

## TERMS AND CONDITIONS OF THE BONDS

*The following, other than the paragraphs in italics, are the terms and conditions of the Bonds, substantially as they will appear on the reverse of the Bonds in definitive form (if issued):*

The issue of the SEK 4,400,000,000 zero coupon Exchangeable Bonds due 2019 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any Further Bonds) of AB Industrivärden (the “**Issuer**”) was (save in respect of any Further Bonds) authorised by a resolution of the Board of Directors of the Issuer passed on 6 May 2014. The Bonds are constituted by a trust deed (as modified and/or restated from time to time in accordance with its terms) (the “**Trust Deed**”) dated 15 May 2014 and made between the Issuer and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which term shall, where the context so permits, include all other persons for the time being appointed as trustee for the Bondholders) as trustee for the Bondholders. The Issuer has entered into a paying, transfer and exchange agency agreement (the “**Agency Agreement**”) dated 15 May 2014 with the Trustee, The Bank of New York Mellon (Luxembourg) S.A. as registrar, The Bank of New York Mellon, London Branch as principal paying, transfer and exchange agent, and the other paying, transfer and exchange agents named therein. The registrar and the principal paying, transfer and exchange agent and the other paying, transfer and exchange agents for the time being are referred to below, respectively, as the “**Registrar**”, the “**Principal Paying, Transfer and Exchange Agent**” and the “**Paying, Transfer and Exchange Agents**” (which expression shall include the Principal Paying, Transfer and Exchange Agent). The statements in these terms and conditions of the Bonds (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Bonds. The Issuer has also entered into a calculation agency agreement (the “**Calculation Agency Agreement**”) dated 15 May 2014 with Conv-Ex Advisors Limited (the “**Calculation Agent**”, which expression shall include any successor as calculation agent under the Calculation Agency Agreement) whereby the Calculation Agent has been appointed to make certain calculations.

Copies of the Trust Deed and the Agency Agreement are available for inspection by Bondholders at the registered office of the Trustee being at the date hereof at One Canada Square, London E14 5AL and at the specified office(s) of the Paying, Transfer and Exchange Agents. The Bondholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

Capitalised terms used but not defined in these Conditions shall have the meanings attributable to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

### 1 **Form, Denomination, and Title**

#### *(a) Form and Denomination*

The Bonds are in registered form in the principal amount of SEK 1,000,000 each (the “**authorised denomination**”).

#### *(b) Title*

Title to the Bonds passes by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, or theft or loss of it or that of the related certificate, as applicable) or anything written on it or the certificate representing it (other than a duly executed transfer thereof) and no person will be liable for so treating the holder.

## 2 Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer but, in the event of a winding up, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

## 3 Negative Pledge

So long as any of the Bonds remain outstanding (as defined in the Trust Deed) the Issuer will not, and will procure that no Principal Subsidiary of the Issuer will, create or permit to subsist any mortgage, lien, pledge or other charge, encumbrance or security interest (“**Relevant Security**”), other than any Permitted Security, upon, or with respect to, the whole or any part of any of its present or future assets or revenues to secure any existing or future Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, unless, simultaneously with, or prior to, the creation of such Relevant Security, all amounts payable by the Issuer under the Bonds and the Trust Deed (i) are secured equally and rateably by such Relevant Security to the satisfaction of the Trustee or (ii) are secured by such other security, guarantee, indemnity or other arrangement as the Trustee shall in its absolute discretion deem not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders.

In this Condition 3:

“**Permitted Security**” means:

- (i) any Relevant Security in respect of any Relevant Indebtedness (“**Existing Relevant Indebtedness**”), or in respect of any guarantee of or indemnity in respect of any Existing Relevant Indebtedness, given by any Principal Subsidiary where the relevant company becomes a Subsidiary after the Closing Date and where such Relevant Security exists at the time such company becomes a Subsidiary (provided that (1) such Relevant Security was not created in contemplation of that company becoming a Subsidiary and (2) the principal amount secured at the time of that company becoming a Subsidiary is not subsequently increased); and
- (ii) any Relevant Security in respect of any Relevant Indebtedness or in respect of any guarantee of or indemnity in respect of any Relevant Indebtedness where such Relevant Indebtedness is incurred solely for the purposes of refinancing any Existing Relevant Indebtedness provided that (1) the principal amount of such Relevant Indebtedness shall not be greater than the principal amount of the Existing Relevant Indebtedness that is refinanced; (2) the Relevant Security does not extend to any assets or revenues which were not subject to the Existing Relevant Indebtedness; and (3) such Relevant Indebtedness and/or guarantee or indemnity is issued, incurred or given by the same person as in respect of the Existing Relevant Indebtedness.

“**Relevant Indebtedness**” means any present or future indebtedness (whether being principal, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market.

## 4 Registration and Transfer of Bonds

### (a) *Registration*

The Issuer will cause a register (the “**Register**”) to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and exchanges of Bonds.

### (b) *Transfer*

Bonds may, subject to the terms of the Trust Deed and the Agency Agreement and to Conditions 4(c) and 4(d), be transferred in an authorised denomination by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Exchange Agent.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within seven business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Bond, register the relevant transfer and deliver a new Bond to the transferee (and, in the case of a transfer of part only of a Bond, deliver a Bond for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

### (c) *Formalities Free of Charge*

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar (and as initially set out in the Agency Agreement).

### (d) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 11(b); (ii) in respect of which an Exchange Notice has been delivered in accordance with Condition 7(b); or (iii) in respect of which the holder has exercised its right to require redemption pursuant to Condition 11(c).

## 5 Definitions

For the purpose of these Conditions, the following words and phrases shall have the following meanings:

“**Additional Exchange Property**” has the meaning set out in Condition 7(b)(ii);

“**Auditors**” means the auditors for the time being of the Issuer or, if they are unable or unwilling to carry out any action requested of them under the Trust Deed or the Bonds, such other firm of accountants as may be nominated by the Issuer and approved in writing by the Trustee for the purpose, or failing such nomination, as selected by the Trustee, subject to its having been indemnified and/or secured and/or prefunded to its satisfaction;

“**Authorised Person**” means any director of the Issuer or any other person or persons notified in writing to the Trustee by any such director as being an Authorised Person;

“**Bondholder**” and “**holder**” means the person in whose name a Bond is registered in the Register (as defined in Condition 4(a));

“**business day**” means, in relation to any place, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in such place;

“**C Shares**” means fully paid C shares in the capital of ICA having on the Closing Date a par value of SEK 2.50;

“**Capital Distribution**” means:

- (a) any Non-Cash Dividend; or
- (b) any Cash Dividend (the “**Relevant Cash Dividend**”) paid or made in any Relevant Period (as specified below) in respect of any Unit of Equity Shares if and to the extent that the sum of (as determined by the Calculation Agent):
  - (i) the Fair Market Value of the Relevant Cash Dividend; and
  - (ii) the aggregate of the Fair Market Value of any other Cash Dividend paid or made in such Relevant Period in respect of any Unit of Equity Shares at any time in such Relevant Period (disregarding for such purpose all or any part of any such Cash Dividend or Cash Dividends which shall previously have been determined to be a Capital Distribution in respect of such Relevant Period),

(and, where at any time a Unit of Equity Shares would comprise a fraction of an Equity Share, taking into account the *pro rata* proportion of any such Cash Dividend in respect of any such Equity Share (rounded down, if necessary, to 4 decimal places with 0.00005 being rounded down)) such sum being the “**Current Year Dividends**”, exceeds the Reference Amount in respect of such Relevant Period (as specified below), and in such case the amount of the relevant Capital Distribution shall be the lesser of (as determined by the Calculation Agent):

- (i) the amount by which the Current Year Dividends exceeds the Reference Amount; and
- (ii) the Fair Market Value of the Relevant Cash Dividend.

For the purposes of the above, Fair Market Value in respect of any Relevant Cash Dividend or any such other Cash Dividend shall (subject as otherwise provided in paragraph (a) of the definition of “**Dividend**”) be determined as at the Effective Date in respect of such Relevant Cash Dividend or such other Cash Dividend, as the case may be, and “**Unit of Equity Shares**” means at any time the ICA Shares or any other Equity Shares comprised in the *pro rata* share of the Exchange Property in respect of a Bond in the principal amount of SEK 1,000,000, including for this purpose any fraction of an Equity Share (rounded down, if necessary, to 4 decimal places with 0.00005 being rounded down), all as calculated by the Calculation Agent.

“**Relevant Period**” and “**Reference Amount**” are set out below:

<b>Relevant Period</b>	<b>Reference Amount (SEK)</b>
From and including 8 May 2014 to but excluding 1 January 2015	Nil
From and including 1 January 2015 to but excluding 1 January 2016	26,667

From and including 1 January 2016 to but excluding 1 January 2017	26,667
From and including 1 January 2017 to but excluding 1 January 2018	26,667
From and including 1 January 2018 to but excluding 1 January 2019	26,667
From and including 1 January 2019 to but excluding the Final Maturity Date	26,667

For the purposes of the definition of Capital Distribution, “Fair Market Value” (subject as provided in paragraph (a) of the definition of “Dividend” and in the definition of “Fair Market Value”) shall be determined as at the Effective Date in respect of the relevant Dividend.

“**Cash Alternative Amount**” has the meaning set out in Condition 7(c);

“**Cash Dividend**” means (i) any Dividend which is to be paid in cash (in whatever currency), but other than falling within paragraph (b) of the definition of “Spin-Off”, (ii) any Dividend determined to be or treated as a Cash Dividend pursuant to paragraph (a) or (b) of the definition of “Dividend” and (iii) in the case of a Repurchase Offer or Redemption of Shares, the cash consideration offered or (in the case of paragraph (i) of the definition of “Redemption of Shares”) paid to holders of the relevant shares comprising the Exchange Property;

“**Cash Election**” has the meaning set out in Condition 7(c);

“**Cash Election Exercise Date**” has the meaning provided in Condition 7(c);

“**Closing Date**” means 15 May 2014;

“**Consideration**” has the meaning provided in Condition 9(b);

“**Dividend**” means any dividend or distribution to holders of Relevant Securities (including a Spin-Off), whether of cash, assets or other property, and whenever paid or made and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to shareholders upon or in connection with a reduction of capital, a reduction in the par value or nominal value of any Relevant Securities comprised in the Exchange Property or otherwise (and for these purposes a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the issue or delivery of Relevant Securities or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to (i) the Fair Market Value of such cash amount or (ii) the Fair Market Value of such Relevant Securities or other property or assets, in any such case as at the Effective Date in respect of the relevant Dividend or capitalisation (or, if later, the date on which the number of Relevant Securities (or amount of other property or assets, as the case may be) is determined), the Issuer being entitled to make such election as it may determine in its sole discretion in respect of any such Dividend or capitalisation by giving notice to the Trustee and to the Bondholders in accordance with Condition 19 by not later than the last day on which a holder of the Relevant Securities would be required or entitled to make the relevant

election, and failing such notice, the Dividend or capitalisation shall be treated as a Cash Dividend of whichever is the greater of (i) and (ii);

- (b) where there shall be any issue of Relevant Securities by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a cash dividend equivalent or amount is announced or would otherwise be payable to holders of the Relevant Securities, whether at their election or otherwise), the capitalisation in question shall be treated as a Cash Dividend of an amount equal to the Fair Market Value of such Relevant Securities as at the Effective Date in respect of the relevant capitalisation or, if later, the date on which the number of Relevant Securities to be issued is determined;
- (c) any issue of Relevant Securities falling within Condition 8(b)(i) or 8(b)(iii)(A) shall be disregarded;
- (d) any offer by a Relevant Company of Relevant Securities or other securities or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities falling within Condition 8(b)(ii) shall be disregarded;
- (e) a repurchase or redemption of Equity Shares by or on behalf of a Relevant Company shall be disregarded (save as otherwise provided in paragraph (iii) of the definition of “Cash Dividend”);
- (f) where a Dividend is paid to holders of any Equity Shares pursuant to any plan implemented by the issuer of such Equity Shares for the purpose of enabling holders of the Equity Shares to elect, or which may require such holders, to receive Dividends in respect of such Equity Shares held by them from a person other than, or in addition to, the Relevant Company, such Dividend shall for the purposes of these Conditions be treated as a Dividend paid to holders of the Equity Shares by the issuer of such Equity Shares, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly; and
- (g) a Dividend that is a Spin-Off shall be deemed to be a Non-Cash Dividend;

and any such determination shall be made by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

