



**OFFENTLIGA HUS I NORDEN AB (PUBL)**

**PROSPECTUS REGARDING THE ADMISSION TO TRADING  
OF  
SEK 575,000,000  
SUBORDINATED PERPETUAL FLOATING RATE CALLABLE  
CAPITAL SECURITIES**

**ISIN: SE0013234531**

**28 November 2019**

*Amounts payable under the Capital Securities (as defined herein) are calculated by reference to STIBOR, which is provided by the Swedish Banker's Association. As of the date of this Prospectus (as defined herein), the Swedish Banker's Association does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("BMR"). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the Swedish Banker's Association is not currently required to obtain authorisation or registration.*

## IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Offentliga Hus i Norden AB (publ) (reg. no. 556824-2696) (“**Offentliga Hus**”, “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission for trading of capital securities issued under the Company’s maximum SEK 750,000,000 subordinated perpetual floating rate callable capital securities with ISIN SE0013234531 (the “**Capital Securities**”), of which SEK 500,000,000 was issued on 7 October 2019 (“**First Issue Date**”) which Capital Securities are referred to as “**Initial Capital Securities**”) and SEK 75,000,000 was issued on 20 November 2019 (“**Subsequent Issue Date**”) which Capital Securities are referred to as “**First Subsequent Capital Securities**”) in accordance with the terms and conditions for the Capital Securities (the “**Terms and Conditions**”), on the corporate bond list of Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). The Company may at one or more occasions after the First Issue Date or the Subsequent Issue Date, issue Subsequent Capital Securities under the Terms and Conditions, until the total amount under any Subsequent Capital Securities and the Initial Capital Securities (including the First Subsequent Capital Securities), equals SEK 750,000,000. For the avoidance of doubt, this Prospectus has not been prepared for the purpose of any issue of Subsequent Capital Securities other than the First Subsequent Capital Securities. Nordea Bank Abp (reg. no. 2858394-9) and Swedbank AB (publ) (reg. no. 502017-7753) have acted as joint bookrunners (together the “**Joint Bookrunners**”) and Swedbank AB (publ) (reg. no. 502017-7753) has acted as issuing agent (the “**Issuing Agent**”).

This Prospectus has been prepared as well as approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Capital Securities in any jurisdiction. It has been prepared solely for the purpose of admitting the Capital Securities to trading on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Capital Securities are therefore required to inform themselves about, and to observe, such restrictions. The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and are subject to U.S. tax law requirements. The Capital Securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act).

Solely for the purposes of the product governance requirements set forth in Directive 2014/65/EU (as amended, “**MiFID II**”), the Joint Bookrunners (for the purposes of this paragraph, the “**manufacturers**”) have made a target market assessment in respect of the Capital Securities, and have concluded that the target group for the Capital Securities is:

*Type of client:* Clients that are eligible counterparties, professional clients and retail clients, each as defined in MiFID II.

*Knowledge and experience:* Clients that are (i) informed investors, having one or more of the following characteristics: (a) average knowledge of the relevant financial products (an informed investor can make an informed investment decision based on the offering documentation, together with knowledge and understanding of the specific risk factors/risks highlighted with them only), or (b) some financial industry experience, and (ii) advanced investors, having one, or more of the following characteristics: (x) good knowledge of the relevant financial products and transactions, or (y) financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service.

*Financial situation with a focus on the ability to bear losses:* Clients that have the ability to bear losses of up to 100% of the capital invested in the Capital Securities.

*Risk tolerance:* Clients with a high risk tolerance. Clients investing in the Capital Securities are typically willing to take more risk than deposit savings or unsubordinated debt securities and do not require a fully guaranteed income or return profile.

*Investment objective:* Clients whose investment objective is to generate growth of the invested capital and have long term investment horizon.

Furthermore, the manufacturers have made an assessment as to the negative target market and concluded that the negative target market for the Capital Securities is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile.

The manufacturers have made an assessment as to the distribution strategy for the Capital Securities, and have concluded that (i) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate; and (ii) the following channels for distribution of the Capital Securities to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Capital Securities (a “**distributor**”) should take into consideration the manufacturers’ target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, references to “**SEK**” refer to Swedish Kronor.

