



SSM Holding AB (PUBL)

PROSPECTUS REGARDING LISTING OF

MAXIMUM SEK 200,000,000

SENIOR SECURED CALLABLE FLOATING RATE BONDS 2013/2017

December 5<sup>th</sup> 2014

## Important information

This prospectus (the "Prospectus") has been prepared by SSM Holding AB (publ) (the "Company" or the "Issuer"), registration number 556533-3902, in relation to the application for listing of the Company's maximum SEK 200,000,000 senior secured callable floating rate bonds 2013/2017 with ISIN SE0005567955, of which SEK 200,000,000 was issued on December 27, 2013 (the "Issue Date") in accordance with the terms and conditions for the Bonds (the "Terms and Conditions") (the "Bond Issue"), on the Corporate Bond List at NASDAQ OMX Stockholm AB ("NASDAQ OMX Stockholm"). References to the Company, SSM Holding, SSM, or the Group refer in this Prospectus to SSM Holding AB (publ) and its subsidiaries, unless otherwise indicated by the context.

This Prospectus has been prepared in accordance with the rules and regulations of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA") in accordance with the provisions in Chapter 2 Sections 25 and 26 of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on NASDAQ OMX Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws and may be subject to U.S. tax law requirements. Subject to certain exemptions, the Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. It is the investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

The Prospectus will upon approval by and registration with the SFSA be made available at the SFSA's web page ([www.fi.se](http://www.fi.se)) and the Company's web page ([www.ssmfastigheter.se](http://www.ssmfastigheter.se)). Paper copies may be obtained from the Company headquarters.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors. Certain financial information in this Prospectus has been rounded off (in particular the financial information incorporated by reference) and, as a result, the numerical figures shown as totals in

this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

This Prospectus may contain forward looking statements and assumptions regarding future market conditions, operations and results. Such forward looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans", "may" and similar expressions indicate some of these forward looking statements. Other such statements may be identified from the context. Any forward looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements. Further, such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of, or indications of, future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialization of risks and other factors affecting the Group's operations. Such factors of a significant nature are mentioned in section "Risk Factors" below.

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

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

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

## Table of Contents

Important information.....	2
Table of Contents .....	3
Risk factors .....	4
Risks relating to the Group .....	4
Certain risks relating to the business model.....	4
Risks related to projects .....	5
Guarantees .....	6
Global economic and market conditions .....	6
Competitive landscape .....	6
Joint Ventures .....	7
Key persons .....	7
Negative publicity .....	7
Environmental risk.....	7
Borrowing by the Group and interest risk.....	7
Insurance .....	8
Competition.....	8
Corporate governance.....	9
Political risk.....	9
Currency risk.....	9
Taxes and charges.....	9
Ability to comply with the terms and conditions for the Bonds .....	9
Ability to service debt.....	9
Credit risk.....	9
Dependency on other companies within the Group.....	10
Changes in legislation .....	10
Legal disputes .....	10
IT.....	10
Risks relating to the Bonds .....	10
Credit risks .....	10
Refinancing risk.....	11
Interest rate risks.....	11
Liquidity risks.....	11
The market price of the Bonds may be volatile .....	11
Subsidiaries, structural subordination and insolvency of subsidiaries.....	11
Security over assets granted to third parties .....	12
Risks relating to security and enforcement of security .....	12
Corporate benefit limitations in providing security for third parties.....	13
Risks related to early redemption .....	13
No action against SSM and bondholders' representation.....	13
Bondholders' meetings.....	14
Restrictions on the transferability of the Bonds .....	14
Risks relating to the clearing and settlement in Euroclear's book-entry system.....	14
Amended or new legislation.....	14
Conflicts of interest .....	14
Responsible for the information in the Prospectus.....	15
The Bonds in brief.....	16
The Company and its operations .....	18
History and development.....	18
Share capital, shares, ownership structure and governance .....	18
Business and operations .....	18
Litigation.....	19
Material agreements.....	19
Credit rating.....	19
Significant adverse changes and recent events .....	19
Shareholders' agreements.....	19
Board of directors, senior management and auditors for the Company .....	19
Board of directors .....	19
Senior management .....	20
Auditors.....	20
Conflicts of interests .....	21
Financial interests .....	21
Overview of financial reporting and documents incorporated by reference.....	22
Documents available for inspection .....	22
Terms and Conditions.....	23
Addresses.....	52

## Risk factors

*SSM Holding AB (publ), a limited liability company having its registered office in the municipality of Stockholm, Sweden and with corp. reg. no. 556533-3902 (“SSM”), is the ultimate holding company and parent company of the SSM group of companies (the “Group”).*

*Risk and risk-taking is an inevitable part of investing in notes (the notes to be issued by SSM are referred to as the “Bonds” in this document). There are risks both regarding circumstances linked to SSM and the Group as a whole and those which bear no specific relation to SSM and/or the Group. In addition to the other information in this document as well as a general evaluation of external factors, investors should carefully consider the following risk factors before making any investment decision. The occurrence of any of the events discussed below could materially adversely affect SSM's and/or the Group's operations, financial position and results of operations. The risks presented in this document are not exhaustive, and other risks not presently known to the Group, or that the Group currently deems immaterial, and therefore not discussed herein, may also adversely affect the Group and the Group's ability to service its debt obligations under the Bonds. Prospective investors should consider carefully the information contained herein and make an independent evaluation before making an investment decision.*

*Please note that although a due diligence has been conducted in connection with the preparation of this document, there may be risks relating to the Group and its business which have not been disclosed in the due diligence process and which are consequently not disclosed in this document.*

*The risk factors below are not ranked in any specific order.*

## Risks relating to the Group

### **Certain risks relating to the business model**

The Group's business comprises development of real property and construction of apartment buildings. Upon the completion of a construction project, SSM sells the completed building to a condominium association. This business model results in an uneven cash flow which in turn could affect the available liquidity of the Group.

In the current business plan for the years 2013-2017, the Group aims to substantially increase the yearly development of condominiums. This extensive expansion plan will, inter alia, require a large amount of external capital, which significantly affects the Group's debt level and such rapid expansion will put pressure on the liquidity of the Group. The financial position, including the incurrence of additional debt, of the Group is adapted and based on the expected results of this extensive expansion. Failure in succeeding with the contemplated expansion and the desired increase in profit will therefore adversely affect the Group's ability to meet its financial obligations. Furthermore, the expansion and future profits are dependent on the Group's ability to establish new projects and procuring relevant contracts therefore, which is uncertain.

A successful expansion is furthermore dependent on the Group's ability to adapt its organization, know-how, staffing and financial position to meet various challenges associated with an extensive expansion.

There are several other risks associated with the extensive expansion plan, and if SSM is not successful in its expansion, the Group's operations, earnings and financial position may be adversely affected.

**Risks related to projects**

SSM conducts its operations through in-house project constructions. The Group is dependent on its ability to find new and attractive projects. Furthermore, SSM is required to complete constructions in a manner which is competitive and attractive to potential customers. Should the Group be unsuccessful in finding or developing new projects, such shortcoming could have an adverse effect on the Group's net sales, earnings and financial position.

The business that the Group is operating and the types of projects carried out by the Group are generally associated with a large number of risks, such as the risk of faulty construction (e.g. need to change building techniques), risk for delays or completion (see below), operating risks (see below), risks relating to permissions (e.g. delays or permits allowing fewer apartments than initially anticipated), environmental risks (see page 7), political risks (see page 9), site risks (e.g. unanticipated environmental issues) etc. Each one of these factors could adversely affect the Group's operations, net sales, earnings and financial position.

Moreover, it is common in these types of projects that the construction costs escalate during the time of the project. The escalated costs may depend on e.g. miscalculations with regard to the budget, unexpected delays in delivery of material, construction challenges or other factors outside the Group's control. Improper pricing and rising construction costs may have a negative effect on the Group's net sales, earnings and financial position.

Misjudging with respect to investment decisions, mismanagement of projects and failure to comply with relevant laws and regulations are additional factors (although not a comprehensive list of such) that could further adversely affect the Group's operations, net sales, earnings and financial position.

In each project, the Group enters into a construction contract with a condominium association. In order for the Group to fulfill its obligations under the construction contracts, the Group engages a number of sub-contractors for each project. Each sub-contractor is responsible to the Group for a minor part of the whole project. The Group usually has its own employees as management at the construction site. This method applied by the Group (i.e. entering into a construction contract and then engaging sub-contractors) is often called "construction management". Although the Group focuses on minimizing its risks by demanding construction defect insurances and sometimes bank guarantees, there is always a certain risk relating to this model, e.g. due to management failures and difficulties in establishing which sub-contractor that has caused the specific fault to the project. As a consequence, the Group might suffer from increased cost in production, or increased costs of outstanding warranties not being fulfilled by the sub-contractors. Should a project be associated with many defects, there is hence a risk that this contracting model adversely affects the Group's operations, earnings and financial position.