“**Effective Date**” means the first date on which the ICA Shares or, as the case may be, the relevant Equity Share Capital, are traded ex- the relevant Dividend or capitalisation on the Relevant Exchange or, in the case of a Spin-Off, on the first date on which the ICA Shares or, as the case may be, the relevant Equity Share Capital are traded ex- the relevant Spin-Off on the Relevant Exchange;

“**Equity Share Capital**” means, in relation to any entity, its issued share capital (or equivalent) excluding any part of that capital (or equivalent) which, neither in respect of dividends nor in respect of capital, carries any right to participate beyond a specific amount in a distribution, and “**Equity Share**” shall be construed accordingly;

“**Equivalent Amount**” has the meaning set out in Condition 7(b)(iii)(a);

“**Euroclear**” means Euroclear Sweden AB;

“**Exchange Date**” has the meaning set out in Condition 7(b)(i);

“**Exchange Expenses**” has the meaning set out in Condition 7(b)(i);

“**Exchange Notice**” has the meaning set out in Condition 7(b)(i);

“**Exchange Period**” has the meaning set out in Condition 7(a)(iv);

“**Exchange Property**” has the meaning set out in Condition 8(a);

“**Exchange Right**” has the meaning set out in Condition 7(a)(i);

“**Extraordinary Resolution**” has the meaning set out in the Trust Deed;

“**Fair Market Value**” means, on any date, (i) in the case of a Cash Dividend paid or to be paid per ICA Share or other Equity Share, the amount of such Cash Dividend per ICA Share or other Equity Share (determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit); (ii) in the case of Spin-Off Securities, shares, options, warrants or other securities or rights or assets that are publicly traded on a market of adequate liquidity (as determined by the Calculation Agent), the arithmetic mean of the daily Volume Weighted Average Price of such Spin-Off Securities, shares, options, warrants or other securities or rights or assets during the period of 5 Trading Days on the relevant stock exchange or securities market commencing on such date (or, if later, on the first such Trading Day such Spin-Off Securities, shares, options, warrants or other rights or assets are publicly traded) or such shorter period as such Spin-Off Securities, shares, options, warrants or other securities or rights or assets are publicly traded, as determined by the Calculation Agent; (iii) in the case of Spin-Off Securities, shares, options, warrants or other securities or rights or assets that are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), an amount as determined by an Independent Adviser on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per share, the dividend yield of a share, volatility, prevailing interest rates and the terms of such Spin-Off Securities, shares, options, warrants or other securities or rights and (iv) in each case converted by the Calculation Agent into Swedish Kronor at the Screen Rate on such date (or, in the case of (ii), at the average of the Screen Rate for each Trading Day in the relevant period);

“**Final Maturity Date**” means 15 May 2019;

“**First Call Date**” has the meaning provided in Condition 11(b)(ii);

“**Free Float**” means the aggregate number of ICA Shares held by persons that own (together with any other person or persons with whom they act in concert, as defined in the Takeover Code of the United Kingdom on Takeovers and Mergers) ICA Shares representing less than 5 per cent. of the total number of issued and outstanding ICA Shares, as determined by an Independent Adviser acting reasonably and in good faith, in consultation with the Issuer and where (i) references to “**ICA Shares**” shall include ICA Shares represented by depositary or other receipts or certificates representing ICA Shares; (ii) ICA Shares held by or on behalf of a depositary or custodian or similar person in respect of any such depositary or other receipts of certificates representing ICA Shares from time to time shall be treated as being held by the holder of the relevant depositary or other receipts or certificates and not by such depositary, custodian or similar person; (iii) ICA Shares that have been borrowed and remain borrowed pursuant to any stock lending arrangement shall be treated as not being owned by the relevant lender; and (iv) ICA Shares held by or on behalf of ICA or any subsidiary of ICA shall be treated as not constituting part of the Free Float;

a “**Free Float Event**” shall occur if for any period of at least 20 consecutive Trading Days the number of ICA Shares comprising the Free Float is equal to or less than the Specified Level of the total number of issued and outstanding ICA Shares;

“**Free Float Put Event Notice**” has the meaning provided in Condition 11(c)(ii);

“**Free Float Put Date**” has the meaning provided in Condition 11(c)(ii);

“**Free Float Put Period**” means the period commencing on the occurrence of a Free Float Event and ending 30 days thereafter or, if later, 30 days following the date on which a Free Float Event Notice is given to Bondholders as required by Condition 10(e);

“**Further Bonds**” means any further bonds issued pursuant to Condition 21 and consolidated and forming a single series with the then outstanding Bonds;

“**ICA**” means ICA Gruppen AB, a limited company incorporated in the Kingdom of Sweden with corporate registration number 556048-2837;

“**ICA Shares**” means fully paid ordinary shares in the capital of ICA (ISIN: SE0000652216) and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of those shares which, as between themselves, have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or winding-up of ICA;

“**indebtedness for or in respect of moneys borrowed or raised**” means any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan capital, loan stock, certificates of deposit, commercial paper or other securities or instruments, offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise, which may be (without limitation) the Calculation Agent, appointed by the Issuer at its own expense and (other than where the initial Calculation Agent is appointed) approved in writing by the Trustee or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the liabilities, costs, fees and expenses of such adviser and otherwise in connection with such appointment, appointed by the Trustee (without any liability to any person for so doing) following notification to the Issuer;

“**Non-Cash Dividend**” means any Dividend which is not a Cash Dividend;

“**Offer**” has the meaning provided in Condition 9(g);

“**Optional Put Date**” has the meaning provided in Condition 11(c);

“**Optional Redemption Date**” has the meaning provided in Condition 11(b);

“**Predominant Exchange Security**” means, if at any time there is more than one type or series of Relevant Securities in the Exchange Property, such type or series of Relevant Securities which in the determination of an Independent Adviser represents the largest proportion or weighting by value in the Exchange Property at such time;

“**Principal Subsidiary**” means at any relevant time a Subsidiary of the Issuer:

- (i) whose total assets or gross revenues (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or gross consolidated revenues, as the case may be) attributable to the Issuer represent not less than 5 per cent. of the total consolidated assets or the gross consolidated revenues of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer, provided that:
  - (a) in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated accounts of the Issuer



relate, the reference to the then latest audited consolidated accounts of the Issuer for the purposes of the above calculation shall, until the consolidated audited accounts of the Issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the then latest audited consolidated accounts of the Issuer adjusted in such manner as may be appropriate to consolidate the latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary in such accounts;

- (b) if, in the case of any Subsidiary, no audited accounts are prepared, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be determined by reference to its unaudited accounts (if any) or on the basis of pro forma accounts;
  - (c) if, in the case of any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared, the total assets or, as the case may be, gross revenues shall be determined on the basis of pro forma consolidated accounts of the relevant Subsidiary;
  - (d) if the accounts of any Subsidiary (not being a Subsidiary referred to in (a) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts of the Issuer;
  - (e) if the latest accounts of any Subsidiary of the Issuer are not prepared on the basis of the same accounting principles, policies and practices of the latest consolidated audited accounts of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on pro forma accounts or, as the case may be, consolidated accounts of such Subsidiary prepared on the same accounting principles, policies and practices as adopted in the latest consolidated audited accounts of the Issuer, or an appropriate restatement or adjustment to the relevant accounts of such Subsidiary as the Auditors shall consider appropriate; and
  - (f) if the relevant accounts of any Subsidiary are for a period that is different from the relevant consolidated accounts of the Issuer, then the determination of whether or not any Subsidiary is a Principal Subsidiary shall be based on such adjustment or pro forma accounts as the Auditors shall consider appropriate; or
- (ii) to which is transferred all or substantially all the assets and undertaking of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall immediately become a Principal Subsidiary and provided that the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this sub-paragraph (ii) on the date on which the consolidated financial statements of the Issuer for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provision of sub-paragraph (i) above, or prior to or after such date, by virtue of any other applicable provision of this definition,

and provided that a certificate signed by two Authorised Persons of the Issuer that in their opinion, a Subsidiary is or is not or was or was not at any particular time a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

“**pro rata share**” means, for each Bond at any time, a fraction of the Exchange Property the numerator of which shall be the principal amount of such Bond and the denominator of which shall be the aggregate principal amount of all the Bonds (including the Bond to which the *pro rata* share relates) which are outstanding at such time (excluding for this purpose the principal amount of any Bonds in respect of which Exchange Rights have been exercised by a Bondholder but the Exchange Property or the relevant Cash Alternative Amount, as the case may be, has not yet been delivered or paid and excluding from the Exchange Property such *pro rata* share of the Exchange Property in relation to such Bonds);

“**Put Exercise Notice**” has the meaning provided in Condition 11(c);

“**Realisation Proceeds**” means the proceeds of sale (after the deduction of costs and expenses of such sale) of the relevant Exchange Property (in the case of Condition 7(b)(ii)) or the relevant dividends or other income or distributions or rights (in the case of Condition 7(b)(iii)(b)) carried out by an independent broker or investment bank selected by the Issuer and approved by the Trustee, on an arm’s length basis (converted if necessary into SEK at the Screen Rate by the Calculation Agent on the date of receipt of such proceeds);

“**Record Date**” has the meaning provided in Condition 12;

“**Redemption of Shares**” means (i) the sub-division of any Equity Shares of a class comprised in the Exchange Property and the redemption for cash of shares resulting from such sub-division by or on behalf of the issuer of such Equity Shares or (ii) an offer by way of rights to the holders of Equity Shares of a class comprised in the Exchange Property by or on behalf of the issuer of such Equity Shares to redeem for cash some but not all of such Equity Shares;

“**Register**” has the meaning provided in Condition 4(a);

“**Registered Securities**” has the meaning set out in Condition 7(b)(ii);

“**Registration Date**” means, in respect of any Registered Securities comprised in the Exchange Property to be delivered to a Bondholder upon exercise of Exchange Rights, the date on which the relevant Bondholder is registered as the holder of such Registered Securities;

“**Regulation S**” has the meaning set out in Condition 7(b)(i);

“**Relevant Company**” means ICA, and any corporation or company derived from or resulting or surviving from the merger, consolidation, amalgamation, reconstruction or acquisition of ICA with, into or by such other corporation or company, and any other entity, all or part of the share capital of which is, or all or some of the securities of which are, at the relevant time included in the Exchange Property;

“**Relevant Date**” means, in respect of any Bond, whichever is the later of:

- (a) the date on which payment in respect of it first becomes due; and
- (b) if any payment is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days following the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 19 that such payment will be made, provided that such payment is in fact made as provided in these Conditions;

“**Relevant Exchange**” means:

- (i) in the case of the ICA Shares, NASDAQ OMX Stockholm or, if the ICA Shares are no longer admitted to trading on NASDAQ OMX Stockholm, the principal stock exchange or securities market on which the ICA Shares are then listed, admitted to trading or quoted or dealt in; or
- (ii) in the case of any other Equity Shares or Relevant Securities or any other shares, or options, warrants or other rights, the principal stock exchange or securities market on which such Equity Shares or

Relevant Securities or any other shares, or options, warrants or other rights are then listed, admitted to trading or quoted or dealt in;

“**Relevant Securities**” means any securities which at the relevant time are included in the Exchange Property;

“**Repurchase Offer**” means an offer by way of rights to the holders of any Equity Shares of a class comprised in the Exchange Property by or on behalf of the issuer of such Equity Shares to purchase some but not all of such Equity Shares in consideration for a cash payment;

“**Rights Issue**” has the meaning set out in Condition 8(b)(ii);

“**Screen Rate**” means, on any day, and, in respect of the conversion of one currency into another currency, the rate of exchange between such currencies appearing on or derived from the relevant Bloomberg page as at or about 12 noon (London time) on that day, or, if that page is not available or that rate of exchange does not appear on that page at that time on that day, the rate of exchange between such currencies appearing on such other screen or information service, all as determined by the Calculation Agent, or determined in such other manner, as an Independent Adviser shall determine in good faith;

“**securities**” means shares or other securities (including without limitation any options, warrants, convertible bonds, evidence of indebtedness or rights to subscribe or purchase shares or other securities);

“**Settlement Date**” means in the case of the exercise of Exchange Rights (other than where a Cash Election is made) the date falling seven Trading Days after the relevant Exchange Date;

“**Specified Event**” has the meaning set out in Condition 8(b)(iii);

“**Specified Level**” means 25 per cent. or, with effect from and including the date the C Shares are converted into ICA Shares, 20 per cent.;

“**Spin-Off**” means:

