agent the cost, loss or liability which it may incur (including reasonable fees to the Noteholders' Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Noteholders' 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.
- 19.3.10 The Noteholders' Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Noteholders' Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.3.9.
- 19.3.11 Upon the creation of any Replacing Security:
- (a) The Replacing Security Agent shall at all times maintain and keep all certificates and other documents that are bearers of right relating to the Replacing Security in safe custody on behalf of the Noteholders in accordance with the terms and conditions of the Finance Documents.
  - (b) The Replacing Security Agent shall not be responsible for or required to insure against any loss incurred in connection with such safe custody. The Replacing Security Agent shall hold amounts recovered, net of costs (including legal costs) and expenses incurred in connection with the recovery, separated for the account of the Noteholders and other possible secured parties and distribute such amounts recovered promptly to the Noteholders and other possible secured parties in accordance with these Terms and Conditions.

#### **19.4 Limited Liability for the Noteholders' Agent**

- 19.4.1 The Noteholders' Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or willful misconduct, or unless otherwise provided for in the Act on Noteholders' Agent. The Noteholders' Agent shall never be responsible for indirect loss.
- 19.4.2 The Noteholders' 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 Noteholders' Agent or if the Noteholders' Agent has acted with reasonable care in a situation when the Noteholders' Agent

considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

- 19.4.3 The Noteholders' 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 Noteholders' Agent to the Noteholders, provided that the Noteholders' Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Noteholders' Agent for that purpose.
- 19.4.4 The Noteholders' Agent shall have no liability to the Noteholders for damage caused by the Noteholders' Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 12.1.
- 19.4.5 Any liability towards the Issuer which is incurred by the Noteholders' Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

### **19.5 Replacement of the Noteholders' Agent**

- 19.5.1 Subject to Clause 19.5.7, the Noteholders' Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Noteholders' Agent at a Noteholders' Meeting convened by the retiring Noteholders' Agent or by way of a Written Procedure initiated by the retiring Noteholders' Agent.
- 19.5.2 Subject to Clause 19.5.7, if the Noteholders' Agent is Insolvent, is removed by the Finnish Financial Supervisory Authority from the public register of noteholders' agents referred to in the Act on Noteholders' Agent or is no longer independent of the Issuer, the Noteholders' Agent shall be deemed to resign as Noteholders' Agent and the Issuer shall within ten (10) Business Days appoint a successor Noteholders' Agent.
- 19.5.3 Any successor Noteholders' Agent appointed pursuant to this Clause 19.5 must be an independent financial institution or other independent reputable company which regularly acts as agent under debt issuances and which is registered (if required to be so registered by the Act on Noteholders' Agent) in the public register of noteholders' agents referred to in the Act on Noteholders' Agent.
- 19.5.4 A Noteholder (or Noteholders) representing at least 10 percent of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Noteholders' Agent and appointing a new Noteholders' Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Noteholders' Agent be dismissed and a new Noteholders' Agent appointed.
- 19.5.5 If the Noteholders have not appointed a successor Noteholders' 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 Noteholders' Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Noteholders' Agent.
- 19.5.6 The retiring Noteholders' Agent shall, at its own cost, make available to the successor Noteholders' Agent such documents and records and provide such assistance as the successor Noteholders' Agent may reasonably request for the purposes of performing its functions as Noteholders' Agent under the Finance Documents.
- 19.5.7 The resignation or dismissal of the Noteholders' Agent shall only take effect upon the appointment of a successor Noteholders' Agent and acceptance by such successor Noteholders' Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Noteholders' Agent.
- 19.5.8 Upon the appointment of a successor, the retiring Noteholders' Agent shall be discharged from any further obligation in respect of the Finance Documents but shall, in respect of any action which it took or failed to take whilst acting as Noteholders' Agent, (a) remain entitled to the benefit of the Finance



Documents and (b) remain liable under the Finance Documents. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Noteholders' Agent.

- 19.5.9 In the event that there is a change of the Noteholders' Agent in accordance with this Clause 19.5, the Issuer shall execute such documents and take such actions as the new Noteholders' Agent may reasonably require for the purpose of vesting in such new Noteholders' Agent the rights, powers and obligation of the Noteholders' Agent and releasing the retiring Noteholders' Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Noteholders' Agent agree otherwise, the new Noteholders' Agent shall be entitled to the same fees and the same indemnities as the retiring Noteholders' Agent.

## **20. No Direct Actions by Noteholders**

- 20.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Transaction Guarantee 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 reorganization (Fin: *yritysaneeraus*) or bankruptcy (Fin: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer or a Security Provider in relation to any of the obligations of the Issuer or a Security Provider under the Finance Documents.