The above also implies that even though the Group deems that they have proper back-to-back protection in each agreement with sub-contractors, since each sub-contractor is obliged to obtain construction defect insurance and sometimes bank guarantees, the difficulties for the Group to link the specific fault/defect to one sub-contractor implies that the back-to-back protection is not comprehensive. The lack of comprehensive back-to-back protection could have a negative effect on the Group's operations, earnings and financial position.

Also, a project conducted by the Group could be delayed for various reasons, some of which are out of SSM's control. Such delays may give rise to obligations to pay penalties for delay (*Sw. förseningsviten*) as well as negative publicity which in turn could affect the Group's operations,

earnings and financial position. The abovementioned risk regarding difficulties of establishing the responsible sub-contractor applies also with regard to penalties for delay.

Lastly, a general risk in the construction work business is that construction companies are often poorly or under-capitalized, which means that the Group's sub-contractors might not have the financial resources to handle larger claims or costly delays in the projects resulting in penalties for delay. Hence, it cannot be ruled out that the financial position of sub-contractors could have a negative effect on the Group's financial position.

### **Guarantees**

The sales of apartment buildings to condominium associations include certain guarantees provided by SSM to purchasing condominium association. Among other things, SSM from time to time agrees to:

- (a) indemnify the condominium association for all costs pertaining to its acquisition of the property which exceeds a fixed amount and such indemnification undertakings do not have any limits in amount;
- (b) indemnify the condominium association for all interest costs arising if the applicable interest rate pertaining on the associations' acquisition loan(s) exceeds a certain percentage. The interest cost indemnification is in most cases valid during two years from the average occupation date of the condominium association members;
- (c) indemnify the condominium association for all costs incurred as a result of unsold apartments (i.e. where binding agreements with occupants have been breached, or not been entered into at all) in which case SSM has the right to acquire the apartment for a purchase price equal to the stake such apartment has according to the economic plan of the condominium association; and
- (d) pay interest costs to a bank which finances the condominium association's acquisition of the property, if such bank would cancel the loan granted to the condominium association. SSM only has the right of recourse once all stakes have been paid to the condominium associations by the occupants and SSM's claim is subordinated all other creditors of the condominium association.

Such indemnification undertakings could have an adverse or even critical effect on the Group's earnings and financial position and thus ability to make payments under the Bonds.

### **Global economic and market conditions**

The recent economic downturn and uncertainty on the international financial markets, including the Euro crisis, have had an adverse impact on the global economy. Any market turbulence, in particular on the Nordic real estate market, or further downturns in the global economy could affect the financial position of customers of the Group and potentially impact their ability to conduct business with the Group. Deterioration in the global economy or any decrease in demand for the Group's products and services may adversely impact the Group's operations, financial position and results.

### **Competitive landscape**

The markets in which the Group operates are competitive and the Group has a number of competitors across different business areas and geographic markets. It cannot be ruled out that these competitors will grow to be stronger in the future, for example, by means of further consolidation in the relevant markets. There is no guarantee that the Group will be able to compete successfully against current as well as future competitors and a failure to do so may have a negative effect on the Group's operations, earnings and financial position.

**Joint Ventures**

The Group has entered into certain joint venture agreements, the most material one being with Alecta pensionsförsäkring, ömsesidigt, pursuant to which the parties have agreed to cooperate with regard to new construction projects. According to the Group, Alecta is an important finance provider and it is likely that a termination of the joint venture agreement with Alecta (and other JV-partners) would affect the Group's ability to initiate new construction projects and consequently negatively affect the Group's operations and earnings. The loss of Alecta as a joint venture partner could also have an adverse effect on the competitive position of the Group and thus negatively affect the Group's operations, net sales, earnings and financial position.

**Key persons**

The Group's future development depends largely on the skills, experience and commitment of its key employees. These employees also have a comprehensive knowledge of the Group and the industry in general. Therefore it is important for the Group's future business activities and development that it is able to retain, and where necessary also recruit skilled employees. If the Group should become unable to retain or recruit such employees, it could adversely impact the Group's operations, financial position and results.

**Negative publicity**

Negative publicity or announcement relating to the Group may, whether or not it is justifiable, deteriorate the brands' value and have a negative effect on the Group's net sales, earnings and financial position.

**Environmental risk**

According to the polluter pays-principle established in the Swedish environmental legislation, the operator who has contributed to pollutions shall be responsible for the remediation. However, should it not be possible to locate the polluter, the property owner is subsidiary responsible for the remediation and costs associated hereto. Accordingly, there is a risk that the Group in its capacity as property owner may be responsible for costly remediation, should the Group not have adequate environmental warranties in the agreements governing the acquisition of the Group's real property.

There is one real property not yet exploited by the Group, which according to the County Administration (*Sw. Länsstyrelsen*) is likely to be contaminated. When the Group is to initiate construction works on such property, an environmental examination must be carried out and depending on the outcome of such examination, the Group could be liable to remedy the ground before continuing with the construction works. This might also apply to other properties owned by the Group. The obligation to carry out remediation may have a negative effect on the Group's operations, earnings and financial position.

**Borrowing by the Group and interest risk**

The Group companies have incurred substantial indebtedness, which exceeds the indebtedness under the Bonds. The Group may incur additional financial indebtedness to finance the Group's business operations and expansion plans. Such financing gives rise to interest costs which may be higher than the gains produced by the operations and investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses.

In financing a project, the relevant Group company in which the project is conducted incur indebtedness by taking up a development loan with a lending bank. Such development loans usually have short tenure and are automatically extended by a few months (usually one to three)

unless cancelled by either party. As many of the development loans' original tenure have expired, the Group is dependent on that the lending banks do not cancel the loans.

Certain borrowing by members of the Group require, and may in the future furthermore require, that other Group companies, including the Issuer, provide guarantees for the relevant borrower's obligations. Such guarantees may affect the financial position of the guaranteeing company and ultimately the Issuer's ability to make payment under the Bonds.

Pursuant to certain of the financing agreements entered into with external banks, the bank has the right to cancel and require the immediate repayment of a disbursed loan to the Group if a project, which such loan is financing, has been stopped or come to a halt. Furthermore, loans may be cancelled by the bank if the borrowing company does not comply with the terms and conditions for the relevant loans. Such terms include, among other things, requirements to comply with certain financial covenants, restrictions on the incurrence of other financial indebtedness and restrictions for the borrower to grant loans. For instance, under one of the external financing agreements, the borrower is required to ensure that the ratio of loans to market value of the financed properties under such agreement does not exceed 65 per cent. Should the ratio not be complied with, the borrower is obliged to make repayments of the loan within three months to meet the financial covenant. Inability to meet the ratio and make the required repayment will result in an event of default under such agreement, which entitles the bank to accelerate and require immediate repayment of the loans. A breach by a Group Company under an external financing agreement could thus lead to an acceleration of the loans provided under such agreement, which in turn could have a material adverse effect on the borrower and the Group as a whole. Furthermore, an acceleration of a loan due to an event of default could cause an event of default under the Bonds.

### **Insurance**

If the Group is unable to maintain its insurance cover on terms acceptable to it or if future business requirements exceed or fall outside the Group's insurance cover or if the Group's provisions for uninsured costs are insufficient to cover the final costs it may adversely impact the Group's operations, financial position and results.

### **Competition**

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

The Group competes with a large number of competitors in order to obtain some of its projects from the municipality and other professional real-estate owners, which indicates that the competition is well functioning. Hence, although there is nothing indicating that the Group is involved in any kind of irregularities, it cannot be ruled out that the Group might become subject to investigations and proceedings by the Competition Authorities in the future. Furthermore, there is also a risk that the Group could be subject to cartels entered into by sub-contractors, which could affect the sub-contractors pricing towards the Group.

**Corporate governance**

Companies in the construction business generally have a low level of corporate governance, which especially applies to companies which are undergoing an extensive expansion phase. There is hence a risk that the internal corporate governance level within the Group is fairly low, exposing the Group for risks such as being in breach of agreements, entering into contradictory agreements, violating applicable laws and regulations etc. A low level of corporate governance could hence lead to that the Group are exposed to unexpected risks affecting the Groups financial position.

**Political risk**

The Group is subject to political risks since the local municipalities have the planning monopoly (*Sw. planmonopol*) which means that the municipalities alone may decide which party that shall be able to exploit the relevant land area. Shifts of power and/or the local opinion may hence affect the Group's ability to exploit land and it cannot be ruled out changes in the political environment may adversely impact the Group's operations, financial position and results.

**Currency risk**

SSM's functional currency is Swedish Krona (“**SEK**”). Although the Group's revenues and costs are primarily denominated in SEK, the Group could have costs that are not denominated in SEK. The Group could consequently be exposed to unfavorable fluctuations in currency exchange rates, which may adversely impact the Group's operations, financial position and results.