- (a) a distribution of Spin-Off Securities by ICA to holders of ICA Shares as a class or, as the case may be, by any Relevant Company to the holders of its Equity Share Capital as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than ICA or, as the case may be, the Relevant Company) to holders of ICA Shares as a class or, as the case may be, by any Relevant Company to the holders of its Equity Share Capital as a class pursuant to any arrangements with ICA or any of its Subsidiaries or, as the case may be, with the Relevant Company or any of its Subsidiaries;

“**Spin-Off Securities**” means Equity Share Capital of an entity other than ICA, or as the case may be, the Relevant Company or options, warrants or other rights to subscribe for or purchase Equity Share Capital of an entity other than ICA, or as the case may be, the Relevant Company;

“**Sub-division, Consolidation or Redenomination**” has the meaning set out in Condition 8(b)(i);

“**Subsidiary**” means in relation to any company at any particular time, any other company which is then a subsidiary (within the meaning of the Swedish Companies Act);

“**Swedish Companies Act**” means the Swedish Companies Act (1975:1389) as amended;

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

“**Tax Redemption Date**” has the meaning provided in Condition 11(b)(i);

“**Tax Redemption Notice**” has the meaning provided in Condition 11(b)(i);

“**Trading Day**” means in respect of ICA Shares or any Relevant Security, Spin-Off Securities or other shares or options, warrants or other rights, a day on which the Relevant Exchange is open for business, other than, in any such case, a day on which the Relevant Exchange is scheduled to or does close prior to its regular closing time, provided that for the purposes of determining the Cash Alternative Calculation Period or any date on which payment of any amount or delivery of any Exchange Property is to be made, “**Trading Day**” will be the Trading Day applicable to the Predominant Exchange Security;

the “**Value**” of any Exchange Property on any day means the aggregate of:

- (i) the value of publicly traded securities included in such Exchange Property, which shall be deemed to be the Volume Weighted Average Price of such securities on such day, converted (if necessary) into Swedish Kronor at the Screen Rate on such day, all as determined by the Calculation Agent; and
- (ii) the value of all other assets (other than cash) and of publicly traded securities for which a value cannot be determined pursuant to (i) above included in such Exchange Property, which shall be deemed to be the value on such day (converted (if necessary) into Swedish Kronor as aforesaid) as certified by an Independent Adviser; and
- (iii) the value of cash shall be deemed to be the amount thereof (converted (if necessary) by the Calculation Agent into Swedish Kronor as aforesaid),

provided that (A) if on any day any such publicly traded securities are quoted on the Relevant Exchange cum any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above have the benefit of, or are entitled to, or carry the right to, any dividend or other entitlement, in any such case which a Bondholder would not be entitled to pursuant to these Conditions (including in respect thereof pursuant to Condition 7(b)(iii) or Condition 7(b)(ii) in the absence of a Cash Election) on exercising Exchange Rights on the last day permitted pursuant to these Conditions (disregarding for this purpose any Cash Election), then the value of any such assets or publicly traded securities on such day shall be reduced by an amount equal to the gross amount of any such dividend or other cash entitlement, as determined by the Calculation Agent, or, as the case may be, the value (as determined by an Independent Adviser) of any entitlement or dividend where that is other than cash and (B) if on any day any such publicly traded securities are quoted or traded on the Relevant Exchange ex any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above do not have the benefit of, or are not entitled to, or do not carry the right to, any dividend or other entitlement, in any such case which a Bondholder would be entitled to pursuant to these Conditions (or in respect of which the relevant Bondholder would have been entitled to receive any amount pursuant to Condition 7(b)(iii) or which would have been taken into account for the purposes of Condition 7(b)(ii) in the absence of a Cash Election) on exercising Exchange Rights on the last day permitted pursuant to these Conditions (disregarding for this purpose any Cash Election), then the value of any such assets or publicly traded securities on such day shall be increased by an amount equal to the gross amount of any such dividend or other cash entitlement, as determined by the Calculation Agent, or, as the case may be, the value (as determined by an Independent Adviser) of any entitlement or dividend where that is other than cash, less the amount or, as the case may be, value (as determined by the Calculation Agent or, as the case may be, an Independent Adviser) (if any) in respect of any such dividend or entitlement to which the Bondholder is otherwise entitled pursuant to any other provision of these Conditions;

“**Volume Weighted Average Price**” means, in respect of any Trading Day:

- (iv) in the case of ICA Shares, the order book volume weighted average price of a ICA Share published by or derived from Bloomberg page ICA SS Equity HP (or any successor page) (setting Weighted Average Line, or any other successor setting and using values not adjusted for any event occurring after such Trading Day; and for the avoidance of doubt, all values will be determined with all adjustment settings

on the DPDF Page, or any successor or similar setting, switched off) in respect of such Trading Day; and

- (v) in the case of any other Relevant Security, Spin-Off Securities, shares, options, warrants or other rights, the order book volume weighted average price published by or derived from the relevant Bloomberg page in respect of such Trading Day or, if not able to be so determined, the volume weighted average price as obtained or derived from the Relevant Exchange on that Trading Day,

or, in any such case, such other source as shall be determined to be appropriate by the Calculation Agent on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a ICA Share or, as the case may be, any other Relevant Security, Spin-Off Security, share, option, warrant or other right or asset in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined, or as an Independent Adviser might otherwise determine in good faith to be appropriate;

“**Voting Rights**” means the right generally to vote at a general meeting of shareholders of the relevant entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency) or to elect the majority of the members of the board of directors or other governing body of the relevant entity;

For the purposes of the definition of Capital Distribution, “**Fair Market Value**” (subject as provided in paragraph (a) of the definition of “**Dividend**” and in the definition of “**Fair Market Value**”) shall be determined as at the Effective Date in respect of the relevant Dividend.

References to any offer “**by way of rights**” shall be taken to be references to an offer or grant to all or substantially all holders of the Relevant Securities in question, other than holders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such offer or grant.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

## 6 **Interest**

The Bonds do not bear interest.

## 7 **Exchange Right**

### (a) ***Exchange Period, Exchange Rights and Cash Election***

- (i) Subject to the right of the Issuer to make a Cash Election, each Bondholder shall have the right to have all or any of its Bonds redeemed at any time during the Exchange Period referred to below by exchange for, a *pro rata* share of the Exchange Property as at the relevant Exchange Date. Such redemption of a Bond in exchange for a *pro rata* share of the Exchange Property (and/or, as the case may be, for payment of the Cash Alternative Amount) is referred to herein as an “**exchange**” and the right of a Bondholder to require an exchange is herein referred to as the “**Exchange Right**”. Upon exercise of Exchange Rights, the Issuer shall (subject to the right of the Issuer to make a Cash Election) deliver or procure the delivery of the relevant *pro rata* share of the Exchange Property as provided in this Condition.

- (ii) Subject to applicable law and as provided in Condition 7(a)(iii) and save as provided in these Conditions, the Exchange Right relating to any Bond may be exercised by the holder thereof, at any time during the period from (and including) 25 June 2014 up to (and including) the close of business (at the place where the Bond is deposited for exchange) on the date which falls 14 days prior to the Final Maturity Date or if such Bond is to be redeemed pursuant to Condition 11(b) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the date which falls 14 days prior to the date fixed for redemption thereof, unless there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Exchange Right shall extend (the “**Extension Period**”) up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment has been received by the Trustee or the Principal Paying, Transfer and Exchange Agent and notice thereof has been duly given to the Bondholders in accordance with Condition 19 or, if earlier, the Final Maturity Date, provided that, in each case, if such final date for the exercise of Exchange Rights is not a business day at the place aforesaid, then the period for exercise of Exchange Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Exchange Rights may not be exercised in respect of a Bond where the holder shall have exercised its right to require redemption pursuant to Condition 11(c) unless there is default by the Issuer in redeeming the relevant Bonds. In such circumstances Exchange Rights in respect of such Bond shall extend for the Extension Period in the manner *mutatis mutandis* prescribed in this Condition 7(a)(ii).

- (iii) If the Trustee shall give notice to the Issuer declaring the Bonds to be immediately due and repayable pursuant to Condition 14, notice of such fact shall forthwith be given by the Issuer to the Bondholders in accordance with Condition 19 and each Bondholder shall (whether or not the Exchange Right attaching to its Bond is then otherwise exercisable) be entitled, at any time after the date on which the Bonds become so due and repayable (the “**Due Date**”) until the date being the last day of the period of 14 days after the Due Date (but not thereafter), to elect (by delivering in accordance with the provisions of this Condition 7 a duly signed and completed Exchange Notice, together with the relevant Bond, to the specified office of any Paying, Transfer and Exchange Agent) in lieu of having his Bond repaid, to exercise the Exchange Right in respect of such Bond as at the Due Date (and references to the Exchange Date shall be construed as being the Due Date), save that no such election may be made in respect of a Bond which has been presented for payment on or after the Due Date (provided that payment in full of all amounts then due on the relevant Bond is made upon such presentation). Subject as provided in this Condition 7, Exchange Rights shall lapse in the event that the Trustee shall give notice to the Issuer that the Bonds are immediately due and repayable.
- (iv) The period during which Bondholders shall be entitled to exercise Exchange Rights pursuant to these Conditions is referred to as the “**Exchange Period**”.
- (v) Other than where a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, upon a due exercise of Exchange Rights the relevant Bondholder shall be entitled to receive a *pro rata* share of the Exchange Property calculated as at the relevant Exchange Date.
- (vi) No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such

fraction and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property.

- (vii) If more than one Bond is to be exchanged by a Bondholder pursuant to any one Exchange Notice, the Exchange Property to be delivered and any sum payable to that Bondholder (including, where applicable, any Cash Alternative Amount) shall be calculated by the Calculation Agent on the basis of the aggregate principal amount of such Bonds.

**(b) Procedure for exercise of Exchange Rights**

- (i) Exchange Rights may be exercised by a Bondholder during the Exchange Period by delivering the relevant Bond to the specified office of any Paying, Transfer and Exchange Agent, during its usual business hours, accompanied by a duly completed and signed notice of exchange (an “**Exchange Notice**”) in the form (for the time being current) obtainable from any Paying, Transfer and Exchange Agent.

Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Exchange Agent to whom the relevant Exchange Notice is delivered is located.

If such delivery is made later than 4.00pm on any day or on a day which is not a business day in the place at the specified office of the relevant Paying, Transfer and Exchange Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following business day in the place aforesaid.

An Exchange Notice, once delivered, shall be irrevocable.

Any determination as to whether any Exchange Notice has been duly completed and properly delivered shall be made by the relevant Paying, Transfer and Exchange Agent (following consultation with the Issuer) and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Paying, Transfer and Exchange Agents and the relevant Bondholder.

A Bondholder exercising Exchange Rights will be required to certify in the relevant Exchange Notice (a “**U.S. Certification**”) that such exchange is being made outside of the United States (as such term is defined in Regulation S (“**Regulation S**”) under the United States Securities Act of 1933) and it and any person for whom it is acquiring Exchange Property is not a U.S. person (as such term is defined in Regulation S) and it is not acting as agent for, or on behalf of, a U.S. person. If such U.S. Certification is not provided, the relevant Exchange Notice shall be void.

Exchange Rights may only be exercised in respect of an authorised denomination. Where Exchange Rights are exercised in respect of part only of a Bond, the old Bond shall be cancelled and a new Bond for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within seven business days, in the place of the specified office of the Registrar, following the relevant Exchange Date deliver such new Bond to the relevant Bondholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary mail, at the expense of the Bondholder) mail the new Bond by uninsured mail to such address as the Bondholder may request.

The exchange date in respect of a Bond (the “**Exchange Date**”) in respect of which the Exchange Right shall have been exercised by a Bondholder will be the Stockholm business day immediately following the date of the delivery of the Exchange Notice and the relevant Bond as provided in this Condition 7(b).

The Issuer will pay, or, as the case may be, reimburse a Bondholder for, any stamp, registration, documentary, transfer or other similar taxes or duties (including penalties) arising on the transfer or delivery of any Exchange Property to or to the order of a Bondholder pursuant to the exercise of Exchange Rights (“**Stamp Taxes**”) which are payable or imposed in the Kingdom of Sweden and the jurisdiction in which the relevant Exchange Property is situated (and for this purpose any securities in registered form comprising Exchange Property shall be deemed to be situated in the jurisdiction in which the register (or in the case of more than one register, the principal register) on which title to and transfers of such securities are recorded or maintained) is located) or imposed or payable by virtue of the place of incorporation, domicile or tax residence of the issuer of any Relevant Securities comprised in the relevant *pro rata* share of the Exchange Property, and all other costs, fees and expenses in connection with the transfer or delivery of Exchange Property on exercise of Exchange Rights, including the costs, fees and expenses of any custodian, depositary, agent or other entity facilitating the relevant transfer or delivery (together “**Exchange Expenses**”).