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

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

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the SFSA’s website ([www.fi.se](http://www.fi.se)) and the Company’s website ([www.offentligahus.se](http://www.offentligahus.se)).

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## RISK FACTORS

The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Capital Securities in order to make an informed investment decision. The below risk factors are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific, to Offentliga Hus i Norden AB (publ) (the “**Issuer**” and together with its direct and indirect subsidiaries, the “**Group**”) and the Capital Securities.

The manner in which the Issuer and the Capital Securities are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as “low”, “medium” or “high” and the magnitude of negative impact if it would occur as “low”, “medium” or “high”. The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not ranked in order of materiality.

### Risk factors specific and material to the Issuer and the Group

#### Risks related to the Group’s financial situation

##### *Changes in value of Properties*

The Group’s real property and site leasehold rights (Sw. *tomträtter*) (the “**Properties**”) are reported at fair value (Sw. *verkligt värde*) in the balance sheet and with changes in value in the profit and loss account. At present, valuation of the Group’s property assets is carried out on annual basis in relation to 100 per cent of the property portfolio. Various factors may cause the Group to write down the fair value of its Properties, which may negatively affect the Group’s operations and financial position. Furthermore, the valuation frequency and coverage may change in the future which could result in that the value becomes more difficult to estimate for an investor, a financing counterparty or any third party interested in the valuation of the Group’s Properties.

If the value of the Properties decreases, causing the Group to write down their value, it could result in a number of consequences, such as a breach of the covenants of the loans owed by the Group from time to time, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the liquidity of the Group. A material decrease of the market value of the Properties would also have a negative impact on the Group’s possibilities to dispose of its Properties without incurring losses, which may negatively affect the Group’s operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

The Issuer considers that the probability of a decrease in value of its Properties occurring is *medium*. If the risks would materialise, even if temporary, the Issuer considers the potential negative impact to be *medium*.

### *Operating and maintenance costs*

Tenants leasing community service properties usually have a relatively extensive liability for operations and maintenance. Operating costs are mainly costs that are tariff-based, such as costs for electricity, cleaning, water and heating. Several of these goods and services can only be bought from one provider, which may also affect the price. When a cost increase is not compensated through regulation of the lease, or an increase in rent by renegotiation of the lease agreement, it may have a negative effect on the Group's financial position and results. In the event of vacancies, the Group's result may be affected mainly by loss of revenue.

Maintenance costs include costs that are necessary in order to maintain the standard of the Properties in the long term. The occurrence of unforeseen and extensive renovation needs on the Properties may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities, as such costs constitute a main cost item in relation to administration of the Issuer's Properties through property management providers.

The Issuer considers that the probability of such unexpected increase in costs occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

### *Interest-rate risk*

Other than equity, the Group's operations are mainly financed by loans, *inter alia*, from credit institutions and by way of outstanding corporate bonds. Interest expenses are therefore one of the Group's main cost items and the Group's loan to value ratio as of 30 September 2019 amounted to 62 per cent (net interest-bearing debt divided by book value of properties). Interest rate risk is described as the risk that changes in interest rates affect the Group's interest expense. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Group's strategy regarding interest rate fixation periods. The Group enters into hedging agreements on current basis and a considerable share of the Group's financing arrangements are hedged by way of interest rate derivatives with various maturities. As the levels of interest bearing debt increases and insofar fluctuations in market interest rate is not stabilised by the Group's hedging arrangements, adverse changes of interest rates would negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

The Issuer considers that the probability of unexpected increases in interest rate costs occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

### *Covenants in financing agreements*

The Group's external financing agreements may contain terms and conditions, which impose restrictions on the Group's business. If a company within the Group is in breach of any of its covenants (*e.g.* financial covenants) in its loan agreements, it could lead to loans being

accelerated, leading to immediate repayment or the creditor's enforcement of security. Further, certain loan agreements contain cross-default provisions which could trigger the acceleration of other payment obligations within the Group. A breach of any covenant could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