**Taxes and charges**

The Group conducts its business in accordance with its interpretation of applicable tax regulations and applicable requirements and decisions. There is no guarantee that the Group's or its advisors' interpretation and the Group's application of laws, provisions, judicial practice has been, or will continue to be, correct or that such laws, provisions and practice will not be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which could have a negative effect on the Group's earnings and financial position.

**Ability to comply with the terms and conditions for the Bonds**

SSM is required to comply with the final terms and conditions for the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect SSM's ability to comply with, among other things, the undertakings set out in the final terms and conditions for the Bonds. A breach of the final terms and conditions for the Bonds could result in a default under the final terms and conditions for the Bonds.

**Ability to service debt**

SSM's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all.

**Credit risk**

The Group's current and potential customers and other counterparties (including but not limited to condominium associations) may get in a financial situation where they cannot pay the agreed

fees or other amounts owed to the Group as they fall due or otherwise abstain from fulfilling their obligations. There are no guarantees that the Group's counterparties can fulfill their obligations which could affect the Group's earnings and financial position.

#### **Dependency on other companies within the Group**

SSM is a holding company and holds no significant assets other than its subsidiaries. SSM is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. Consequently, SSM is dependent on the subsidiaries' availability of cash and their legal ability to make dividends which may from time to time be restricted by corporate restrictions and law. A decrease in any such income and cash flow may have a material adverse effect on SSM's financial condition and its ability to service its debt under the Bonds.

In particular, any obligation of the Issuer to deposit the income received from any projects carried out by its subsidiaries or the disposal proceeds from the disposal of the shares in any subsidiary not directly owned by the Issuer, will be limited to the amounts that such subsidiary may upstream to the Issuer taking into account any corporate restrictions and company laws regulating, inter alia, the distribution of assets and dividend restrictions.

Furthermore, some intra-group loans granted by one group company to another are, and may from time to time be, subordinated to all other indebtedness of the borrowing group company which adversely affects the ability to repay such loans, which in turn could affect the group companies' ability to make payments to the Issuer and thus affects the Issuer's ability to make payments under the Bonds.

#### **Changes in legislation**

A number of legislations and regulations, competition regulations, construction and environmental regulations, taxes and rules affect the business conducted by the Group. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect net sales, which could have an adverse effect on the Group's business and results of business operations.

#### **Legal disputes**

The Group is currently not involved in any legal disputes. Claims or legal action may in the future be taken against the Group which may have significant unfavorable effects on the Group's financial position, performance, and market position.

#### **IT**

The Group uses IT systems for internal purposes and externally in relation to its customers. Extensive downtime of network servers as well as attacks by IT-viruses could affect some of the Group's operations negatively which ultimately could have a negative impact on the Group's operations, earnings and financial position.

#### **Risks relating to the Bonds**

##### **Credit risks**

Investors in the Bonds carry a credit risk relating to the Group. The investor's ability to receive payment under the final terms and conditions for the Bonds is therefore dependent on SSM's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

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

deteriorating financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

**Refinancing risk**

The Group may be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance is dependent on the conditions of the capital markets and its financial condition at such time. The Group's access to financing sources may not be available on favourable terms, or at all. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

**Interest rate risks**

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

**Liquidity risks**

The Group intends to apply for listing of the Bonds on a Swedish regulated market. However, it cannot be guaranteed that the Bonds will be admitted to trading. Further, even if the Bonds are admitted to trading on a regulated market, active trading in the Bonds does not always occur and hence there are no guarantees that a liquid market for trading in the Bonds will occur or is maintained even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on a Swedish regulated market.

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

**The market price of the Bonds may be volatile**

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

**Subsidiaries, structural subordination and insolvency of subsidiaries**

A substantial part of the assets and the revenue of the Group are owned by and generated in the subsidiaries of SSM. The subsidiaries are legally separated from SSM and the subsidiaries' ability to make payments to SSM is restricted by, among other things, the availability of funds, corporate restrictions and local law. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Even if the share pledge agreement relating to the shares in SSM Fastigheter AB is enforced, the Bondholders are structurally subordinated to

any other creditor with a claim in respect to the assets of SSM Fastigheter AB. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries of SSM.

There can be no assurance that the Group and its assets would be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

In addition, the obligation by the Issuer to ensure that its subsidiaries provide security and/or upstream funds to the Issuer are merely contractual obligations binding upon the Issuer itself and such subsidiaries are not directly bound by the terms and conditions of the bonds. Consequently, it cannot be guaranteed that the subsidiaries will comply with the terms and conditions and failure to do so may have an adverse effect on the bondholders' interests under the terms and conditions.

#### **Security over assets granted to third parties**

The Group has incurred, and may subject to certain limitations from time to time incur additional, financial indebtedness. The Group has provided security for its incurred financial indebtedness and may provide additional security for future indebtedness. In the event of bankruptcy, re-organization or winding-up of SSM, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such third party financier holding security provided by the Group would enforce such security due to a default by any Group Company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and ultimately the position of the bondholders.

#### **Risks relating to security and enforcement of security**

Although the obligations under the Bonds will be secured by a first priority pledge over all the shares in SSM Fastigheter AB and SSM Hold Fast 6 AB, security over the real property Stockholm Timotejen 17 and security over bank accounts held by the Issuer and HoldC AB, SSM cannot assure that the proceeds of any enforcement sale of the shares, the real property or the funds standing to the credit of the bank accounts would be sufficient to satisfy all amounts then due under or in respect of the Bonds.

Furthermore, the obligation by the Issuer and HoldC AB to deposit and grant security over disposal proceeds and/or proceeds relating to income from projects on the deposit account is merely a contractual obligation by the Issuer until the relevant funds are actually deposited on the deposit account, whereupon the security over such funds will be legally valid and perfected. Under Swedish law, such delayed perfection could be deemed as new security provided for old debt, i.e. the secured obligations were created before the security was perfected. Consequently, the security over the deposit account could be subject to recovery (Sw. *återvinning*) if the Issuer is declared bankrupt within three months of the security having been perfected.

If SSM Fastigheter AB is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to the share pledge may then have limited value because all of SSM Fastigheter AB's obligations must first be satisfied, potentially leaving little or no remaining assets in SSM Fastigheter AB for the bondholders. As a result, the bondholders may not recover any or full value in the case of an enforcement sale of the pledged shares. In addition, the value of the shares subject to the pledge may decline over time.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the remaining assets (if any) in SSM for the amounts which remain outstanding under or in respect of the Bonds.

Furthermore, SSM has entered into an option agreement with Alecta pursuant to which Alecta under certain circumstances has the right to exercise a call option and thereby acquire all projects owned jointly by SSM and Alecta for a consideration equal to the higher of (i) the market value of the projects and/or relevant real properties and (ii) the aggregate of all incurred cost for the relevant projects at that time. The relevant triggering events giving Alecta the right to exercise its call option rights are (i) if the bonds trustee would enforce the pledge over the shares in SSM Fastigheter AB, (ii) an event where SSM is unable to grant security or guarantees in respect of the financing arrangements entered into by the joint venture company and Alecta is required to do so instead of SSM, or (iii) if SSM does not comply with the terms and conditions of the joint venture agreement with Alecta. Alecta's exercise of its call option may have a material adverse effect on the Group's operations and the value of the shares in SSM Fastigheter AB.

Under the final terms and conditions, the Group is entitled to sell the shares in SSM Hold Fast 6 AB to an external joint venture partner. In connection with such sale, the security over the shares subject to sale will be released. Although the Group has undertaken to transfer the disposal proceeds to a bank account pledged in favour of the Bondholders, a failure to transfer such amount could have a negative effect on the security position of the bondholders.

#### **Corporate benefit limitations in providing security for third parties**

If a limited liability company guarantees or provides security for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of the guarantee or security will require the consent of all shareholders of the grantor and will only be valid up to the amount the company could have distributed as dividend to its shareholders at the time the guarantee or the security was provided. If no corporate benefit is derived from the provided guarantee or security, such guarantee or security will be limited in validity as aforesaid. Consequently, the security granted over the real property Stockholm Timotejen 17 by SSM Hold Fast 6 AB and the security granted over the shares in SSM Hold Fast 6 AB and a bank account by HoldC AB could be limited in accordance with the aforesaid which could have an adverse effect on the Bondholders' security position.

#### **Risks related to early redemption**

Under the final terms and conditions for the Bonds, and as described in the term sheet for the Bonds, SSM has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the final terms and conditions for the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that SSM will not have sufficient funds at the time of the mandatory prepayment to make the required redemption of Bonds.