Subject to the above, a Bondholder exercising Exchange Rights must pay directly to the relevant authorities any other taxes and capital, stamp, issue, registration, documentary, transfer or other duties (including penalties) arising in any jurisdiction not mentioned above on exchange and/or on the transfer, delivery or other disposition of Exchange Property arising on exercise of Exchange Rights.

None of the Trustee, the Calculation Agent and the Principal Paying, Transfer and Exchange Agent shall be responsible for determining whether any Exchange Expenses are payable or the amount thereof and they shall not be responsible or liable for any failure by the Issuer to pay such Exchange Expenses.

If the Issuer shall fail to pay any Exchange Expenses for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse each such Bondholder in respect of the payment of such Exchange Expenses and any penalties payable in respect thereof.

Each Bondholder must pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Exchange Rights by it.

- (ii) Other than where a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, the Issuer shall, as soon as practicable, and in any event not later than the Settlement Date:
  - (1) in respect of ICA Shares (or other securities of companies incorporated in the Kingdom of Sweden which are for the time being traded through Euroclear) comprising the relevant *pro rata* share of the Exchange Property, effect delivery of such ICA Shares (or such other securities) through Euroclear to the person designated for the purpose in the relevant Exchange Notice;
  - (2) procure that Relevant Securities (other than ICA Shares or other securities of companies incorporated in the Kingdom of Sweden which are for the time being traded through



Euroclear) comprising the relevant *pro rata* share of the Exchange Property to be delivered on exercise of Exchange Rights are transferred into such name as the Bondholder shall direct pursuant to the Exchange Notice and shall procure that forms of transfer and certificates (if certificates for the Relevant Securities are then generally being issued) together with all other documents of title and evidence of ownership and all other documents necessary to transfer or evidence the transfer of such Relevant Securities will be despatched by mail, and free of charge (but uninsured and at the risk of the person entitled thereto), to such address, subject to applicable securities laws, as the Bondholder may request (as specified in the relevant Exchange Notice); and

- (3) procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of Exchange Rights shall be despatched and that payment of any part of the Exchange Property comprising cash to be delivered on exercise of Exchange Rights (converted, if necessary, into Swedish Kronor at the Screen Rate on the relevant Exchange Date) shall be made, in each case in accordance with directions given by the relevant Bondholder in the Exchange Notice.

Notwithstanding the above, if the Issuer delivers a certificate to the Trustee signed by two Authorised Persons of the Issuer to the effect that Euroclear (or, where the Exchange Property is comprised of Relevant Securities other than ICA Shares and certificates for such Relevant Securities are not then generally being issued, the clearing system through which the transfer of such Relevant Securities is required to be effected) has been closed for a continuous period of two or more days (excluding Saturdays and Sundays and save by reason of holidays, statutory or otherwise) in the period from (and including) the Exchange Date to (but excluding) the Settlement Date, then the Issuer will notify the relevant Bondholder in accordance with Condition 19 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the date for such delivery shall be the later of the Settlement Date and the earliest practicable date on which the relevant Exchange Property may be delivered by or through Euroclear or, as the case may be, the relevant clearing system.

The Issuer shall not be responsible or liable to any person for any delay in the delivery of any property comprising Exchange Property following exercise of Exchange Rights arising as a result of a failure by the relevant Bondholder to supply all information and details as required by the relevant Exchange Notice.

Notwithstanding the above, if, after the relevant Exchange Date, the Exchange Property has changed in whole or in part as a result of an Offer or Statutory Merger or as a result of the compulsory acquisition of any Equity Share Capital, in each case as provided in Condition 9, then the Issuer will notify the relevant Bondholder in accordance with Condition 19 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the time for such delivery shall be the longer of such period set out above and the day falling 10 Stockholm business days after the Consideration Date or, as the case may be, the day falling 10 Stockholm business days following the date on which the consideration pursuant to such compulsory acquisition is received by the Issuer.

If, at any time when the transfer or delivery of any Exchange Property (other than cash) to a Bondholder is required in accordance with these Conditions, such transfer or delivery would, as certified to the Trustee by two Authorised Persons of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will notify the relevant Bondholder in accordance with Condition 19 or at the address of the Bondholder specified in the relevant Exchange Notice (as

the Issuer may determine) and the Issuer will make a cash payment to the relevant Bondholder equal to the aggregate of the Realisation Proceeds in respect of the relevant Exchange Property in lieu of the delivery of such Exchange Property to such Bondholder. The Issuer will pay any such amount to the relevant Bondholder not later than 10 Stockholm business days after the relevant Settlement Date.

Without prejudice to Condition 7(c), if:

- (A) the Exchange Date in respect of any Bond shall be on or after the date of any public announcement affecting the composition of any part of the Exchange Property (other than ICA Shares or other securities in registered form (“**Registered Securities**”) in circumstances where the relevant entitlement is determined by reference to a record date in respect thereof), but before the date on which such change is effective; or
- (B) the Exchange Date in respect of any Bond shall be on or after the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Sub-division, Consolidation or Redenomination or Specified Event in respect of any Registered Securities comprising Exchange Property but before the date on which any resulting adjustment of the Exchange Property becomes effective in accordance with Condition 8(b); or
- (C) the Exchange Date in respect of any Bond shall be on or before the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Sub-division, Consolidation or Redenomination or Specified Event in respect of any Registered Securities comprising Exchange Property in circumstances where the Registration Date in respect of such Registered Securities is after such record date or other due date for the establishment of the relevant entitlement and the relevant Bondholder would not otherwise receive the relevant entitlement but the Issuer has received or is entitled to receive such entitlement,

then the relevant Bondholder, (other than where a Cash Election applies to the relevant exercise of Exchange Rights and in respect of the Exchange Property to which such Cash Election relates, in which case the provisions of Condition 7(c)(ii) shall apply) shall be entitled to receive, in respect of the exercise of the relevant Exchange Rights, such *pro rata* amount or, as the case may be, further *pro rata* amount of the Exchange Property (“**Additional Exchange Property**”) as would have been receivable had the relevant Exchange Date occurred immediately after the date on which such change in the composition of the Exchange Property became effective or, as the case may be, had the relevant Registration Date in respect of such Registered Securities been immediately before such record date, all as determined by the Calculation Agent or an Independent Adviser, and such Additional Exchange Property shall be delivered to the relevant Bondholder in accordance with instructions contained in the relevant Exchange Notice as soon as practicable following the relevant adjustment to the Exchange Property or the receipt by the Issuer of the relevant Additional Exchange Property.

- (iii) Unless a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, the relevant Bondholder (or the person designated in the relevant Exchange Notice) will be the owner of the *pro rata* share of the Exchange Property to be delivered upon exchange with effect from (and including) the relevant Exchange Date and will be entitled to all rights, distributions or payments in respect of such Exchange Property from (and including) such Exchange Date and, in respect of any related Additional Exchange

Property, will be entitled to all rights, distributions or payments in respect of such Additional Exchange Property from (and including) such Exchange Date.

Subject as provided herein, Exchange Property delivered on exercise of Exchange Rights shall not include any dividends, interest or other income payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of the relevant entitlement falling prior to the relevant Exchange Date.

Exchange Property (and, where appropriate, any Additional Exchange Property) delivered or transferred or to be delivered or transferred upon exchange shall rank for and be entitled to all dividends, interest and other income, payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of entitlement falling on or after the relevant Exchange Date.

If the record date or other due date for the establishment of the relevant entitlement for or in respect of any dividend, interest or other income, payment or distribution or rights on or in respect of such Exchange Property falls on or after the Exchange Date but before the relevant Settlement Date (or any other date from which the relevant Bondholder is treated as the owner of, or entitled to all rights and entitlement to, such Exchange Property) with the effect that the relevant Bondholder is not entitled to such dividend, interest or other income, payment or distribution or rights, the Issuer will (unless it is able to confer on or deliver to the relevant Bondholder an entitlement to receive such dividend, interest or other income, payment or distribution or rights or unless and to the extent that the same is taken into account for the purposes of Condition 7(b)(ii) relating to entitlement to Additional Exchange Property):

- (a) (in the case of dividends, interest or other income, payment or distributions or rights to be paid or made in cash) pay, or procure the payment to, the exchanging Bondholder in lieu of such dividend, interest or other income or distribution or rights, an amount equal thereto, as determined by the Calculation Agent or an Independent Adviser, converted if necessary by the Calculation Agent into Swedish Kronor at the Screen Rate on the date of receipt thereof by the Issuer (the “**Equivalent Amount**”). The Issuer will pay the Equivalent Amount, or procure that it is paid, to the relevant Bondholder by not later than 10 Stockholm business days after the receipt by the Issuer of such dividend, interest or other income, payment or distribution or rights; and
- (b) (in the case of dividends, or other income or distributions or rights to be satisfied or made otherwise than in cash) deliver, or procure the delivery of, the same to the relevant Bondholder not later than 10 Stockholm business days after the receipt by the Issuer of such dividend or other income or distribution or rights. If, at any time when the delivery of any such dividend or other income or distribution or rights is required, delivery would, as certified to the Trustee by two Authorised Persons of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will make a cash payment equal to the aggregate Realisation Proceeds of such dividend or other income or distribution or rights. The Issuer will pay any such amount to the relevant Bondholders not later than 10 Stockholm business days after the receipt by the Issuer of such dividend or other income or distribution or rights.

For the purposes of the above, if there is an option to receive the relevant entitlement in the form of a cash amount or otherwise than in cash, the entitlement shall be treated as being paid or made in cash, and accordingly the provision of (a) above shall apply.

- (iv) Upon exercise of Exchange Rights, a Bondholder shall, in the relevant Exchange Notice, specify a Swedish Kronor account with a bank in Stockholm to which any cash amount payable on or in respect of the exercise of Exchange Rights by that Bondholder shall be credited and the Issuer shall pay such sum to the relevant Bondholder in accordance with any such directions.

**(c) Cash Election**

- (i) Upon the exercise of Exchange Rights by a Bondholder, the Issuer may make an election (a “**Cash Election**”) by giving notice (a “**Cash Election Notice**”) to the relevant Bondholders by not later than the date (the “**Cash Election Exercise Date**”) falling five London business days following the relevant Exchange Date, to the address (or, if a fax number or email address is provided in the relevant Exchange Notice, that fax number or email address) specified for that purpose in the relevant Exchange Notice, to satisfy the exercise of the Exchange Right in respect of the relevant Bonds, in whole or in part, by making payment, or procuring that payment is made, to the relevant Bondholder of the Cash Alternative Amount, together with any other amounts payable by the Issuer to such Bondholder pursuant to these Conditions in respect of, or relating to, the relevant exercise of Exchange Rights.

A Cash Election may be made in respect of the whole or any part of the Exchange Property that would otherwise be deliverable in respect of the relevant exercise of Exchange Rights. The relevant Cash Election Notice shall specify whether the Cash Election is in respect of the whole of such Exchange Property or any part thereof, and if in respect of part, shall specify the relevant part.

A Cash Election shall be irrevocable.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than the Cash Alternative Payment Date by transfer to a Swedish Kronor account with a bank in Stockholm in accordance with instructions contained in the relevant Exchange Notice.

“**Cash Alternative Amount**” means an amount in Swedish Kronor equal to the average of the Value on each Trading Day in the Cash Alternative Calculation Period of the relevant Exchange Property which, had a Cash Election not been made, would otherwise fall to be delivered to such Bondholder upon exercise of Exchange Rights in respect of the relevant Bonds, all as determined by the Calculation Agent.

“**Cash Alternative Calculation Period**” means the period of 25 consecutive Trading Days commencing on the second Trading Day after the Cash Election Exercise Date.

“**Cash Alternative Payment Date**” means the date falling 5 Stockholm business days after the last day of the Cash Alternative Calculation Period.