- 20.2 Clause 20.1 shall not apply if:

- (a) the Noteholders' Agent has been instructed by the Noteholders in accordance with the Finance Documents to take any of the actions referred to in Clause 20.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Noteholders' Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.3.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.3.10 before a Noteholder may take any action referred to in Clause 20.1; and
- (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Noteholders' Agent referred to in paragraph (a) above, a Noteholder shall have the right to take any action referred to in Clause 20.1; or
- (c) the Security Agent/ Replacing Security Agent has been instructed in accordance with the Intercreditor Agreement to take any of the actions referred to in Clause 20.1 in accordance with the Intercreditor Agreement to enforce the Transaction Security/ Replacing Security or the Transaction Guarantees/ Replacing Guarantees but is legally unable to take such enforcement actions,

in each case if and only to the extent permitted pursuant to the terms of the Intercreditor Agreement.

- 20.3 The provisions of Clause 20.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 8.3 (*Mandatory Repurchase due to a Change of Control Event (Put Option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## **21. Tax Gross-up**

All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in

respect of the Notes in the absence of the withholding or deduction (such amounts being “**Additional Amounts**”), except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of his having some connection with Finland other than the mere holding of the Note; or
- (b) to, or to a third party on behalf of, a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

## **22. Prescription**

- 22.1 The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.
- 22.2 If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fin: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

## **23. Notices and Press Releases**

### **23.1 Notices**

- 23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
  - (a) if to the Noteholders’ Agent, shall be given at the address registered with the Finnish Trade Register or in another address as agreed between the Issuer and the Noteholders’ Agent, in each case on the Business Day prior to dispatch, and by email to [alli.soralahiti@intertrustgroup.com](mailto:alli.soralahiti@intertrustgroup.com) and [Finland@intertrustgroup.com](mailto:Finland@intertrustgroup.com);
  - (b) if to the Paying Agent, shall be given at the following address: Nordea Bank AB (publ), Finnish Branch, 2548 Asset Services Global FI, Aleksis Kiven katu 3-5, VC 210, 00020 NORDEA, Finland, and by email to [custody.thy@nordea.com](mailto:custody.thy@nordea.com);
  - (c) if to the Security Agent, shall be given at the following address: The Law Debenture Trust Corporation p.l.c., 100 Wood Street, London EC2V 7EX, Fax: +44 (0) 20 7606 0643, Attention: Manager, Commercial Trusts, Ref 200774 (or at such address as is informed in accordance with the Intercreditor Agreement);
  - (d) if to the Issuer, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch and designated to the attention of CFO with a copy to General Counsel and by email to [LoanAdmin@outokumpu.com](mailto:LoanAdmin@outokumpu.com); and
  - (e) if to the Noteholders, shall be published by way of press release or stock exchange release (as applicable) by the Issuer or, if made by the Noteholders’ Agent, on the website of the Noteholders’ Agent if the Issuer does not publish it by way of press release or stock exchange release (as applicable).
- 23.1.2 Subject to Clause 23.1.3 below, any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be in English and sent by way of courier, fax, e-mail, personal delivery or letter and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1 or, in the case of fax or e-mail, when actually received in a readable form.
- 23.1.3 Notwithstanding Clause 23.1.2 above, any notice may be given to the Noteholders, and shall be deemed to have been received by the Noteholders at the date when published, in any manner specified in paragraph (e) of Clause 23.1.1 above.

## **23.2 Press Releases**

- 23.2.1 Any notice that the Issuer or the Noteholders' Agent shall send to the Noteholders pursuant to Clauses 16.1 and 17.1 shall also be published by way of press release or stock exchange release by the Issuer or by way of press release by the Noteholders' Agent, as applicable. Any such notice shall be deemed to have been received by the Noteholders when published in any manner specified in this Clause 23.2.1.
- 23.2.2 In addition to Clause 23.2.1, if any information relating to the Notes or the Issuer/Group contained in a notice the Noteholders' Agent may send to the Noteholders under these Terms and Conditions has not already been made public in accordance with these Terms and Conditions, the Noteholders' Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to make public such information in accordance with these Terms and Conditions. If the Issuer does not promptly make public such information and the Noteholders' Agent considers it necessary to make such information public in accordance with Clause 23.2.1 before it can lawfully send a notice containing such information to the Noteholders, the Noteholders' Agent shall be entitled to do so.