#### **No action against SSM and bondholders' representation**

In accordance with the final terms and conditions for the Bonds, the bond trustee will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against SSM. Consequently, individual bondholders do not have the

right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by SSM and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action.

However, the possibility that a bondholder, in certain situations, could bring its own action against SSM (in breach of the final terms and conditions for the Bonds) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against SSM.

To enable the bond trustee to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the final terms and conditions for the Bonds, the bond trustee will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the bond trustee in such matters could impact a bondholder's rights under the final terms and conditions for the Bonds in a manner that would be undesirable for some of the bondholders.

### **Bondholders' meetings**

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

### **Restrictions on the transferability of the Bonds**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. SSM has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, SSM has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

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

The Bonds will be affiliated to Euroclear's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system.

### **Amended or new legislation**

This document is and the final terms and conditions for the Bonds will be based on Swedish law in force at the date of issuance of the Bonds. No assurance can be given on the impact of any possible future legislative measures or changes or modifications to administrative practices.

### **Conflicts of interest**

The Issuing Agent (as defined in the Terms and Conditions) may in the future have relations with the Group other than those arising from its role in the issue of the Bonds. The Issuing Agent (as defined in the Terms and Conditions) may, for example, provide services related to financing other than through the issue of the Bonds, such as investment banking services for, or other commercial dealings with, the Group. Consequently, there is a risk that conflicts of interest will arise in the future.

## Responsible for the information in the Prospectus

The Company issued the Bonds on 27 December 2013. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on NASDAQ OMX Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

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

The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm 4 December 2014

SSM Holding AB (publ)

The board of directors

## The Bonds in brief

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

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

The Bonds are debt instruments (Sw. skuldförbindelser), intended for public market trading, which confirm that each Holder has a claim against the Company. The Company resolved to issue the Bonds on 18 December 2013. The purpose of the Bond Issue was to raise funds to be used towards investments and general corporate purposes of the Group. The Issue Date for the Bonds was 27 December 2013. The Bonds will mature on 27 December 2017.

The maximum aggregate nominal amount of the Bonds is SEK 200,000,000 represented by 200 Bonds denominated in SEK with ISIN SE0005567955, each with a Nominal Amount of SEK 1,000,000. The Bonds were issued at a price equal to 100 per cent of the Nominal Amount. As of the date of this Prospectus, SEK 200,000,000 of the bond loan has been issued, of which SEK 200,000,000 was issued on the Issue Date.

The Bonds have been issued in accordance with Swedish law and are connected to the accountbased system of Euroclear. This means that the Bonds are registered on behalf of the Holders on a securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book entry system. The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Company and shall at all times rank *pari passu* without any preference among them.

The Company shall redeem all outstanding Bonds at 100 per cent of the Nominal Amount together with accrued and unpaid interest on the Final Maturity Date, unless previously redeemed, repurchased and cancelled or prepaid in accordance with Section 8 “*Redemption and repurchase of the Bonds*” or Section 12 “Events of Default and Acceleration of the Bonds” of the Terms and Conditions.

The Company may choose to redeem all, but not only some, of the Bonds on any Business Day at a redemption price equal to the Make Whole Amount or the relevant Call Option Amount together with accrued but unpaid interest (see further Section 8 “*Redemption and repurchase of the Bonds*” of the Terms and Conditions).

Upon a Change of Control Event, each Holder has a right of prepayment of its Bonds at a price of 101 per cent of the Nominal Amount together with accrued but unpaid interest (see further Section 8.4 “*Mandatory repurchase due to a Change of Control Event*” of the Terms and Conditions).

Payment of the Nominal Amount and/or interest will be made to the person who is a Holder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date.

The Bonds bear interest from, but excluding, the Issue Date up to, and including, the relevant Redemption Date at floating rate of STIBOR (3 months) increased with 800 basis points. The interest is paid quarterly in arrears on each Interest Payment Date and is calculated on an actual/360-days basis. The Interest Payment Dates are 27 December, 27 March, 27 June, and 27 September each year (with the first Interest Payment Date being 27 March 2014 and the last Interest Payment Date shall be the relevant Redemption Date). The right to receive payment of interest (excluding any capitalized interest) shall be prescribed and become void three (3) years from the relevant due date for payment. Swedish Trustee AB (publ) acts as interest calculation consultant.

Swedish Trustee AB (publ) is initially acting as agent in relation to the Bonds (the “**Agent**”), and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorization from the Bondholders and without having to obtain any Bondholder’s consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Bondholders in every matter concerning the Bonds and the Terms and Conditions. The Agent is authorized to act on behalf of the Bondholders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Bondholder which does not comply with such request of the Agent.

The Agent shall convene a Bondholders’ Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) (see further Section 15 “*Bondholders’ Meeting*” of the Terms and Conditions) or request a Written Procedure (see further Section 16 “*Written Procedure*” of the Terms and Conditions). Such Bondholders’ Meeting or Written Procedure may, upon votes representing a relevant majority of Bondholders eligible for voting, cause resolutions to be validly passed and binding on all Bondholders.

An agreement was entered into between the Agent and the Company on or about the Issue Date regarding, *inter alia*, the remuneration payable to the Agent.

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

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

To simplify trading in the Bonds, the Company intends to apply for listing of the Bonds on NASDAQ OMX Stockholm in connection with the SFSA's approval of this Prospectus. The initial number of Bonds being admitted to trading if the application is approved by NASDAQ OMX Stockholm is 200. The earliest date for admitting the Bonds to trading on NASDAQ OMX Stockholm is on 12 December 2014. The fact that an application regarding listing of the Bonds on NASDAQ OMX Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 60,000.

The Terms and Conditions include an undertaking by the Company to list the Bonds on NASDAQ OMX Stockholm within 12 months after the Issue Date and to maintain such listing for as long as any Bond remains outstanding.

## **The Company and its operations**

### **History and development**

SSM Holding AB (publ) is a public limited liability company registered in Sweden with registration number 556533-3902, with the registered address Kungsgatan 57A, 111 22 Stockholm, Sweden, phone no +46 8 501 033 00. The Company was formed in Sweden on 6 June 1996 and registered with the Swedish Companies Registration Office on 6 August 1996. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

### **Share capital, shares, ownership structure and governance**

According to its articles of association, the Company's share capital shall be no less than SEK 30,100,000 and not more than SEK 120,400,000 divided into no less than 301,000 shares and not more than 1,204,000 shares. The Company's current share capital amounts to SEK 30,100,000 divided among 301,000 shares, with one vote per share and each share having equal rights to distribution of income and capital. The shares are denominated in SEK.

The Company is a wholly-owned associated company of Eurodevelopment AG. The shares in Eurodevelopment AG are to 100% owned by Ulf Morelius and Ulf Sjöstrand in equal parts.

The Company is the parent company of the Group. Since the majority of the revenues of the Group come from the Company's operational subsidiaries, the Company is dependent upon such subsidiaries. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

### **Business and operations**

The object of the Company's business, which is set forth in paragraph 3 of its articles of association, is to manage securities and carry out consultancy services in the construction and real estate industry as well as engaging in activities compatible therewith.

SSM acquires, develops, sells, and produces attractive homes in the Stockholm region. The company distinguishes itself from many other industry players by being a pure residential developer. SSM owns its entire business process and implement all elements of residential development with its own resources officials.

SSM builds homes in the Stockholm region where the housing shortage is a reality for many people. The apartments are small and cost effective, primarily targeting young people (20-40 years old), living single, cohabiting or apart in the early stages of their professional career. SSM

focuses on working with dedicated functional design, in order to create space efficient housing at a reasonable cost. One and two room apartments make up approximately 80 per cent of the annual production target of 500 apartments.

SSM develops, sells and builds primarily condominiums, but the company's business strategy also includes development of student housing projects, and rental residential units as well. As of today the company is currently working with their two first student housing projects in an early development phase. The plan is not to manage the buildings after they are completed, in the rental unit case SSM aims at selling the buildings early in the development process.

#### **Litigation**

During the previous twelve months, the Company has not been, and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

#### **Material agreements**

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

#### **Credit rating**

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

#### **Significant adverse changes and recent events**

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

#### **Shareholders' agreements**

There are no shareholder agreements' or other agreements which could result in a change of control of the Company.

#### **Board of directors, senior management and auditors for the Company**

The business address for all members of the board of directors and the senior management is: SSM Holding AB (publ), SE-111 22 Stockholm, Sweden. The telephone number is: +46 8 501 033 000. The board of directors of the Company currently consists of 3 members. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

#### **Board of directors**

Ulf Morelius – Chairman of the board

Born 1958 and a Swedish citizen. Chairman of the Board of Directors of the Company since 1999. Entrepreneur, founder, and 50%-owner of SSM. 25 years of experience from real estate development, experience from positions as purchasing manager. No other directorships.