- (ii) If a Bondholder would otherwise have been entitled to receive, in respect of the exercise of Exchange Rights, any Additional Exchange Property pursuant to Condition 7(b)(ii) in circumstances where a Cash Election is made in respect of the relevant exercise of Exchange Rights, the Issuer shall, in lieu of delivering such Additional Exchange Property, pay to the relevant Bondholder an amount (the “**Further Amount**”) equal to the Value of such Additional Exchange Property as at the date on which the relevant change in the composition of the

Exchange Property is or would be effective (the “**Change Date**”), all as determined by the Calculation Agent or an Independent Adviser, and such Further Amount shall be paid by transfer to a Swedish Kronor account maintained with a bank in Stockholm in accordance with the instructions given by the Bondholder in the relevant Exchange Notice by not later than the latest of (a) the date falling five Trading Days after the Change Date (or if that is not a Stockholm business day, the next following Stockholm business day) and (b) the relevant Cash Alternative Payment Date in accordance with the instructions given by the relevant Bondholder in the relevant Exchange Notice.

**(d) Calculation Agent**

Any calculation or determination performed by the Calculation Agent or an Independent Adviser, as the case may be, for the purposes of these Conditions shall be made in good faith and shall be final and binding (in the absence of bad faith or manifest error and, in the case of a determination by the Calculation Agent, subject to any further determinations by an Independent Adviser) on the Issuer, the Bondholders and the other Agents. The Calculation Agent may, at the expense of the Issuer, on any matter, obtain the advice or engage the services of any lawyers, accountants, investment banks or other experts whose advice or services the Calculation Agent may deem necessary, and the Calculation Agent may rely upon, and it shall be able to rely on, and shall not be liable and shall incur no liability as against the Issuer or the Bondholders in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with, any written opinion so obtained. The Calculation Agent is acting exclusively as an agent for the Issuer. Neither the Calculation Agent (acting in such capacity) nor any Independent Financial Adviser appointed in connection with the Bonds (acting in such capacity) shall have any relationship of agency or trust with the Bondholders.

**8 The Exchange Property**

**(a) Initial Exchange Property**

The “**Exchange Property**” shall initially comprise 14,666,666 ICA Shares and shall include such other Relevant Securities and other property as may be deemed or required to comprise all or part of the Exchange Property pursuant to these Conditions, but excluding any such property as may be deemed to have ceased to form part of the Exchange Property and excluding any Cash Dividend other than to the extent comprising a Capital Distribution and excluding any other income and other benefits, rights and entitlements derived from the Exchange Property except to the extent forming or to form part of or giving rise to an adjustment to the Exchange Property pursuant to these Conditions.

On the exercise of Exchange Rights, Bondholders will initially be entitled to receive 3,333.3333 ICA Shares for each SEK 1,000,000 principal amount of Bonds (equivalent to an initial exchange price of SEK 300.00 per ICA Share) subject to adjustment pursuant to these Conditions.

All Exchange Property transferred or delivered upon exercise of Exchange Rights shall be transferred or delivered with full title guarantee and free from any and all security interests or other adverse interests.

**(b) Adjustments to the Exchange Property**

If at any time any event occurs which may result in any change in composition of the Exchange Property pursuant to paragraphs (i) to (iii) below the Issuer shall consult with the Calculation Agent, and (without prejudice to Condition 8(h)) the Calculation Agent shall in good faith determine, on behalf of and at the expense of the Issuer, the appropriate adjustment (if any) to be made to the Exchange Property.

(i) *Sub-division, Consolidation or Redenomination*

If any Relevant Securities comprising the Exchange Property shall be sub-divided or consolidated, re-classified or re-denominated or in any other manner have their par value changed (“**Sub-division, Consolidation or Redenomination**”) then the securities resulting from such Sub-division, Consolidation or Redenomination so far as attributable to the Exchange Property, shall be included in the Exchange Property upon receipt by the Issuer of such securities.

(ii) *Rights Issues*

If (other than pursuant to or in connection with a Repurchase Offer or a Redemption of Shares) further Relevant Securities or other securities, or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities, shall be offered by way of rights to holders of Relevant Securities (or any of them) (a “**Rights Issue**”), then the Issuer shall notify the Trustee and the Bondholders in accordance with Condition 19 and (provided that it is possible to sell such rights under applicable law and/or the terms of the Rights Issue), by not later than the latest day for accepting or taking up any such rights, or by such other time as the Trustee may approve, (the “**Election Date**”), the Issuer may elect either:

- (A) to procure on an arm’s length basis in good faith the sale by an independent broker or investment bank selected by the Issuer of sufficient rights to enable the whole of the balance of such rights to be taken up and procure the application of the proceeds of sale, after the deduction of the costs and expenses of such sale, in the taking up of such rights (with any excess proceeds of sale being added to and forming part of the Exchange Property); or
- (B) to add to the Exchange Property such number of ICA Shares or other securities or options, warrants or rights determined by dividing the average of the Volume Weighted Average Price in respect of such rights for each Trading Day in the period of five consecutive Trading Days commencing on the first Trading Day on which such rights may be sold by the exercise, subscription or purchase price (or the like) payable upon exercise of such rights (rounded down, if necessary to the nearest whole number).

In the absence of any such election being notified to the Trustee and to the Bondholders in accordance with Condition 19 by not later than the Election Date, paragraph (B) shall apply.

If such rights may not be sold under applicable law and/or the terms of the Rights Issue, the Issuer shall use any part of the Exchange Property comprising cash to take up such rights and/or, on an arm’s length basis, sell sufficient Relevant Securities to enable (after the deduction of the costs and expenses of such sale) the whole of the balance of such rights to be taken up, with, in any such case, any excess proceeds of sale being added to and forming part of the Exchange Property.

Any Relevant Securities or other securities or options, warrants or rights taken up pursuant to this paragraph and any excess proceeds of sale as aforesaid shall upon receipt by the Issuer be added to and form part of the Exchange Property.

(iii) *Bonus Issues, Capital Distributions, Reorganisations and Payments*

If any of the following events occurs (each a “**Specified Event**”):

- (A) Relevant Securities or other securities are issued credited as fully paid to holders of Relevant Securities comprised in the Exchange Property by way of capitalisation of

profits or reserves or otherwise by virtue of being holders of Relevant Securities (other than where the Specified Event is determined to constitute a Cash Dividend pursuant to paragraph (a) or (b) of the definition of “**Dividend**”); or

- (B) any Capital Distribution is paid or made in respect of any ICA Shares or Equity Share Capital of a class comprised in the Exchange Property; or
- (C) subject to Condition 8(g)(B), a Relevant Company (or any person on behalf of or at the direction or request of a Relevant Company) purchases or redeems any Relevant Securities of a class comprised in the Exchange Property; or
- (D) pursuant to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not involving liquidation or dissolution), any further Relevant Securities or other securities, property or assets (including cash) are issued, distributed or otherwise made available to holders of Relevant Securities or other securities of a class comprised in the Exchange Property, or
- (E) any cash amount is paid or distributed in whatever manner (including by way of payment of interest, distribution, dividend, repayment of principal or capital or redemption monies) or any securities or other property is distributed, issued, transferred or delivered in whatever manner, in each case in respect of any Relevant Securities or other property or assets (other than ICA Shares or Equity Share Capital) of a class comprised in the Exchange Property,

then the further Relevant Securities, securities or other property or assets (including cash amounts) received in relation to the Specified Event, so far as attributable to the Exchange Property or, as the case may be, the relevant Capital Distribution in respect of the ICA Shares or Equity Share Capital comprised in the Exchange Property, shall upon receipt by the Issuer be included as part of the Exchange Property (and, if applicable, applied in accordance with Condition 8(e)).

**(c) *Notice of Change in Exchange Property***

The Issuer shall give notice to the Trustee and to the Bondholders in accordance with Condition 19 and to the Principal Paying, Transfer and Exchange Agent of any change in composition of the Exchange Property as soon as reasonably practicable following such change, and such notice shall include details of the Exchange Property to which the holder of SEK 1,000,000 principal amount of Bonds would be entitled upon exercise of the Exchange Right in respect of such Bond following such change.

**(d) *Release from the Exchange Property***

Upon delivery of Exchange Property to the relevant Bondholder and/or payment of the Cash Alternative Amount or upon redemption of the Bonds or upon any purchase and cancellation of the Bonds, as the case may be, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Bond shall cease to be part of the Exchange Property and the Exchange Property shall be reduced accordingly.

**(e) *Purchase of Equity Securities etc.***

If at any time Equity Share Capital is comprised in the Exchange Property and any cash amount or securities or other property is comprised in or is to be added to and form part of the Exchange Property pursuant to these Conditions (other than (i) any additional Equity Share Capital of a class already

comprised in the Exchange Property or (ii) as included in the Consideration under Condition 9) before the Exchange Rights lapse, then such cash amount shall be applied, and, following consultation with the Calculation Agent, such securities or other property shall be sold by the Issuer and the proceeds of such sale (net of any costs and expenses incurred in connection with such sale) shall be applied, by the Issuer as soon as reasonably practicable and to the extent possible in purchasing additional Equity Share Capital of the class then comprised in the Exchange Property (and where at the relevant time the Exchange Property comprises more than one class of Equity Share Capital, in purchasing, on a *pro rata* basis further Equity Share Capital of each such class), provided that if such purchase is not made within 10 Stockholm business days following receipt of the relevant cash amount or securities or other property as aforesaid, then there shall be deemed to be added to and form part of the Exchange Property such additional Equity Share Capital of the relevant class or classes as is determined by the Calculation Agent by dividing such cash amount by the average of the Volume Weighted Average Price of the relevant Equity Share Capital on each Trading Day in the period of five consecutive Trading Days commencing on the Trading Day immediately following the last day of such 10 Stockholm business day period. Any such additional Equity Share Capital shall be added to and form part of the Exchange Property.

If any cash amount is to be added to and form part of the Exchange Property in circumstances where the Exchange Property comprises solely cash, such cash amount (converted, if necessary, into Swedish Kronor at the Screen Rate prevailing on the date of receipt of such cash amount) shall be or, as the case may be, shall be added to the Exchange Property and thereafter the Exchange Property shall comprise and remain solely cash. No interest shall accrue on or in respect of any such cash amount.

**(f) *Voting Rights etc.***

Bondholders and the Trustee shall have no voting rights in respect of the ICA Shares or any other part of the Exchange Property prior to their delivery or transfer to the relevant Bondholder (or as it may direct) upon exercise of Exchange Rights.

*In exercising any voting rights attaching to the ICA Shares and other Relevant Securities that it may have or making any such election to which it may be entitled, the Issuer is not obliged to take account of the interests of the Bondholders and accordingly the Issuer may act in a manner in connection therewith which is contrary to the interests of the Bondholders.*

**(g) *Maintenance of Exchange Property***

*Exchange Rights are not exercisable in respect of any specific ICA Shares or other property comprising Exchange Property from time to time and no ICA Shares or other Exchange Property has been or will be charged or otherwise placed in custody or set aside to secure or satisfy the Issuer's obligations in respect of the Exchange Rights. At any time the Issuer may or may not be the owner of the whole or any part of ICA Shares or other property comprising Exchange Property from time to time and the Issuer is not under any obligation to hold any ICA Shares and/or other Exchange Property and may sell or otherwise dispose of the same at any time. The composition of the Exchange Property may also change as a result of the operation of the Conditions.*

*The arrangements described herein in relation to the Exchange Property do not amount to any security interest in favour of Bondholders to secure the debt obligations of the Bonds or to secure performance of the Exchange Rights thereunder.*

*Accordingly, in the event the Issuer at any time holds any ICA Shares or other property comprising Exchange Property from time to time and the Issuer is or becomes insolvent, bankrupt or in*



*liquidation, such Exchange Property will form part of the assets of the Issuer available on a pari passu basis to all of its unsecured creditors.*

- (A) *Ownership of Exchange Property*: At any particular time, the Issuer may or may not hold or be the beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. However, these Conditions shall be read and construed as though at all times the Issuer were the holder and beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. Accordingly, subject as provided in (B), for the purposes of determining whether and to what extent any adjustment should be made to the Exchange Property at any time, for the purposes of these Conditions, the Issuer shall be deemed to be entitled to receive such further or other ICA Shares, Relevant Securities, securities, property or assets including cash and/or consideration on the date the Issuer would have been entitled to receive the same, and to make any relevant elections in respect thereof or relating thereto, as it would have been entitled to receive and or make had it at all relevant times been the holder and beneficial owner of sufficient Exchange Property to satisfy the exercise of Exchange Rights or otherwise required to be delivered pursuant to these Conditions in respect of all outstanding Bonds, and references in these Conditions to the Exchange Property being adjusted shall be construed accordingly. In particular (and without limitation):
- (i) *Time or date of receipt*: Any reference in the Trust Deed or these Conditions to the time or date of receipt (howsoever described) by the Issuer of any property or assets (including cash) shall be construed as a reference to the time at, or date on which, the Issuer would otherwise have received or would have first been entitled to receive the same had it been the holder and beneficial owner of sufficient Exchange Property to satisfy Exchange Rights and all other obligations to deliver Exchange Property pursuant to these Conditions in respect of all outstanding Bonds at all relevant times;
  - (ii) *Offers and Statutory Mergers*: For the purposes of Condition 9, the Issuer shall be entitled by notice to the Trustee and the Bondholders in accordance with Condition 19 to elect to be treated as accepting (including as to any alternative consideration) or (unless the Relevant Securities are subject to compulsory acquisition) rejecting such Offer or Statutory Merger as if it owned the Relevant Securities the subject of such Offer or Statutory Merger and subject to the provisions of Condition 9; and
  - (iii) *Application of property and assets*: (Other than where required to deliver Exchange Property to Bondholders on exercise of Exchange Rights) the Issuer shall not be required to apply or refrain from applying any ICA Shares, Relevant Securities, securities, property or assets including cash and/or consideration in any particular way, including by way of sale or other disposal, and any provisions of these Conditions that refer to the Issuer applying any property or assets in any amounts, or making any sale or disposal of any property or assets, shall be construed solely for the purposes of determining adjustments or additions to the Exchange Property for the purposes of these Conditions.
- (B) *Purchase or Redemption of Relevant Securities*: Condition 8(b)(iii)(C) shall be disregarded unless thereafter the total outstanding Relevant Securities are less than the number required to be comprised in the Exchange Property, in which case to the extent of such shortfall, the Issuer shall be treated as if it were the holder and beneficial owner of such Relevant Securities and the provisions of Condition 8(b)(iii)(C) shall apply accordingly in respect of the number of Relevant Securities representing such shortfall.