## **24. Force Majeure and Limitation of Liability**

- 24.1 Neither the Issuer, the Noteholders' Agent nor the Paying 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 Noteholders' Agent or the Paying Agent itself takes such measures, or is subject to such measures.
- 24.2 The Paying Agent shall have no liability to the Noteholders if it has observed reasonable care. The Paying Agent shall never be responsible for indirect damage with exception of gross negligence and willful misconduct on the part of the Paying Agent.
- 24.3 Should a Force Majeure Event arise which prevents the Issuer, the Noteholders' Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Book-Entry System Act which provisions shall take precedence.

## **25. Governing Law and Jurisdiction**

- 25.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.
- 25.2 The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fin: *Helsingin käräjäoikeus*) as the court of first instance.
- 25.3 Clauses 25.1 and 25.2 above shall not limit the right of the Noteholders' Agent (or the Noteholders, as applicable) to take proceedings against the Issuer or any guarantor or security provider in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.
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## FORM OF COMPLIANCE CERTIFICATE

## COMPLIANCE CERTIFICATE

To: INTERTRUST (FINLAND) OY as Noteholders' Agent

From: OUTOKUMPU OYJ as Issuer

Place and date: In [ ], on the [ ] day of [ ] 20[ ]

Dear Madams/Sirs,

**We refer to the rated, senior, secured and unsubordinated fixed rate notes issued by us on June 18, 2018 with an aggregate nominal amount of EUR 250,000,000 (the "Notes").**

1. We refer to the Terms and Conditions of the Notes. This is a compliance certificate. Terms defined in the Terms and Conditions of the Notes have the same meaning when used in this compliance certificate unless given a different meaning in this compliance certificate.
2. [On [●], [we have incurred Financial Indebtedness in the form of [●]]/[●] has merged with and into [●]]/[●] has demerged and [●].]
3. [We confirm that on [*relevant testing date*], the Gearing is [●].]
4. [We confirm that no Event of Default is continuing.]<sup>1</sup>
5. This compliance certificate is governed by Finnish law.

OUTOKUMPU OYJ  
as Issuer

\_\_\_\_\_  
Name:

<sup>1</sup> If this statement cannot be made, the certificate shall identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

**CERTAIN EXISTING FINANCIAL INDEBTEDNESS**

- (i) the EUR 650 million secured revolving credit facility under a facility agreement between, among others, the Issuer and a group of banks, including among others Nordea Bank AB (publ), Finnish Branch, Skandinaviska Enskilda Banken AB (publ), Danske Bank A/S, Finland Branch (formerly Danske Bank A/S, Helsinki Branch), Svenska Handelsbanken AB (publ), Branch Operation in Finland, OP Corporate Bank plc, Crédit Agricole Corporate and Investment Bank, Swedbank AB (publ), BNP Paribas SA, Bankfilial Sverige and Citibank N.A., London Branch, dated February 28, 2014 as amended and restated on December 4, 2015 and on December 22, 2017;
- (ii) the following bilateral loans:
  - 1. the EUR 90 million secured committed revolving credit facility provided by Nordea Bank AB (publ), Finnish Branch and guaranteed by Finnvera plc; and
  - 2. the secured export financing basic loan facility provided by Commerzbank Aktiengesellschaft;
- (iii) the EUR 250 million senior secured fixed rate notes issued by the Issuer in 2016 and maturing in 2021;
- (iv) pension loans in the aggregate amount of EUR 171 million;
- (v) RMB 65 million credit facility for Outokumpu Stainless Steel (China) Co. Ltd provided by Swedbank AB, Shanghai Branch and guaranteed by the Issuer; and
- (vi) EUR 250 million senior unsecured convertible notes issued by the Issuer in 2015 and maturing in 2020.

## TRANSACTION SECURITY

Security Provider	Transaction Security
Outokumpu Europe Oy .....	Finnish law governed share pledge over 100 percent of the shares in Outokumpu Stainless Oy.
Outokumpu Oyj .....	Finnish law governed share pledge over 100 percent of the shares in Outokumpu Europe Oy.  Dutch law governed share pledge over 100 percent of the shares in Outokumpu Holding Nederland BV.
Outokumpu Stainless Oy .....	Finnish law governed real estate mortgage relating to the Tornio Works site, subject to up to EUR 300,000,000 prior ranking mortgages granted to other creditors.
Outokumpu Chrome Oy (not a guarantor).....	Finnish law governed real estate mortgage relating to the Tornio Works site.
Outokumpu Holding Nederland BV .....	New York law governed share pledge over 100 percent of the shares in Outokumpu Americas Inc.
Outokumpu Americas, Inc. ....	New York law governed share pledge over 100 percent of the shares in Outokumpu Stainless USA, LLC.
Outokumpu Stainless USA, LLC .....	New York law governed security and mortgage.