Peri Kuldkepp – Director of the board

Born 1944 and a Swedish citizen. Director of the Board of the Company since 2013. Master of Science at the Royal Institute of Technology in Stockholm. Previously CEO of SSM and management positions with Prifast, HSB Riksförbund och BPA Byggproduktion. Other directorships; TARI AS (subsidiary to Tyréns AB).

**Christofer Sjöstrand**

Born 1987 and a Swedish citizen. Member of the Board of Directors of the Company since 2013. Master of Science in Construction project management from the Royal Institute of Technology. A series of courses at the Building Contractors Association in Stockholm. Currently employed as a supervising engineer within SSM Bygg & Fastighets AB. No other directorships.

**Senior management****Mattias Roos – CEO**

Born in 1973 and a Swedish citizen. and Chief Executive Officer since November 2012. Master of Science at the Royal Institute of Technology in Stockholm Formerly Business Development Manager, Department Manager, and Project Manager at NCC Boende Sverige and director of the development company NVB Beckomberga. Former employee of Besqab and JM.

**Ola Persson – CFO**

Born in 1969 and a Swedish citizen. and Chief Financial Officer since September 2013. Bachelor of Economics from Uppsala University and Stockholm University and an international MBA from the University of South Carolina, USA. Former founder, CEO and CFO of Persson & Westling Pantbank, CEO and Director of Mondial Asset Management Group and Investment Manager at Alliance Capital Partners.

**Marie Engblom – Sales- and marketing manager**

Born in 1981 and a Swedish citizen. Member of the Management since November 2012. Educated Realtor from Gävle University and has worked as a realtor at Notar and Erik Olsson Property. Employed at SSM since 2008.

**Johan Ellertson – Department head – projects**

Born in 1964 and a Swedish citizen. Member of the management team since December 2013. Technical education. Former CEO of IQUNITY and Vice President of RCC Stockholm. Johan also has experience from roles as project leader and project manager in NCC Housing, JM and Skanska.

**Greger Jansson – Purchasing manager**

Born in 1970 and a Swedish citizen. Member of the management team since September 2013. Vocational school with specialization in construction and painting. Former Purchasing Manager at Wallenstam and department head and supervisor at Brunnby Painting and Painting expert at Mellansvenska AB. Collaborates as a lecturer in leadership and personal development.

**Eva Pettersson – Human resources manager**

Born in 1962 and a Swedish citizen. Member of the management team since April 2013. Educated in HR strategy with a variety of leadership oriented courses. Previously served in the role of HR Director for the Foundation Nordiska Museet, Setterwalls, Max Matthiessen and HR/Office Manager at Oz.com, and as personnel officer at Det Norske Veritas Sweden.

**Agneta Thörnblad – Corporate counsel**

Born in 1975 and a Swedish citizen. Member of the management team since January 2014. Law degree from Stockholm University. Former attorney at the law firm Fylgia specializing in real estate law as well as preparation lawyer at Stockholm District Court and enrollment lawyer at Norrtälje District Court.

**Auditors**

Authorised public accountant Ola Salemyr is the Company's auditor since 2012. Ola is a member of FAR.

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

**Conflicts of interests**

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

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

**Financial interests**

Other than Ulf Morelius, who owns 50% of the Company, none of the other members of the board of directors or the senior management of the Company has a financial interest in the Company.

## Overview of financial reporting and documents incorporated by reference

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

The financial information for the financial year ending 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of these standards (IFRICs) issued by the IFRS Interpretations Committee, as these IFRSs and IFRICs have been adopted by the European Union.

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

The Company's consolidated interim report for the financial period ended 30 June 2014 has been incorporated in this Prospectus by reference. The interim report has not been audited by the Company's auditor.

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

Reference	Document	Pages
Financial information regarding the Company and its business for the financial year ended 31 December 2013.	The Company's consolidated annual report for the financial year ended 31 December 2013.	33-81
Auditor's report for the Company's financial year ended 31 December 2013.	The Company's consolidated annual report for the financial year ended 31 December 2013.	81
Financial information regarding the Company and its business for the financial period ended 30 June 2014.	The Company's consolidated interim report for the financial period ended 30 June 2014.	1-16

Investors should read all information which is incorporated in the Prospectus by reference. The documents can be obtained in paper format at the Company's head office and are also available at the Company's web page, [www.ssmfastigheter.se](http://www.ssmfastigheter.se).

### Documents available for inspection

Copies of the following documents can be obtained from the Company in paper format during the validity period of this Prospectus at the Company's head office and are also available at the Company's web page, [www.ssmfastigheter.se](http://www.ssmfastigheter.se);

- The articles of association of the Company;
- all documents which – by reference – are a part of this Prospectus; and
- the Terms and Conditions of the Bonds.



## **Terms and Conditions**

**SSM Holding AB (publ)**

**Up to SEK 200,000,000**

**Senior Secured Callable Bonds**

**ISIN: SE0005567955**

**18 December 2013**

*Other than the registration of the Bonds under Swedish law, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.*

## Table of Contents

1.	Definitions and Construction .....	25
2.	Status of the Bonds .....	32
3.	Use of Proceeds .....	32
4.	Bonds in Book-Entry Form .....	32
5.	Right to Act on Behalf of a Bondholder .....	33
6.	Payments in Respect of the Bonds .....	33
7.	Interest .....	34
8.	Redemption and Repurchase of the Bonds .....	34
9.	Transaction Security .....	35
10.	Information to Bondholders .....	36
11.	General Undertakings .....	37
12.	Events of Default and Acceleration of the Bonds .....	40
13.	Distribution of Proceeds .....	42
14.	Decisions by Bondholders .....	43
15.	Bondholders' Meeting .....	45
16.	Written Procedure .....	46
17.	Amendments and Waivers .....	46
18.	Appointment and Replacement of the Agent .....	47
19.	Appointment and Replacement of the Issuing Agent .....	49
20.	No Direct Actions by Bondholders .....	49
21.	Prescription .....	50
22.	Notices .....	50
23.	Governing Law and Jurisdiction .....	51

## 1. Definitions and Construction

### 1.1 Definitions

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

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

"**Accounting Principles**" means (i) until conversion to IFRS, the generally accepted accounting principles, standards and practices in Sweden and (ii) following conversion, international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

"**Advance Purchase Agreements**" means (i) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than 90 days after the date of supply, or (ii) any other trade credit incurred in the ordinary course of business.

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

"**Agency Agreement**" means the agency agreement entered into between the Agent and the Issuer on or about the Issue Date regarding, inter alia, the remuneration payable to the Agent.

"**Agent**" means Swedish Trustee AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Alfa SSM**" means Alfa SSM Holding AB, reg. no. 556840-4239.

"**Applicable Premium**" means the higher of:

- (a) 104.00 per cent. of the Nominal Amount; or
- (b) an amount equal to:
  - (i) 104.00 per cent. of the Nominal Amount; plus
  - (ii) all remaining scheduled Interest payments (assuming that the Interest Rate for the period from the relevant Redemption Date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the Redemption Date until the First Call Date plus 8.00 per cent.) on the Bonds until the First Call Date,

discounted (for the time period starting from the date the relevant Bonds are redeemed to the First Call Date) using a discount rate equal to the Swedish Government Note Rate plus 0.50 per cent; minus

- (iii) accrued but unpaid Interest up to the relevant Redemption Date; and

- (iv) the Nominal Amount.

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

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 15 (*Bondholders' Meeting*).

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

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

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

**"Call Option"** means the Issuer's right to redeem outstanding Bonds in full in accordance with Clause 8.3 (*Voluntary Total Redemption*).

**"Call Option Amount"** means:

- (a) 100.00 per cent. of the Nominal Amount plus the Applicable Premium, together with accrued but unpaid interest, if the Call Option is exercised anytime before the First Call Date;
- (b) 104.00 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the First Call Date to, but excluding, the date falling 36 months after the Issue Date; and
- (c) 102.00 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 36 months after the Issue Date to, but excluding, the date falling six (6) months prior to the Final Maturity Date.

**"Change of Control Event"** means the occurrence of an event or series of events whereby:

- (a) prior to a listing of the shares in the Issuer on a Regulated Market, Euro Development AG, directly or indirectly, ceases to own at least 51 per cent of the votes and the share capital of the Issuer; or
- (b) following a listing of the shares in the Issuer on a Regulated Market, one or more Persons, not being Euro Development AG, acting in concert, acquire control over the Issuer. For the purpose of this definition, and where **"control"** means (a) acquiring or controlling, directly or indirectly, more than thirty (30) per cent. of the votes and the share capital of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, and **"acting in concert"** means a group of Persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

**"Compliance Certificate"** means a certificate, in form and substance satisfactory to the Bond Trustee, signed by the CEO or CFO of the Issuer certifying that (i) so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing,

specifying the event and steps, if any, being taken to remedy it and (ii) the Leverage of each Project.