Some of the Group's credit arrangements contain provisions that restrict the possibility to pay dividends (within the Group) or incur or extend certain financial indebtedness, for example, that Group Companies may not incur or extend certain financial indebtedness if certain financial covenants are not met after such incurrence and / or extension. There is a risk that such provisions restrict the possibilities to move and obtain funds within and to the Group and thus impede the execution of scheduled acquisitions, renovations or other forms of maintenance of the Properties. If the Group's Properties cannot be renovated as scheduled or if certain transactions cannot be executed as a result of inadequate financing, this could have a materially adverse effect on the Issuer's and the Group's business, financial position and result.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

#### *Ownership risk*

The Issuer is currently owned in equal parts by two entities, Offentliga Nordic Property Holding SARL and Aktiebolaget Fastator (publ) ("**Fastator**"), through the joint holding company Nordact AB (publ) ("**Nordact**"). The direct parent company of the Issuer, Offentliga Hus Holding, is partly financed with capital provided by its shareholders in the form of interest-bearing shareholder loans that mature prior to the Capital Securities. If the shareholders of the Issuer cannot refinance themselves or only may refinance themselves at much higher costs, this could negatively affect the Group's access to further funding from its current owners.

Fastator is an investment company that partly finances its investments through public bonds and loans with current assets as security. Should either owner default on their loans, pledged assets could be taken over by its lenders. In the event that certain pledged assets of the owners are taken over by its lenders, there is a risk that the Issuer will ultimately have access to less further funding from the owners which in turn may negatively affect the Issuer's financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

### **Risks related to the Group's business activities and industry**

#### *Rental income and rental development*

Rental income is the Group's main source of income. The Group's rental income is affected by the vacancies of the Properties, contracted rental rates and the tenants paying their rents on

time. Rental rates are affected by, *inter alia*, the supply and demand on the market and the level of the market rental rates.

Increased vacancies and / or decreased rental rates will negatively affect the Group's earnings, as rental income represents the Group's main source of income. The risk of fluctuations in vacancies increases with more single large tenants. The ten largest tenants as of 30 June 2019 accounted for approximately 55 per cent of the total contracted rental income. There is a risk that the Group's larger tenants do not renew or extend their lease agreements upon expiry and that the Group does not find new tenants, which in the long term could lead to a decrease in rental income and an increase in vacancies. Further, there is a risk that lease agreements adhering to newly acquired properties are short-term lease agreements that require the Issuer or a company within the Group to re-negotiate and renew or extend the term of the lease agreements. Should such negotiations not result in renewal or extension of the lease agreements, there is a risk that the vacancy rate of the Group increases and that the rental income of the Group will decrease. Such risks will be especially prolific in times when the Issuer plans on concluding a large number of property acquisitions. The leases entered into with the Group's ten largest tenants are of different duration. As of 30 September 2019, the average remaining term of these leases was 5 years. Furthermore, as the Group focuses on properties with public sector tenants, its rental income and vacancy rates are dependent on, *inter alia*, municipal budgets and the development of the local public sector.

The Issuer considers that the probability of large fluctuations and increases in vacancies, decreases in market rental rates or any other loss of rental income is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *high*.

#### *Acquisitions and disposals of assets*

The Group's property portfolio constitute the main assets of the Group. The acquisition and sale of Properties or property owning subsidiaries may lead to that attractive directly or indirectly owned property assets are disposed of and less attractive directly or indirectly owned property assets are acquired, leading to a decrease in the market value of the Group's property portfolio. Furthermore, if Properties are sold at a lower price than expected or if the market value of the Properties decreases, this could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

Furthermore, acquisitions and divestments of real estate are associated with risks and uncertainties such as future loss of tenants including contractual requirements on occupancy rates, potential environmental impact from activities carried out on the property as well as decisions from authorities. When acquiring real estate companies, there are risks relating to, *inter alia*, tax, environmental issues and disputes.

As the Group is continually acquiring companies, the Group is exposed to the risk of unexpectedly increasing transaction costs due to, for example, cancelled acquisitions. In acquiring companies, the Group is also exposed to integration risks, related to increased

merging costs, organisational costs including personnel and unexpected costs related to management of new tenants, unexpected environmental clean-up costs or costs related to unexpected real estate property condition.