**(h) *Other Adjustments to the Exchange Property and Contemporaneous Events***

If the Issuer determines that:

- (i) an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in Condition 8(b)(i), 8(b)(ii) or 8(b)(iii), even if the relevant event is or circumstances are specifically excluded from the operation of Condition 8(b)(i), 8(b)(ii) or 8(b)(iii); or
- (ii) more than one event which gives rise or may give rise to an adjustment to the Exchange Property has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
- (iii) one event which gives rise or may give rise to more than one adjustment to the Exchange Property has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,

the Issuer shall, at its own expense, request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Exchange Property is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination the Issuer shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination provided that such adjustment shall result in an increase to the Exchange Property.

**(i) *Decision of an Independent Adviser; Calculation by the Calculation Agent***

If any doubt shall arise as to whether an adjustment falls to be made to the Exchange Property, or as to the appropriate adjustment to the Exchange Property, or as to when such adjustment shall take effect or be deemed to have taken effect, and following consultation between the Issuer, the Calculation Agent and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer, the Calculation Agent, the Bondholders and the Trustee, save in the case of manifest error.

**9 Offers and Statutory Mergers**

**(a) *Acceptance of Offers and Statutory Mergers***

In the event of an Offer for any Equity Shares of a class comprised in the Exchange Property, the Issuer shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, provided that the Issuer will not accept such Offer (a) prior to the Specified Date or (b) unless the value of the consideration offered for such Equity Shares pursuant to the Offer or, where there is any alternative consideration, unless the value of the consideration accepted by the Issuer, is equal to or greater than the value of such Equity Shares.

For the avoidance of doubt, (i) the Issuer may announce its intention to accept any Offer prior to the Specified Date, and (ii) if there is more than one simultaneous Offer, the Issuer may accept any such Offer (including the Offer which includes the lowest consideration) or none of such Offers.

The value of such Equity Shares and the value of any consideration will be determined by an Independent Adviser by reference to market values, where applicable, and such other considerations as the Independent Adviser shall consider appropriate.

In the event of a Statutory Merger in relation to any Relevant Company, in respect of a class of Equity Share Capital which is comprised in the Exchange Property, the Issuer shall have absolute discretion to

vote in favour of or against or abstain from voting in respect of such Statutory Merger (and as to any alternative consideration).

For the avoidance of doubt, the Issuer may announce its intention in respect of voting in respect of a Statutory Merger at any time.

The Issuer will not accept any Offer or vote in a Statutory Merger in respect of such part of the Exchange Property which would (disregarding for this purpose any Cash Election) be deliverable to those Bondholders who have exercised Exchange Rights in respect of Bonds where the relevant Exchange Date falls prior to the commencement of any Suspension Period.

Save as otherwise provided in this Condition 9(a), the Issuer shall at all times be entitled at its discretion, in relation to any shares or other securities owned or controlled by it or in respect of which it is entitled to exercise voting rights (whether or not such shares or securities comprise Exchange Property), to vote on, exercise its rights in respect of, or otherwise participate in (or in any such case refrain from doing so), any scheme of arrangement, reorganisation, amalgamation, merger (including a Statutory Merger), demerger or reconstruction of any company or companies or other entity or entities (whether or not involving liquidation or dissolution) as it thinks fit.

The Issuer shall give notice to the Trustee and the Bondholders in accordance with Condition 19 as soon as practicable upon becoming aware of the existence of any Offer or proposal in respect of a Statutory Merger.

*In accepting or rejecting any Offer or electing for any alternative consideration or in voting on, exercising its rights in respect of, or otherwise participating in, any scheme of arrangement, compromise, reorganisation, amalgamation, merger (including a Statutory Merger), demerger or reconstruction, the Issuer is not obliged to take account of the interests of the Bondholders and accordingly the Issuer may act in a manner which is contrary to the best interests of the Bondholders.*

**(b) Adjustment to Exchange Property**

If the Issuer accepts such Offer and the Offer becomes unconditional in all respects (or if all the Equity Shares not tendered in relation to the relevant Offer are subject to compulsory acquisition) or, in the case of a Statutory Merger, such Statutory Merger becomes effective, then, and in relation to each Bond for which the Exchange Date has not occurred prior to the Final Acceptance Date (in the case of an Offer) or the Final Date (in the case of a Statutory Merger), with effect from the Consideration Date, the Equity Shares the subject of such Offer or compulsory acquisition or, in the case of a Statutory Merger, the Equity Share Capital of the Relevant Company shall be deemed no longer to form part of the Exchange Property and shall be deemed to be replaced by the consideration in respect of the Equity Shares under the Offer or pursuant to such compulsory acquisition or Statutory Merger or, if there is alternative consideration, such consideration as the Issuer may elect for the purposes of these Conditions, and if the Issuer shall fail to make such election by not later than five Stockholm business days prior to the Final Date in respect of the relevant Offer or, as the case may be, the last date for making such election in the case of a Statutory Merger, that consideration as shall be determined by an Independent Adviser to have the greatest value (the “**Consideration**”).

**(c) Suspension of Exchange Rights**

In the case of an Offer, Exchange Rights shall be suspended during the period from and including (i) the Specified Date until the relevant Offer is withdrawn or the relevant Offer lapses or the Final Acceptance Date or, if earlier, until the Final Date and (ii) the date any vote is cast in relation to any applicable scheme referred to in this Condition, which is approved by the required majority, until the

same is approved or rejected by any relevant judicial or other authority or otherwise is or becomes or is declared to be effective or the like.

If the Issuer accepts the relevant Offer and the Offer is or becomes unconditional in all respects, Exchange Rights will also be suspended during the period from the Final Acceptance Date, or if earlier, the Final Date until the Consideration Date.

In the case of a Statutory Merger, Exchange Rights shall be suspended during the period from and including the Specified Date until the Statutory Merger is withdrawn or lapses or the day following the Final Date.

If a Statutory Merger is approved at all relevant shareholder meetings, Exchange Rights will also be suspended during the period from the day following the Final Date until the Consideration Date.

The period during which Exchange Rights are suspended pursuant to this Condition 9(c) is referred to as the “**Suspension Period**”.

Notice of any such Suspension Period (including the commencement and termination thereof) will be given by the Issuer to the Trustee, the Principal Paying, Transfer and Exchange Agent and to the Bondholders in accordance with Condition 19.

If Exchange Rights are exercised such that the relevant Exchange Date would otherwise fall in the Suspension Period, such exercise shall be null and void.

**(d) Premium Compensation Amount**

If the Consideration in relation to an Offer or Statutory Merger in respect of Equity Shares comprised in the Exchange Property consists wholly or partly of cash or other property (other than Eligible Equity Shares), such cash or such other property shall be added to and form part of the Exchange Property and if the Exchange Date in respect of any Bond falls after the Consideration Date in respect of such Offer or Statutory Merger, then the relevant Bondholder shall be entitled to receive, in addition to the relevant *pro rata* share of the Exchange Property pursuant to Condition 7 (or, as appropriate, any Cash Alternative Amount), an amount (the “**Premium Compensation Amount**”) in respect of each SEK 1,000,000 principal amount of Bonds surrendered for exchange calculated by the Calculation Agent in accordance with the following formula:

$$PC = K^2 * (\text{Principal} - IP) * (T/C) * (CB/(CB+CS))$$

Where:

PC	=	Premium Compensation Amount per Bond
K	=	the lesser of (a) IP/MP and (b) MP/IP
Principal	=	SEK 1,000,000
IP	=	SEK 726,324.33
CB	=	the Cash Amount
CS	=	the Property Value
MP	=	the Value of the <i>pro rata</i> share of the Exchange Property in respect of a Bond in the principal amount of SEK 1,000,000 on (i) in the case of an Offer, the Final Acceptance Date or (ii) in the case of a Statutory Merger, the Final Date

- C = 1,826, being the number of days from (but excluding) the Closing Date to (and including) the Final Maturity Date
- T = the number of days from (but excluding) (i) in the case of an Offer, the Final Acceptance Date or (ii) in the case of a Statutory Merger, the Final Date to (and including) the Final Maturity Date (which shall be zero if the Final Acceptance Date or, as the case may be, the date of such approval occurs after such date)

If any doubt shall arise as to the calculation of the Premium Compensation Amount, and following consultation between the Issuer and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer, the Calculation Agent, the Bondholders and the Trustee, save in the case of manifest error.

**(e) Subsequent Offers and Statutory Mergers**

The provisions of this Condition 9 shall apply *mutatis mutandis* to any subsequent Offer or Statutory Merger, with the result that such Bondholder may become entitled to receive more than one Premium Compensation Amount.

**(f) Self tenders**

If a tender or other offer is made by or on behalf of the issuer of any Relevant Securities comprised in the Exchange Property (or any person associated with such issuer) to purchase or otherwise acquire, redeem or exchange such Relevant Securities (other than in connection with a Repurchase Offer or a Redemption of Shares), then for the purposes of these Conditions and for the determination of the composition of the Exchange Property for the purposes of these Conditions only, the Issuer shall not tender or be entitled to be treated as having tendered any such Relevant Securities which are comprised in the Exchange Property or be treated as having accepted any such offer in respect thereof or vote in respect of any such Relevant Securities in relation to any such tender or other offer, nor shall the Issuer exercise or be treated as having exercised any option which it may have in connection therewith or otherwise to require the redemption or repayment of such Relevant Securities.