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

**"Deposit Account"** means the bank account no. 6106-782849628 held by the Issuer with Svenska Handelsbanken AB (publ).

**"Event of Default"** means an event or circumstance specified in any of the Clauses 12.1 (*Non-Payment*) to and including Clause 12.9 (*Continuation of the Business*).

**"Escrow Account"** means the bank account no. 6106-782849938 held by the Issuer with Svenska Handelsbanken AB (publ).

**"Final Maturity Date"** means 27 December 2017.

**"Finance Documents"** means these Terms and Conditions, the Agency Agreement, the Security Documents and any other document designated by the Issuer and the Agent as a Finance Document.

**"Financial Indebtedness"** means any indebtedness in respect of:

- (a) monies borrowed or raised;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the accounting principles applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead).

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

**"First Call Date"** means the date falling two (2) years after the Issue Date.

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

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

**"Interest"** means the interest on the Bonds calculated in accordance with Clauses 7(a) to 7(d).

**"Interest Payment Date"** means 27 December, 27 March, 27 June and 27 September of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 27 March 2014 and the last Interest Payment Date shall be the relevant Redemption Date.

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

**"Interest Rate"** means STIBOR plus 8.00 per cent. *per annum*.

**"Issue Date"** means 27 December 2013.

**"Issuer"** means SSM Holding AB (publ), a public limited liability company incorporated under the laws of Sweden, whose registered office is Kungsholmstorg 16, 112 21 Stockholm, with Swedish Reg. No. 556533-3902.

**"Issuing Agent"** means Nordic Fixed Income AB, Swedish Reg. No. 556545-0383, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Leverage"** means in relation to each Project, (i) the Loan to Cost or (ii) the Loan to Value, as selected by the Issuer.

**"Loan to Cost"** means at any time in relation to each Project, the aggregate of the Project Loans as a percentage of the Project Costs incurred at that time.

**"Loan to Value"** means at any time in relation to each Project, the aggregate of the Project Loans as a percentage of the Value.

**"Material Adverse Effect"** means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Issuer's ability to perform and comply with the undertakings set out in Clause 11 (*General Undertakings*); or
- (c) the validity or enforceability of the Finance Documents.

**"Material Group Company"** means the Issuer, SSM Fastigheter or another Subsidiary of the Issuer representing more than ten (10) per cent. of the total assets or EBITDA of the Group on a consolidated basis according to the latest financial statements delivered pursuant to these Terms and Conditions.

**"Nominal Amount"** means, in respect of each Bond, SEK 1,000,000.

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

**"Project"** means (i) the acquisition by a Subsidiary of a real property for the purpose of a subsequent development of residential buildings on such real property or (ii) a

construction and development by a Subsidiary of residential buildings on a real property (as the case may be).

**"Project Costs"** means the aggregate of the costs, purchase prices, expenses incurred and VAT (Sw. *mervärdesskatt*) paid (to the extent not reimbursable) in relation to any Project, which shall also include costs incurred prior the commencement or the construction of a project or an acquisition of a real property (as the case may be) relating to, *inter alia*, costs in relation to land surveys, work conducted by real estate agents and land planning.

**"Project Income"** means, in accordance with the relevant joint venture agreement entered into with respect to the development of the Project SPVs, the Group's share of the income received in cash by Alfa SSM generated from the Project SPVs.

**"Project Loans"** means the aggregate amount of all loans extended to the Subsidiaries by any bank for the sole purpose of financing a Project.

**"Project SPV"** means each of (i) Alfa SSM Fast 1 AB, reg. no. 556813-4133 (ii) Alfa SSM Fast 2 AB, reg. no. 556938-3580 and (iii) Fastighets AB Slingan AB, reg. no. 556902-1701 .

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

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

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

**"Regulated Market"** means NASDAQ OMX Stockholm or any other regulated market (Sw. *reglerad marknad*) (as defined in the Swedish Securities Market Act (*lag (2007:528) om värdepappersmarknaden*)).

**"Restricted Payment"** has the meaning set forth in Clause 11.2(a).

**"Revolving Credit Facility"** means any revolving credit facility in the aggregate principal amount not exceeding SEK 20,000,000 (or its equivalent in other currencies) at any time.

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

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

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

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

**"Security Documents"** means:

- (a) the share pledge agreement in respect of the shares in SSM Fastigheter, between the Agent and the Issuer as pledgor, dated on or before the Issue Date;
- (b) the escrow account pledge agreement in respect of the Escrow Account, between the Agent and the Issuer as pledgor, dated on or before the Issue Date;
- (c) the deposit account pledge agreement in respect of the Deposit Account, between the Agent and the Issuer as pledgor, dated on or before the Issue Date;
- (d) the account pledge agreement in respect of the Tellus Disposal Proceeds Account, between the Agent and Tellus Holdco as pledgor, dated on or before the Issue Date;
- (e) the Tellus Share Security; and
- (f) the Tellus Property Security.

**"SSM Fastigheter"** means SSM Fastigheter AB, reg. no 556947-1203.

**"SSM Tellus"** means SSM Hold Fast 6 AB, reg. no. 556732-2309, the owner of Timotejen.

**"STIBOR"** means:

- (a) the applicable percentage rate per annum displayed on NASDAQ OMX's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

**"Subsidiary"** means, in relation to any person, a subsidiary of the Issuer according to Chapter 1 Section 11 of the Swedish Companies Act (or under such provision as may replace this provision).

**"Swedish Government Note Rate"** means the interpolated SGB rate between the SGB 12 August 2015 (series 1049) and the SGB 12 July 2016 (series 1050) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption. If a quote for any aforementioned SGB rate is unavailable on the relevant date, the Issuing Agent may select a SGB rate it deems appropriate for the purpose of the calculation set out in this definition (acting reasonably).

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

**"Tellus Disposal Proceeds"** means the consideration receivable by Tellus Holdco for any disposal made of the shares in SSM Tellus, after deducting:

- (a) any reasonable expenses which are incurred with respect to such disposal; and

- (b) any tax incurred and required to be paid by the seller in connection with such disposal (as reasonably determined by the seller, on the basis of existing rates).
- (c) **"Tellus Disposal Proceeds Account"** means the bank account no. 6106-784124248 held by Tellus Holdco with Svenska Handelsbanken AB (publ).
- (d) **"Tellus Holdco"** means HoldC AB, org. no. 556732-2234, the owner of SSM Tellus on the date hereof.

**"Tellus Project"** means the development and construction of residential buildings on the real property Timotejen.

**"Tellus Property Security"** means the real property mortgage agreement in respect of the real property mortgage certificates amounting to SEK 42,242,449 issued in Timotejen, between the Agent and SSM Tellus as mortgagor, to be entered into within twenty (20) Business Days after the Issue Date.

**"Tellus Share Security"** means the share pledge agreement in respect of the shares in SSM Tellus, between the Agent and Tellus Holdco as pledgor, dated on or before the Issue Date.

**"Timotejen"** means the real property Stockholm Timotejen 17.

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

**"Transaction Costs"** means all fees, costs and expenses, stamp, registration and other taxies incurred by the Issuer or any other member of the Group in connection with the issue of the Bonds.

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

**"Valuation"** means a valuation report in relation to a Project prepared and issued by an independent and reputable appraiser or an in-house valuation conducted by a reputable bank, specifying the Value of the Project.

**"Value"** means the market value of a Project as set out in the most recent Valuation.

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) **"assets"** includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a **"regulation"** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
  - (c) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## **2. Status of the Bonds**

- (a) The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The Nominal Amount of each Bond is SEK 1,000,000. The maximum Total Nominal Amount of the Bonds is SEK 200,000,000. All Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) The Bonds are freely transferable.
- (e) Bonds constitute direct, general, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* with all direct, unconditional and unsubordinated obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (f) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

## **3. Use of Proceeds**

The Issuer shall use the proceeds from the issue of the Bonds (after deduction has been made for the Transaction Costs and an amount that shall be deposited on the Escrow Account which is sufficient to comply with the minimum liquidity requirements of Clause 11.9) for (i) refinancing of existing loans in the Group and (ii) on-lending to the Subsidiaries for the purposes of financing Projects.

## **4. Bonds in Book-Entry Form**

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of

a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting under Clause 15 (*Bondholders' Meeting*) or any direct communication to the Bondholders under Clause 16 (*Written Procedure*), the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

## 5. Right to Act on Behalf of a Bondholder

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 5(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## 6. Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Bondholder being registered as such on the Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 7(c) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 6, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay,

irrespective of whether such payment was made to a person not entitled to receive such amount.