Increased costs related to misjudgements in relation to acquisitions and disposals, the materialisation of inherent risks and increased transaction and / or integration costs would negatively affect the Group's financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

The Issuer considers that the probability of increased costs as described above, materialisation of inherent risks and other risks described above occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

#### *Technical risks*

Real estate investments involve technical risks. A technical risk can be described as the risk related to the technical operations of the relevant property, such as the risk of defects relating to the construction, other inherent shortcomings or deficiencies, damages (for instance due to fire or other forces of nature) and environmental hazards. If any technical problems should occur, such occurrence may result in significantly increased costs for the Properties which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

The Issuer considers that the probability of any such above described issues occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

### **Legal and regulatory risk**

#### *Holding company risks*

The Issuer is a holding company and the Group's operations are mainly run through its subsidiaries. The Issuer's ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries to transfer available funds to it, and hence the Issuer is dependent on its subsidiaries to fulfil its obligations under the Capital Securities. The Group intends to provide the Issuer with liquidity by way of intra-group loans, dividends or other transfers of value in order for the Issuer to fulfil its obligations under the Capital Securities. The transfer of funds to the Issuer from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary, including the relevant subsidiaries' financing arrangements. Furthermore, the Group companies are legally separate entities and distinct from the Company, and have no obligation to fulfil the Issuer's obligations vis-à-vis its creditors. If the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Capital Securities.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *high*.



### *Taxation risks*

A change in the current tax legislation could result in the Group facing an increased tax burden which could affect its result and financial position.

On 30 March 2017, the Swedish government presented a law proposal (SOU 2017:27) that, if enacted, would likely to affect the future taxation of real estate investments. The proposal includes, *inter alia*, that the deferred tax liability related to the difference between tax residual value and market value on properties would be triggered upon a change of control of a real estate owning company and that indirect sales of properties would be subject to stamp duty. The proposal has remained unchanged but would, if implement, impact tax payable upon all of the Group's future disposals of property owning companies.

On 1 January 2019, a new tax legislation with regard to, *inter alia*, interest deduction limitations and corporate taxation entered into force. The new legislation implies, *inter alia*, a general interest deduction limitation rule in the corporate sector meaning that net interest expenses is deductible only up to 30 per cent of the taxpayer's EBITDA for tax purposes, subject to certain deviations. The new rules apply to any financial year starting on or after 1 January 2019 and the manner in which the new legislation will be interpreted and applied is still uncertain.

If the Group's net interest expenses represent a substantial portion in relation to its tax EBIT or tax EBITDA, the Group's tax burden could increase significantly which would negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

The Issuer considers that the probability of increases in its tax burden and other tax related risks occurring, due to above described legislative changes is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *high*.

### **Environmental and social risks**

#### *Reputational risk*

The Group is dependent on its good reputation, particularly in relation to new and current tenants. As an example, technical issues, maintenance problems or adverse reporting or failures in relation to the Group's sustainability profile could damage the Group's reputation, resulting in, for example, difficulties in attracting or retaining tenants or access to debt or other financing which could impair the Group's growth potential. Furthermore, the Group could be negatively exposed in public media, with a limited ability to anticipate or respond to such publications, making it more difficult to remedy impaired reputation. Damage to the Group's reputation could lead to loss of income or loss of growth potential, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Securities.

The Issuer considers that the probability of impaired reputation occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

### *Environmental risks*

Property management includes environmental risks. The Swedish Environmental Code (Sw. *miljöbalken (1998:808)*) states that business operators that have contributed to pollution are responsible for remediation of the relevant polluted property. If the responsible person or entity is unable to remediate a polluted property, the person or entity acquiring the property, under certain circumstances, is liable for remediation. This means that claims for remediation of polluted or environmentally damaged property could be directed at the Group for remediation. Furthermore, changed laws, regulations and requirements from authorities in the environmental area could result in increased costs for the Group with respect to sanitation or remediation regarding currently held or future acquired properties.