**(g) Definitions**

As used in these Conditions:

“**Cash Amount**” means the cash amount in Swedish Kronor (or, where applicable, translated into Swedish Kronor at the applicable Screen Rate on the Final Date) comprising the whole or part of the Consideration for one Relevant Security in the Offer or Statutory Merger (other than cash paid in respect of fractional entitlements to the Property) provided that if the Property comprises securities or property other than Eligible Equity Shares, such securities or property will be deemed, for the purpose of this definition, to form part of the Cash Amount in an amount equal to their Fair Market Value at the close of business on the Final Date;

“**Consideration Date**” means, in relation to any Offer (or compulsory acquisition or Statutory Merger), the date upon which the Consideration is made available to the holders of the Relevant Securities;

“**EEA Regulated Market**” means a market as defined by Article 4.1(14) of Directive 2004/39 EC of the European Parliament and of the Council on Markets in Financial Instruments;

“**Eligible Equity Shares**” means Equity Share Capital of the offeror provided that, (i) the offeror is a limited liability company (or equivalent) incorporated in or established under the laws of a European Union member state, a state within the European Economic Area or an OECD member state; and (ii)

such Equity Share Capital is listed and admitted to trading on an EEA Regulated Market or on any other internationally recognised, regularly operating, regulated stock exchange; and (iii) the Equity Share Free Float in respect of such Equity Share Capital shall have been not less than 20 per cent. of the issued and outstanding Equity Share Capital on each of the 30 consecutive Trading Days ending on and including the Final Date;

“**Equity Share Capital**” and “**Equity Shares**” have the meaning provided in Condition 5;

“**Equity Share Free Float**” means, in respect of any Equity Shares, the aggregate number of such Equity Shares held by persons that own (together with any other person or persons with whom they act in concert, as defined in the Takeover Code of the United Kingdom on Takeovers and Mergers) Equity Shares representing less than 5 per cent. of the total number of such Equity Shares issued and outstanding, as determined by an Independent Adviser acting reasonably and in good faith, in consultation with the Issuer and where (i) references to “**Equity Shares**” shall include Equity Shares represented by depositary or other receipts or certificates representing Equity Shares; (ii) Equity Shares held by or on behalf of a depositary or custodian or similar person in respect of any such depositary or other receipts of certificates representing Equity Shares from time to time shall be treated as being held by the holder of the relevant depositary or other receipts or certificates and not by such depositary, custodian or similar person; (iii) Equity Shares that have been borrowed and remain borrowed pursuant to any stock lending arrangement shall be treated as not being owned by the relevant lender; and (iv) Equity Shares held by or on behalf of the issuer of such Equity Shares or any subsidiary of such issuer or any person acting in concert with such issuer shall be treated as not constituting part of the Equity Share Free Float;

“**Final Acceptance Date**” means, in respect of any Offer, the final date for acceptance of such Offer which, if such Offer is extended prior to becoming unconditional, shall be the final date for acceptance of the extended Offer (but, if such Offer is or becomes unconditional, disregarding any additional or further period during which such Offer is open for acceptance);

“**Final Date**” means (i) in relation to an Offer, the date such Offer becomes or is declared unconditional in all respects or (ii) in the case of a Statutory Merger, the date such Statutory Merger is approved pursuant to the relevant shareholder meeting(s);

“**Offer**” means an offer to the holders of any class of Equity Shares comprised in the Exchange Property to acquire such Equity Shares, whether expressed as a legal offer, an invitation to treat or in any other way, in circumstances where such offer is available to all holders of the applicable Equity Shares (or all or substantially all such holders other than any holder to whom such offer may not be extended pursuant to applicable securities or other laws or who is, or is connected with, or is deemed to be acting in concert with, the person making such offer or to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any stock exchange in any territory, it is determined not to make such an offer), but excluding in connection with a Repurchase Offer or a Redemption of Shares;

“**Property**” means the Consideration for one Relevant Security in the Offer or Statutory Merger, excluding the Cash Amount;

“**Property Value**” means the Fair Market Value of the Property at the close of business on the Final Date. Where the Consideration is entirely cash or securities or property other than Eligible Equity Shares, the Property Value shall be zero;

“**Specified Date**” means (i) in relation to any Offer, five Trading Days prior to the Final Acceptance Date and (ii) in relation to a Statutory Merger, five Trading Days prior to the record date or other due

date for establishment of entitlement to vote at the first shareholder meeting required to be held in connection with such Statutory Merger; and

“**Statutory Merger**” means a statutory merger or proposed statutory merger pursuant to the Swedish Companies Act or any other relevant legislation pursuant to which all or substantially all the assets of a Relevant Company, the class of Equity Share Capital which is comprised in the Exchange Property, are to be transferred or otherwise assumed by another entity, and where the Relevant Company is not the continuing entity.

## 10 Undertakings

- (a) The Issuer undertakes to make or cause to be made an application for the Bonds to be admitted to trading on an internationally recognised, regularly operating, regulated or non-regulated stock exchange (the “**Admission**”) within 90 days following the Closing Date and to maintain such Admission for so long as any of the Bonds remain outstanding.
- (b) The Issuer undertakes to obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Bonds and the Trust Deed.
- (c) Where these Conditions require or contemplate a sale of any property or assets to be made or procured to be made by the Issuer, the Issuer shall procure that the relevant sale is made as soon as reasonably practicable and in any event, if a payment calculated by reference to any such sale (including payment of the Realisation Proceeds) is to be made pursuant to these Conditions, in such time to enable the relevant payment to be made by the time specified in these Conditions.
- (d) If the appointment of an Independent Adviser is required by these Conditions or if these Conditions relate to any matter to be determined by an Independent Adviser, the Issuer shall procure that the relevant appointment is made as soon as practicable and, in any event, in time to enable the proper operation of the relevant provisions of these Conditions.
- (e) Within 14 days following the occurrence of a Free Float Event the Issuer shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 19 (a “**Free Float Event Notice**”). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 11(c).

The Free Float Event Notice shall also specify:

- (i) the Value of the *pro rata* share of the Exchange Property attributable to each SEK 1,000,000 principal amount of the Bonds as at the last practicable date prior to the publication of the Free Float Event Notice;
- (ii) the last day of the Free Float Put Period;
- (iii) the Free Float Put Date; and
- (iv) such other information relating to the Free Float Event as the Trustee may require.

The Trustee shall not be required to take any steps to ascertain whether any Free Float Event or any event which could lead to a Free Float Event has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure or delay by it to do so.

(f) *Relevant Event or De-listing Event:*

- (i) Within 14 days following the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 19 (a “**Relevant**”

**Event Notice**”). The Relevant Event Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 11(c)(iii).

The Relevant Event Notice shall also specify:

- (A) the Value of the *pro rata* share of the Exchange Property attributable to each SEK 1,000,000 principal amount of the Bonds as at the latest practicable date prior to the publication of the Relevant Event Notice;
  - (B) the last day of the Relevant Event Period;
  - (C) the Relevant Event Put Date; and
  - (D) such other information relating to the Relevant Event as the Trustee may require.
- (ii) Upon the occurrence of a De-listing Event, the Issuer shall give notice thereof to the Trustee and to Bondholders in accordance with Condition 19 (a **“De-listing Event Notice”**). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their rights of redemption under Condition 11(c)(iii).

The De-Listing Event Notice shall also specify:

- (A) the Value of the *pro rata* share of the Exchange Property attributable to each SEK 1,000,000 principal amount of the Bonds as at the latest practicable date prior to the publication of the De-listing Event Notice;
- (B) the last day of the De-listing Event Period;
- (C) the De-listing Put Date; and
- (D) such other information relating to the Relevant Event as the Trustee may require.

The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or a De-listing Event or any event which could lead to a Relevant Event or a De-listing Event has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure or delay by it to do so.

**“A Shares”** means fully paid class A shares in the capital of the Issuer currently with a par value (Sw. *Kvotvärde*) of SEK 2.50 each. Each A Share confers on the holder one vote at general meetings of the Issuer.

**“Control”** means in relation to any entity the holding, ownership, acquisition or control of, or the right to acquire, hold, own or control, more than 50 per cent of the Voting Rights of the relevant entity and **“controlled”** shall be construed accordingly.

**“C Shares”** means fully paid class C shares in the capital of the Issuer currently with a par value of SEK 2.50 each. Each C Share confers on the holder one-tenth of a vote at general meetings of the Issuer.

a **“De-listing Event”** shall occur if at any time:

- (i) the C Shares are not listed and admitted to trading on one or more of NASDAQ OMX Stockholm Stock Exchange, the London Stock Exchange or the New York Stock Exchange; or
- (ii) trading of the C Shares on NASDAQ OMX Stockholm, the London Stock Exchange or the New York Stock Exchange is suspended for a period of 15 consecutive dealing days.



**“De-listing Event Period”** means the period commencing on the date on which a De-listing Event occurs and ending 60 calendar days following such date or, if later, 60 days following the date on which a De-listing Event Notice is given as required by this Condition 10(f) or, in any such case, if that is not a dealing day, the next following dealing day.

**“Exempt Newco Scheme”** means a Newco Scheme where, immediately after completion of the relevant Scheme of Arrangement or Newco Offer, as the case may be, the ordinary shares of Newco are (1) admitted to trading on the Relevant Stock Exchange or (2) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Issuer or Newco may determine.

**“Newco Scheme”** means (A) a scheme of arrangement or analogous proceeding (**“Scheme of Arrangement”**) which effects the interposition of a limited liability company (**“Newco”**) between the Shareholders of the Issuer immediately prior to the Scheme of Arrangement (the **“Existing Shareholders”**) and the Issuer; provided that (i) only ordinary shares of Newco or depositary or other receipts or certificates representing ordinary shares are issued to Existing Shareholders; (ii) immediately after completion of the Scheme of Arrangement the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco are Existing Shareholders and the Voting Rights in respect of Newco are held by Existing Shareholders in the same proportion as their respective holdings of such Voting Rights immediately prior to the Scheme or Arrangement; (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder of the Issuer; (iv) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement the Issuer (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to the Scheme of Arrangement; or (B) a public offer in respect of the A Shares, C Shares and the Bonds for the purposes of effecting the interposition of Newco between the Shareholders of the Issuer and the Issuer (**“Newco Offer”**) provided that (i) pursuant to the Newco Offer an offer is made to the Bondholders to exchange their Bonds for bonds issued by Newco and convertible into ordinary shares of Newco and otherwise in all material respects on the same terms and conditions as the Bonds; (ii) the Newco Offer is not declared unconditional unless Newco has become the owner of more than 90 per cent. of all shares issued by the Issuer (on a fully diluted basis); (iii) immediately after completion of the Newco Offer the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco are Existing Shareholders; (iv) all Subsidiaries of the Issuer immediately prior to the announcement of the Newco Offer are Subsidiaries of the Issuer immediately after completion of the Newco Offer; and (v) immediately after completion of the Newco Offer the Issuer holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to the announcement of the Newco Offer.

a **“Relevant Event”** shall occur if:

- (i) any person or persons, acting together, acquires or acquire Control of the Issuer, other than pursuant to or as a result of an Exempt Newco Scheme;
- (ii) a public offer is, other than pursuant to or as a result of an Exempt Newco Scheme, made in respect of the A Shares and C Shares of the Issuer and such offer has been declared

unconditional and the offeror, and any person or persons acting together with the offeror, acquire or acquires Control of the Issuer; or

- (iii) there shall be a merger between the Issuer and another entity in circumstances where the Issuer is not the continuing entity.

“**Relevant Event Period**” means the period commencing on the occurrence of a Relevant Event and ending 60 calendar days following the Relevant Event or, if later, 60 calendar days following the date on which a Relevant Event Notice is given to Bondholders as required by this Condition 10(f).

“**Relevant Stock Exchange**” means NASDAQ OMX Stockholm or if at the relevant time the C Shares are not at that time listed and admitted to trading on NASDAQ OMX Stockholm, the principal stock exchange or securities market on which the C Shares are then listed, admitted to trading or quoted or dealt in.

“**Voting Rights**” has the meaning provided in Condition 5.

## 11 Redemption and Purchase

### (a) *Final Redemption*

Unless previously exchanged, redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Final Maturity Date.

The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 11(b).

### (b) *Redemption at the Option of the Issuer*

#### (i) *For tax reasons*

At any time the Issuer may, having given not less than 30 nor more than 45 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 19, redeem (subject as provided below) all but not some only of the Bonds for the time being outstanding on the date (the “**Tax Redemption Date**”) specified in the Tax Redemption Notice at their principal amount if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment becomes effective on or after the Closing Date; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

At least 15 days prior to the publication of any Tax Redemption Notice, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Persons of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred (and such evidence

shall be sufficient to the Trustee, which shall not be under any duty to enquire, and conclusive and binding on the Bondholders).

Any Tax Redemption Notice shall be irrevocable.

On the Tax Redemption Date, the Issuer shall (subject to the next following paragraph) redeem the Bonds at their principal amount.

If the Issuer gives a notice of redemption pursuant to this Condition 11(b)(i), each Bondholder will have the right to elect that its Bonds shall not be redeemed and that the provisions of Condition 13 shall not apply in respect of any payment to be made on such Bonds which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 13 and payment of all amounts on such Bonds shall be made subject to the deduction or withholding of any Swedish taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Exchange Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Exchange Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

Any Tax Redemption Notice shall specify (i) the Tax Redemption Date, (ii) the last day on which Exchange Rights may be exercised by a Bondholder and (iii) the Value of the *pro rata* share of the Exchange Property attributable to each SEK 1,000,000 principal amount of the Bonds as at the most recent practicable date prior to the giving of the relevant Tax Redemption Notice.