## **7. Interest**

- (a) Each Bond carries Interest at the Interest Rate from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **8.1 Redemption at maturity**

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

### **8.2 Issuer's purchase of Bonds**

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

### **8.3 Voluntary Total Redemption**

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full with an amount per Bond equal to the Call Option Amount applicable to the relevant period for the repayment of the Nominal Amount together with accrued but unpaid Interest.
- (b) Notwithstanding Clause 8.3(a), the Issuer may redeem all, but not only some, outstanding Bonds in full at any time from and including the first Business Day falling six (6) months prior to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (c) Redemption in accordance with Clauses 8.3(a) and 8.3(b) shall be made by the Issuer giving not less than twenty (20) Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent and in accordance with the instructions of the Issuer or the Issuing Agent, as applicable. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in full with the applicable amounts.

### **8.4 Mandatory Repurchase due to a Change of Control Event**

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 10.1(b) (after which time period such right shall lapse).

- (b) The notice from the Issuer pursuant to Clause 10.1(b) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 8.4(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 8.4 may at the Issuer's discretion be retained, sold or cancelled.

## 9. Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall ensure that Tellus Holdco grants) on the Issue Date the Transaction Security (save for the Tellus Property Security) to the Secured Parties as represented by the Agent.
- (b) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall ensure that the Tellus Property Security is granted by SSM Tellus to the Secured Parties as represented by the Agent within twenty (20) Business Days after the Issue Date.
- (c) The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents on or before the Issue Date.
- (d) Unless and until the Agent has received instructions from the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.
- (e) The Agent shall (without first having to obtain the Bondholders' consent) be entitled to release the Tellus Property Security in full when it is satisfied that Tellus Disposal Proceeds relating to a disposal of at least 80 per cent of the share capital of SSM Tellus to a joint venture partner which is not a Group Company, has been deposited on the Tellus Disposal Proceeds Account in accordance with Clause 11.10(c).
- (f) The Agent shall (without first having to obtain the Bondholders' consent) be entitled to release the Tellus Share Security, in whole or in part, when the Issuer has provided the Agent with a duly executed copy of a share purchase agreement (the "SPA") in respect of the shares in SSM Tellus, between Tellus Holdco and a joint venture partner which is not a Group Company. The shares which are subject to the disposal under the SPA shall be released by the Agent, simultaneously with the Tellus Disposal Proceeds relating to the disposed shares being deposited on the Tellus Disposal Proceeds Account in accordance with Clause 11.10(c).

## 10. Information to Bondholders

### 10.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the Swedish language to the Bondholders by publication on the website of the Issuer:
- (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (iii) as soon as the same become available, but in any event within two (2) months after the end of each financial year, its unaudited consolidated financial statements and the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period; and
  - (iv) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed.
- (b) The Issuer shall immediately notify the Bondholders and the Agent when the Issuer is or becomes aware of the occurrence of a Change of Control Event.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall in connection with the publication of the financial statements in paragraph (a) (ii) above, submit to the Agent a Compliance Certificate.
- (e) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including

entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

- (g) When and for as long as the Bonds are listed, the Issuer shall also make the information set out in paragraph 10.1(a) above available by way of press releases.

## 10.2 Information from the Agent

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

## 10.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the website of the Agent promptly after the Issue Date and no later than the date on which the first quarterly financial statements pursuant to Clause 10.1(a)(ii) is delivered, on the website of the Issuer.
- (b) The latest versions of the other Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

## 11. General Undertakings

### 11.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 11 for as long as any Bonds remain outstanding.

### 11.2 Distributions

- (a) The Issuer shall not:
  - (i) pay any dividend on its shares;
  - (ii) repurchase any of its own shares;
  - (iii) redeem its share capital or other restricted equity with repayment to shareholders;
  - (iv) grant any loans to the direct or indirect shareholder of the Issuer; or
  - (v) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than any Subsidiary of the Issuer),

(i) - (v) above each being a "**Restricted Payment**").
- (b) Notwithstanding paragraph (a) above, a Restricted Payment may be made by the Issuer to a direct or indirect shareholder of the Issuer, if at the time of the Restricted Payment:
  - (i) no Event of Default is continuing or would occur as a result of the Restricted Payment; and
  - (ii) the aggregate amount of all Restricted Payments in any fiscal year (including the Restricted Payment in question) does not exceed the lower of (i) 50 per cent of the Group's consolidated net profit for the previous fiscal year or (ii) SEK 2,500,000.

**11.3 Nature of Business**

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

**11.4 Financial Indebtedness**

- (a) The Issuer shall not incur any Financial Indebtedness, other than Financial Indebtedness incurred under the Bonds.
- (b) The Issuer shall procure that SSM Fastigheter does not incur any Financial Indebtedness, other than Financial Indebtedness incurred under:
  - (i) the Revolving Credit Facility; and
  - (ii) any loans between SSM Fastigheter and any Group Company.

**11.5 Negative Pledge**

- (a) The Issuer shall not provide, prolong or renew any guarantee or Security over any of its assets (present or future) to secure any Financial Indebtedness of any person, other than:
  - (i) the Transaction Security;
  - (ii) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
  - (iii) a guarantee granted by the Issuer for the obligations of Alfa SSM BP1 Holding AB under a promissory note issued by Alfa SSM BP1 Holding AB to Guldslingan Holding on 1 October 2013 in the amount of SEK 25,000,000;
  - (iv) a guarantee granted by the Issuer for the obligations of Alfa SSM Fast 2 AB under a facility agreement entered into between SBAB Bank AB (publ) as lender, Alfa SSM Fast 2 AB as borrower, Alfa SSM BP 1 Holding AB as parent and Vasaterminalen AB and the Issuer as guarantors on 2 December 2013;
  - (v) guarantees granted by the Issuer for the obligations of various Group Companies pursuant to a maximum of SEK 500,000,000 credit framework agreement entered into between certain Group Companies and Swedbank AB (publ) after the Issue Date;
  - (vi) guarantees granted by the Issuer for Sättra Stockholm Fastigheter AB's obligations towards Fastighets Förmedlarna i Mälardalen AB (including the obligation to pay purchase price in the amount of SEK 5,000,000) under a cooperation agreement entered into between Sättra Stockholm Fastigheter AB and Fastighets Förmedlarna i Mälardalen AB on 20 October 2011;
  - (vii) a guarantee granted by the Issuer for the obligations of Gyllene Ratten AB under a separate guarantee agreement between Gyllene Ratten AB and Nordea Bank AB (publ) for the obligations of Brf Mäkarhöjdsparken 2 towards Nordea Bank AB (publ);
  - (viii) a guarantee granted by the Issuer in the amount of SEK 20,000,000 for the obligations of Alfa SSM BP1 Holding AB towards Svenska Handelsbanken AB (publ);

(ix) a guarantee granted by the Issuer in the amount of SEK 13,000,000 for the obligations of Alfa SSM BP1 Holding AB towards Svenska Handelsbanken AB (publ); and

(x) provided in relation to any Revolving Credit Facility.

(b) The Issuer shall, until the date on which shares representing more than fifty (50) per cent of the share capital and votes in SSM Tellus are disposed of to a joint venture partner not being a Group Company, ensure that SSM Tellus does not create any Security over any of its assets (other than the Transaction Security), provided that the mortgage in existence over Timotejen on the date hereof shall be permitted for a period of 20 Business Days following the Issue Date.

#### **11.6 Dealings with Related Parties**

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

#### **11.7 Disposal of Assets**

(a) The Issuer shall not, and shall procure that no Subsidiary, make(s) a disposal of any shares in any Subsidiary (except for a disposal of the shares in a Project SPV or SSM Tellus, provided that the requirements of Clause 11.10 are complied with), unless such disposal is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

(b) Notwithstanding paragraph (a) above, the Issuer may not sell or otherwise dispose of any shares in SSM Fastigheter.

#### **11.8 Listing of the Bonds**

(a) The Issuer shall use its best efforts to ensure that the Bonds are listed on NASDAQ OMX Stockholm within twelve (12) months after the Issue Date, and that it remains admitted or, if such listing is not possible to obtain or maintain, listing on another Regulated Market.

(b) The Issuer shall, following the listing, take all actions on its part to maintain the admission as long as any Bonds are outstanding, however not longer than up to and including the last day on which the listing reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

#### **11.9 Escrow Account**

(a) The Issuer shall maintain the Escrow Account.

(b) The Issuer shall ensure that, at all times, an amount equal to or exceeding SEK 9,000,000 shall stand to the credit of the Escrow Account.

(c) The funds standing to the credit of the Escrow Account may not be withdrawn or transferred other than with the prior written consent from the Agent for the purpose of redemption in accordance with Clauses 8.1 (*Redemption at maturity*) or 8.3 (*Voluntary Total Redemption*).

(d) The Escrow Account shall pursuant to the Security Documents be pledged in favour of the Bondholders represented by the Agent.

#### **11.10 Deposit Account and Tellus Disposal Proceeds Account**

(a) The Issuer shall maintain the Deposit Account and shall ensure that Tellus Holdco maintains the Tellus Disposal Proceeds Account.