The Issuer considers that the probability of above costs being incurred and above risks occurring and is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

## **Risk factors specific and material to the Capital Securities**

### **Risks related to the nature of the Capital Securities**

#### *Credit risk*

An investment in the Capital Securities carries a credit risk relating to the Company and the Group. The holders of Capital Securities' (the "**Holders**") ability to receive payment under the terms and conditions for the Capital Securities (the "**Terms and Conditions**") is therefore dependent upon the Company's and the Group's ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, a number of which have been discussed in this material.

An increased credit risk may cause the market to charge the Capital Securities a higher risk premium, which would affect the Capital Securities' value negatively. Another aspect of the credit risk is that any deterioration in the financial position of the Group may reduce the Group's possibility to receive debt financing at the time of redemption of the Capital Securities.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *high*.

#### *Interest rate risks*

The value of the Capital Securities is dependent on several factors, one of the more important factors being the level of the general market interest rates over time, since the Capital Securities are perpetual. Potential investors in the Capital Securities are hence dependent on a favourable and stable general market interest rate over time in order to sustain profitability in respect of its investment. The Capital Securities carry interest at a floating rate of 3 months STIBOR plus the applicable margin. Hence, the interest rate is to a certain extent adjusted for changes in the

level of general interest rates. An increase of the general interest rate level could adversely affect the value of the Capital Securities. The general interest rate level is to a high degree affected by the financial development at large and is outside the Group's control.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

### **Risks related to the admission of the Capital Securities to trading on a regulated market**

#### *Risks related to admission to trading and illiquid markets*

The Company intends that the Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm within 30 days after the issue date of the Capital Securities. There is a risk that the Capital Securities will not be admitted to trading within such time period (or at all), in which case a Holder will not be entitled to cancel, withdraw or otherwise rescind its investment in the Capital Securities, or claim compensation from any person, on the basis of an argument that that the Capital Securities have not been listed on a Regulated Market. In addition, if the Capital Securities are not listed within a certain time after the First Issue Date, there is a risk that the Capital Securities will not fulfil the requirements for being placed at an investment savings account (Sw. *investeringssparkonto*) which may have a material adverse effect on a Holder's tax position with respect to the Capital Securities.

Further, there is not always active trading in securities and there is a risk that there will not be a liquid market for trading in the Capital Securities or that this market will be maintained even if the Capital Securities are admitted to trading. This may result in that the Holders cannot sell their Capital Securities when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Capital Securities. Furthermore, the nominal value of the Capital Securities may not be indicative compared to the market price of the Capital Securities if they are admitted for trading on Nasdaq Stockholm.

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

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

### **Risks related to the Holders' rights and representation**

#### *The Capital Securities are subordinated to most of the Issuer's liabilities*

The Capital Securities represent deeply subordinated debt obligations of the Company. This means that if the Company is subject to any dissolution, winding-up, liquidation, restructuring (Sw. *företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings,

the Holders normally receive payment after all other creditors have been paid in full. Hence, in relation to an Issuer Winding-up or an Issuer Re-construction, Holders' claims for the principal amount of their Capital Securities and any accrued and unpaid interest thereon will rank *pari passu* with any present or future claims in respect of obligations of the Company in respect of Parity Securities. Furthermore, claims will rank junior in right of payment to any present or future claims of all unsubordinated obligations of the Company and all Subordinated Indebtedness. In relation to an Issuer Winding-up, claims will however rank in priority to all present and future claims in respect of the shares of the Company and any other obligation of the Company expressed to rank junior to the Capital Securities or any Parity Securities. As the Holders only will have an unsecured claim against the Company, the Holders may not recover any or all of their investment.

There is no restriction in the Terms and Conditions in relation to issuing or guaranteeing debt ranking senior to or *pari passu* with the Capital Securities. The Company and its subsidiaries may incur additional indebtedness or issue guarantees in respect of indebtedness or guarantees of third parties. Incurring such additional indebtedness may reduce the amount (if any) recoverable by Holders if the Company is subject to any dissolution, winding-up, liquidation, restructuring, administrative or other bankruptcy or insolvency proceedings and may increase the likelihood of that interest payments under the Terms and Conditions are deferred, at the potential detriment on a Holder.

Other than the remedies set out in Clause 15 (*Default and Enforcement*) of the Terms and Conditions, no remedies are available to the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Company of any of its other obligations under or in respect of the Capital Securities. Such remedies are limited to certain proceedings and enforcement following a default under the Terms and Conditions.