(ii) *For other reasons*

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount:

- (i) at any time on or after 5 June 2018 (the “**First Call Date**”), provided that the Value of the *pro rata* share of the Exchange Property attributable to each SEK 1,000,000 principal amount of Bonds on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than the seventh Trading Day prior to the date on which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded SEK 1,300,000, as verified by the Calculation Agent or an Independent Adviser if so requested by the Issuer in its sole discretion; or
- (ii) at any time in the period commencing on an Consideration Date and ending 30 days thereafter if, following the relevant Offer, the Exchange Property consists wholly of cash; or
- (iii) at any time if, prior to the date on which the relevant notice of redemption is given Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of more than 85 per cent. in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

In order to exercise such option the Issuer shall give not less than 30 nor more than 45 days’ notice (an “**Optional Redemption Notice**”) to the Bondholders in accordance with Condition 19 specifying the date for redemption (the “**Optional Redemption Date**”).

Any Optional Redemption Notice shall be irrevocable.

On the Optional Redemption Date, the Issuer shall redeem the Bonds at their principal amount.

Any Optional Redemption Notice shall specify (i) the Optional Redemption Date, (ii) the last day on which Exchange Rights may be exercised by a Bondholder and (iii) the Value of the *pro rata* share of the Exchange Property attributable to each SEK 1,000,000 principal amount of the Bonds as at the most recent practicable date prior to the giving of the relevant Optional Redemption Notice.

**(c) Redemption at the Option of the Bondholders**

- (i) The holder of each Bond will have the right to require the Issuer to redeem that Bond on 15 May 2018 (the “**Optional Put Date**”) at its principal amount. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Exchange Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying, Transfer and Exchange Agent (a “**Put Exercise Notice**”), not earlier than 60 nor less than 15 days prior to the Optional Put Date.

Payment in respect of any such Bond shall be made by transfer to a Swedish Kronor account with a bank in Stockholm as specified by the relevant Bondholder in the relevant Put Exercise Notice.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Put Exercise Notices delivered as aforesaid on the Optional Put Date.

- (ii) Following the occurrence of a Free Float Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Free Float Put Date at its principal amount. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Exchange Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying, Transfer and Exchange Agent (a “**Free Float Put Exercise Notice**”), at any time during the Free Float Put Period. The “**Free Float Put Date**” shall be the 14th calendar day after the expiry of the Free Float Put Period (or if that is not a Stockholm business day, the next following Stockholm business day).

Payment in respect of any such Bond shall be made by transfer to a Swedish Kronor account with a bank in Stockholm as specified by the relevant Bondholder in the relevant Free Float Put Exercise Notice.

A Free Float Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Free Float Put Exercise Notices delivered as aforesaid on the Free Float Put Date.

- (iii) Following the occurrence of a Relevant Event or a De-listing Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Relevant Event Put Date or, as the case may be, the De-listing Event Put Date at its principal amount. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Conversion Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying, Transfer and Conversion Agent (a “**Relevant Event/De-listing Event Put Exercise Notice**”), at any time during the Relevant Event Period or the De-listing Event Period, as the case may be.

The “**Relevant Event Put Date**” shall be the 14<sup>th</sup> calendar day after the expiry of the Relevant Event Period (or if that is not a Stockholm business day, the next following Stockholm business day).

The “**De-listing Event Put Date**” shall be the 14<sup>th</sup> calendar day after the expiry of the De-listing Event Period (or if that is not a Stockholm business day, the next following Stockholm business day).

Payment in respect of any such Bond shall be made by transfer to a Swedish Kronor account with a bank in Stockholm as specified by the relevant Bondholder in the Relevant Event/De-listing Event Put Exercise Notice.

A Relevant Event/De-listing Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Relevant Event/De-listing Event Put Exercise Notices delivered as aforesaid on the Relevant Event Put Date or, as the case may be, the De-listing Event Put Date.

**(d) Multiple Notices**

If more than one notice of redemption is given pursuant to this Condition 11, the first of such notices to be given shall prevail.

**(e) Purchase**

The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price.

**(f) Cancellation**

Bonds purchased by the Issuer or any of its Subsidiaries may be held, re-issued or sold or cancelled. All Bonds redeemed or exchanged will be cancelled and may not be re-issued or resold.

## **12 Payments**

**(a) Manner of Payment**

Payment of principal in respect of the Bonds (other than pursuant to Condition 11(c)) will be made to the persons shown in the Register at the close of business on the Record Date.

Payment of all other amounts will be made as provided in these Conditions.

**(b) Method of Payment**

Each payment referred to in Condition 12(a) will be made in Swedish Kronor by transfer to a Swedish Kronor account maintained with a bank in Stockholm specified by the relevant Bondholder.

**(c) Record Date**

“**Record Date**” means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

*The Bonds on issue will be represented by a global Bond (the “**Global Bond**”) registered in the name of, and held by a nominee or on behalf of, a common depository for Euroclear Bank SA/NV (“**Euroclear Bank**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).*

*All payments in respect of Bonds represented by the Global Bond will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System*

*Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.*

**(d) Agents**

The names of the initial Paying, Transfer and Exchange Agents and their initial specified offices are set out below. The Issuer reserves the right under the Agency Agreement at any time with the prior written approval of the Trustee to remove any Paying, Transfer and Exchange Agent, and to appoint other or further Paying, Transfer and Exchange Agents, provided that it will at all times maintain Paying, Transfer and Exchange Agents having specified offices in (i) London, (ii) any place required by the rules of any relevant stock exchange if and for so long as the Bonds are listed or admitted to trading on any stock exchange or admitted to listing by any other relevant authority for which the rules require the appointment of a Paying, Transfer and Exchange Agent in any particular place and (iii) in a European Union member state (if any) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such removal or appointment and of any change in the specified office of any Paying, Transfer and Exchange Agent will be given as soon as practicable to Bondholders in accordance with Condition 19. The Issuer further reserves the right at any time to vary or terminate the appointment of the Calculation Agent, provided that it will maintain a Calculation Agent which is a financial institution or financial adviser with appropriate expertise.

**(e) Payments subject to fiscal laws**

All payments in respect of the Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 13 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to Condition 13) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

**(f) Fractions**

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest such unit.

**(g) Delay in payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving any amount due:

- (i) as a result of the due date not being a business day; or
- (ii) if the relevant Bondholder is late in surrendering the relevant Bond (where such surrender is required pursuant to these Conditions as a precondition to payment).

In this Condition 12(g) “**business day**” means a day (other than a Saturday or Sunday) which is a Stockholm business day and (where surrender of the relevant Bond is required pursuant to these Conditions as a precondition to payment) and which is a business day in the place of the specified office of the Paying, Transfer and Exchange Agent to whom the relevant Bond is surrendered.

### **13 Taxation**

All payments made by on or behalf of the Issuer in respect of the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law.

In the event that any such withholding or deduction is required to be made, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any payment on any Bond:

- (a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Kingdom of Sweden otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Conditions to principal and/or any other amounts payable in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The provisions of this Condition 13 shall not apply in respect of any payments which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 11(b)(i).

### **14 Events of Default**

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Bonds and/or if so directed by an Extraordinary Resolution, shall (subject, in each case, to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at the Relevant Amount provided, however, that if any event specified in paragraph (e) below occurs and is continuing, the Bonds shall become immediately repayable without any declaration, notification or other act on the part of the Trustee or any holders of Bonds:

- (i) the Issuer fails to pay the principal of, or any other amount payable in respect of, any of the Bonds when due and such failure continues for a period of five days in the case of principal and 10 days in the case of any other amounts payable in respect of the Bonds, or the Issuer fails for more than 10 days in the performance of its obligations under the Bonds in respect of the exercise of Exchange Rights in respect of any of the Bonds; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not, in

the opinion of the Trustee, remedied within 30 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(iii)

- (a) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or
- (b) any such indebtedness of the Issuer or any of its Principal Subsidiaries is not paid when due or, as the case may be, within any originally applicable grace period; or
- (c) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 14(iii) have occurred equals or exceeds €20,000,000 or its equivalent (as determined by the Trustee in accordance with the Trust Deed); or

- (iv) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or, in the opinion of the Trustee, any substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days; or
- (v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or
- (vi) the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or publicly announces its intention to stop or suspend payment of all or, in the opinion of the Trustee, a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of, in the opinion of the Trustee, any substantial part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or, in the opinion of the Trustee, any substantial part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries; or
- (vii) an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer ceases or publicly announces its intention to cease to carry on all or substantially all of its business or operations, except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or
- (viii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,



provided that, in the case of Conditions 14(ii), 14(iv), 14(v) and, in relation to any Principal Subsidiary only, 14(vi) or 14(vii) above, the Trustee shall have certified to the Issuer that such Event of Default is in its opinion materially prejudicial to the interests of the holders of the Bonds.

“**Relevant Amount**” means, in respect of each SEK 1,000,000 principal amount of Bonds, an amount equal to such principal amount, save that if the relevant Event of Default occurs as a result of or in connection with a failure by the Issuer to comply with any of its obligations in relation to the exercise of Exchange Rights, it means an amount equal to the higher of:

- (i) the Value of the *pro rata* share of the Exchange Property and any other amounts which would have been payable and/or deliverable on exchange in respect of such principal amount of Bonds had the date of such declaration been the Exchange Date; and
- (ii) such principal amount.

References in these Conditions and the Trust Deed to the principal amount of the Bonds shall, other than in Condition 6 and unless the context otherwise requires, include the Relevant Amount.

## **15 Prescription**

Claims in respect of the principal amount on Bonds will become void unless made within 10 years (in the case of the principal amount) from the appropriate Relevant Date in respect thereof.

Claims in respect of any other amounts payable in respect of the Bonds will become void unless made within 10 years following the due date for payment thereof.

## **16 Meetings of Bondholders, Modification and Waiver, Substitution**

### *(a) Meetings of Bondholders*

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Final Maturity Date, the First Call Date (other than deferring the First Call Date) or the Optional Put Date, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 11(b) or (c), (iii) to reduce or cancel the principal amount of the Bonds or to reduce the amount payable on redemption of the Bonds, (iv) to modify the provisions relating to, or cancel, the Exchange Rights (other than to increase the Exchange Property deliverable on exercise of Exchange Rights), (v) to change the currency of the denomination or any payment in respect of the Bonds, (vi) to change the governing law of the Bonds, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 16(c)), or (vii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary

Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) *Modification and Waiver*

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may, without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation, waiver or determination shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders in accordance with Condition 19 as soon as practicable.

(c) *Substitution*

The Trustee may, without the consent of the Bondholders, agree to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Issuer subject to (a) the Bonds being unconditionally and irrevocably guaranteed by the Issuer, and (b) the Bonds continuing to be exchangeable for Exchange Property as provided in these Conditions *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate provided that in any such case, (x) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified to the Bondholders promptly in accordance with Condition 17.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer

or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

## **17 Enforcement**

The Trustee may at any time, at its discretion and without notice, take such steps, actions or proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such steps, actions or proceedings or any other action in relation to the Trust Deed or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## **18 The Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall be obliged to accept and be entitled to rely on any such report, confirmation or certificate or advice where the Issuer procures delivery of the same pursuant to its obligation to do so under any provision of these Conditions or the Trust Deed and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders in the absence of manifest error.

## **19 Notices**

Notices to Bondholders will be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and for the long as the Bonds are listed and/ or admitted to trading the Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication as provided above.

*For so long as the Bonds are represented by a Global Bond registered in the name of, and held by a nominee or on behalf of, a common depository for Euroclear Bank or Clearstream, Luxembourg, notices to Bondholders may be given by the delivery of the relevant notice to Euroclear Bank and/or Clearstream, Luxembourg and such notices shall be deemed to have been given to Bondholders on the day of delivery to Euroclear Bank and/or Clearstream, Luxembourg.*

## **20 Replacement of Bonds**

If any Bond is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Principal Paying, Transfer and Exchange Agent, subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

## 21 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions in all respects as the outstanding Bonds or in all respects except for the first date on which exchange rights may be exercised and so that such further issue shall be consolidated and form a single series with the Bonds. Any further bonds forming a single series with the outstanding Bonds shall be constituted by a deed supplemental to the Trust Deed.

## 22 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

## 23 Governing Law and Jurisdiction

### (a) *Governing law*

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

### (b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds or any non-contractual obligations arising out of or in connection with them and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds or any non-contractual obligations arising out of or in connection with them (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### (c) *Agent for Service of Process*

The Issuer has irrevocably appointed The Swedish Trade Council at its registered office for the time being, currently at Winchester House, 259-269 Old Marylebone Road, London NW1 5RA, as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.