(b) The Issuer shall, to the extent legally possible, ensure that, each time Alfa SSM has received Project Income accumulated to SEK 20,000,000, such amount is distributed to the Issuer and deposited on the Deposit Account.

- (c) The Issuer shall, to the extent legally possible, ensure that Tellus Holdco promptly deposits any received Tellus Disposal Proceeds on the Tellus Disposal Proceeds Account.
- (d) The obligations of the Issuer under Clauses 11.10(b) and 11.10(c) shall only apply until the Issuer has provided the Agent with bank statements evidencing that the funds standing to the credit of the Deposit Account and the Tellus Disposal Proceeds Account in aggregate amounts to at least SEK 190,000,000.
- (e) The funds standing to the credit of the Deposit Account or the Tellus Disposal Proceeds Account may not be withdrawn or transferred other than with the prior written consent from the Agent for the purpose of redemption in accordance with Clauses 8.1 (*Redemption at maturity*) or 8.3 (*Voluntary Total Redemption*).
- (f) The Deposit Account and the Tellus Disposal Proceeds Account shall pursuant to the Security Documents be pledged in favour of the Bondholders represented by the Agent.

#### 11.11 Project undertakings

- (a) The Issuer shall ensure that all Projects are carried out within the greater Stockholm region.
- (b) The Issuer shall ensure that no Subsidiary commences the construction phase of a Project, unless
  - (i) binding pre-agreements (Sw. *förhandsavtal*), in accordance with the Housing Cooperative Act (Sw. *Bostadsrättslag (1991:614)*), with respect to at least fifty (50) per cent of the apartments in the relevant housing cooperative (Sw. *bostadsrättsförening*) which is to be developed, have been entered into; or
  - (ii) with respect to the construction of rental apartments, at least 50 per cent. of the building, including the construction project and all agreements relating thereto, or 50 per cent. of the company owning the building and the construction project has been disposed to a third party.
- (c) The Issuer shall ensure that all Projects are carried out for the purposes of building residential apartments, which for the avoidance of doubt, may contain commercial premises within the housing co-operative (Sw. *bostadsrättsförening*) or rental building (as applicable).
- (d) The Issuer shall ensure that the construction phase of the Tellus Project is not commenced unless at least 80 per cent of the share capital of SSM Tellus has been disposed of to a joint venture partner which is not a Group Company.

#### 11.12 Leverage

- (a) The Issuer shall at all times ensure that the Leverage of each Project does not exceed 75 per cent.
- (b) The Issuer shall, upon the Agent's request (if the Agent has reasonable grounds for believing that a breach of paragraph (a) above has occurred), supply to the Agent a verification of the Leverage of each Project and if further requested by the Agent and at the cost of the Issuer, new Valuations of each Project.

### 12. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 12 (other than Clause 12.10 (*Acceleration of the Bonds*)) is an Event of Default.

#### 12.1 Non-Payment

The Issuer does not pay on the due date any amount payable by it under these Terms and Conditions, unless the non-payment:

- (a) is caused by technical or administrative error; and

- (b) is remedied within five (5) Business Days from the due date.

### **12.2 Other Obligations**

The Issuer does not comply with these Terms and Conditions, in any other way than as set out in Clause 12.1 (*Non-Payment*), provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within forty-five (45) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

### **12.3 Cross-Acceleration**

Any Financial Indebtedness of any Material Group Company becomes due and payable (irrespective of the reason therefore) prior to its specified maturity as a result of an event of default (however described). No Event of Default will occur under this Clause 12.3 if the aggregate amount of Financial Indebtedness becoming due and payable is less than SEK 2,000,000.

### **12.4 Insolvency**

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

### **12.5 Insolvency Proceedings**

- (a) Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 30 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:
- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

### **12.6 Mergers and Demergers**

The Issuer merges with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

### **12.7 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction which affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 2,000,000 and which is not discharged within 30 days.

### **12.8 Impossibility or Illegality**

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

### **12.9 Continuation of the Business**

The Issuer or any other Material Group Company ceases to carry on its business (other than in the case of a merger or demerger as stipulated Clause 12.6 (*Mergers and Demergers*)).

### 12.10 Acceleration of the Bonds

- (a) If an Event of Default has occurred, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) Notwithstanding any other provisions in these Terms and Conditions, acceleration of the Bonds on the grounds mentioned in Clause 12.2 (*Other Obligations*) above or, regarding any of the Issuer's Subsidiaries, on the grounds mentioned in Clauses 12.4 (*Insolvency*) to and including Clause 12.9 (*Continuation of the Business*), above may only occur if the nature of the particular circumstance is such that it would have a Material Adverse Effect and that the cause of a is continuing at the time of the Agent's declaration of acceleration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 12.4 (*Insolvency*) above.
- (c) If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (d) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (e) In the event of an acceleration of the Bonds in accordance with this Clause 12, the Issuer shall redeem all Bonds with an amount equal to the redemption amount specified in Clause 8.3 (*Voluntary Total Redemption*), as applicable considering when the acceleration occurs.

### 13. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
  - (i) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2(e), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 14(c);
  - (ii) secondly, in or towards payment pro rata of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);

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

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

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13(a)(i).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security shall constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.

#### 14. Decisions by Bondholders

- (a) Any decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 5 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 16(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least seventy-five (75) per cent. of the Adjusted Nominal Amount for which

Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16(c):

- (i) a change to the terms of any of Clause 2(a), and Clauses 2(e) to 2(f);
  - (ii) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of Proceeds*);
  - (iii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 14;
  - (iv) a change to the definition "Interest Payment Date" or the definition "Interest Rate" set out in Clause 1.1 (*Definitions*);
  - (v) an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (vi) a release of the Transaction Security, except in accordance with the terms of the Security Documents or these Terms and Conditions;
  - (vii) a mandatory exchange of the Bonds for other securities;
  - (viii) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 12 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 14(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17(a)(i) or 17(a)(ii)) or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 15(a)) or initiate a second Written Procedure (in accordance with Clause 16(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 14(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

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

## 15. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 15(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 18.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 15(a).
- (c) The notice pursuant to Clause 15(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

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

## 16. Written Procedure

- (a) The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Record Date prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 16(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 16(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 14(e) and 14(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14(e) or 14(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 17. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*).
- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 17(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- (c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **18. Appointment and Replacement of the Agent**

### **18.1 Appointment of Agent**

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- (b) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- (c) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (d) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (e) The Agent may only act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies where these issues are ranked *pari passu* and do not otherwise entail any obvious conflicts of interest for the Agent.

### **18.2 Duties of the Agent**

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care.
- (d) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating

to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of Proceeds*).

- (f) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (g) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such indemnities (or adequate Security has been provided therefore) as it may reasonably require.

### **18.3 Limited liability for the Agent**

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 14 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 12.10(a).
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

### **18.4 Replacement of the Agent**

- (a) Subject to Clause 18.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 18.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders'

Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement.

## 19. Appointment and Replacement of the Issuing Agent

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## 20. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 20(a) shall not apply if the Agent has been instructed by the Bondholders to take certain actions but is legally unable to take such actions.

**21. Prescription**

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

**22. Notices**

- (a) Subject to Clause 22(d), any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch;
  - (ii) if to the Issuer, to the following address:  
SSM Holding AB (publ)  
Attention: CEO  
Kungsgatan 57A  
111 22 Stockholm  
mattias.roos@ssmfastigheter.se
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Bondholders.
- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 22(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22(a).
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

**23. Governing Law and Jurisdiction**

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

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

Place: Stockholm, Sweden

Date: 18 December 2013

For and behalf of

**SSM Holding AB (publ)**

as Issuer

Ulf Morelius

Chairman of the board

Name:

Mattias Roos

CEO

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

Place: Stockholm, Sweden

Date: 18 December 2013

**Swedish Trustee AB (publ)**

as Agent

Eric Saers

Managing Director

## Addresses

### Company and issuer

SSM Holding AB (publ)  
Kungsgatan 57A | SE-111 22 Stockholm | Sweden  
+46 8 501 033 00 | [info@ssmfastigheter.se](mailto:info@ssmfastigheter.se) | [www.ssmfastigheter.se](http://www.ssmfastigheter.se)

### Central securities depository

Euroclear Sweden AB  
P.O. Box 7822 | SE-103 97 Stockholm | Sweden  
+46 8 402 90 00 | [www.euroclear.com](http://www.euroclear.com)

### The Company's auditor

Ola Salemyr  
PriceWaterhouseCoopers | Frösundaleden 2 | SE-169 80 Solna, Sweden  
+46 10 213 36 35

### Legal advisor to the issuing agent

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+46 8 553 190 00 | [www.roschier.com](http://www.roschier.com)

### Issuing agent

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### Agent

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