Any potential investor should therefore be aware of that an investment in the Capital Securities entails a risk that the investor loses all or part of its investment if the Company becomes liquidated, bankrupt, insolvent, carries out a restructuring or is wound-up.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *high*.

#### *The Capital Securities constitute perpetual obligations*

The Capital Securities are perpetual meaning that the Capital Securities have no specified maturity date. The Company is not obliged to redeem the Capital Securities at any time and Holders have no option to redeem the Capital Securities at any time. The Company may only redeem the Capital Securities in the circumstances described in Clause 12 (*Redemption and repurchase of the Capital Securities*) of the Terms and Conditions.

Any potential investor should be aware that it may be required to bear financial risks of the investment in the Capital Securities for a long period of time and may not recover their investment before a redemption of the Capital Securities (if any) at the discretion of the

Company (in particular if there is no active trading on the secondary market). Each potential investor should therefore be aware that there is a risk that it may lose the whole, or parts of, its investment in the event the Company chooses to not redeem the Capital Securities.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *high*.

#### *Deferral of interest payment*

The Company may, at its sole discretion by giving notice to the Holders, the Agent and the Issuing Agent before the relevant Interest Payment Date, elect to defer any interest payment, in whole or in part, which would otherwise be due on any Interest Payment Date. If interest is deferred in accordance with the Terms and Conditions, the Company has no obligation to make such payment on the relevant Interest Payment Date and any such non-payment of interest does not constitute a default or any other breach of obligations under the Capital Securities.

As the Capital Securities carry no voting rights with respect to general meetings of the Company, the Holders cannot influence any decisions by the Company to defer payments or to optionally settle outstanding payments. As the Capital Securities are perpetual, the lack of availability to influence deferral of interest payments could impact Holders' position and Capital Securities during a prolonged period of time and in a manner that would be undesirable for them.

Deferral of interest payments may have an adverse effect on the market price for the Capital Securities. In addition, the availability to defer interest may result in that the market price for the Capital Securities is more volatile than otherwise would be the case for market prices of other securities in respect of which interest accrues over pre-determined interest periods. Furthermore, the possibility to defer interest payments may expose the Holders to fluctuations in the Company's financial position and may result in that the yields from the Capital Securities are less foreseeable.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

#### *Risks relating to redemption and repurchase of Capital Securities*

Upon the occurrence of an Accounting Event, a Rating Event, a Substantial Repurchase Event, a Tax Deductibility Event or a Withholding Tax Event the Company may redeem the Capital Securities in whole, but not some only, at any time together with any Deferred Interest and any accrued and unpaid interest (however, please note that the occurrence of any of these events do not entitle any of the Holders to enforce and accelerate the Capital Securities). Furthermore, the Company may elect to redeem the Capital Securities in whole, but not some only, at par on the First Call Date or on any Interest Payment Date falling thereafter. The Company or any company within the Group may, subject to applicable law, at any time and at any price purchase Capital Securities on the market or in any other way and Capital Securities held by a company within the Group may at such company's discretion be retained, sold or, if held by the

Company, cancelled. In addition, upon the occurrence of a Change of Control the Company may redeem the Capital Securities in whole to a certain redemption amount defined in the Terms and Conditions.

If the Capital Securities are redeemed Holders have the right to receive a redemption amount, which may exceed the nominal amount of the Capital Securities. There is a risk that the market value of the Capital Securities is higher than the amount received at redemption and that it may not be possible for Holders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Capital Securities and may only be able to do so at a significantly lower rate.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

## **RESPONSIBLE FOR THE INFORMATION IN THE PROSPECTUS**

The Company has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Capital Securities and the performance of its obligations relating thereto. The issuance of the Initial Capital Securities on 7 October 2019 was authorised by resolutions taken by the board of directors of the Company on 26 September 2019. The issuance of the First Subsequent Capital Securities on 20 November 2019 was authorised by resolutions taken by the board of directors of the Company on 8 November 2019.

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

The information in the Prospectus and in the documents incorporated by reference which derive from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA's approval should not be considered as an endorsement of the Company that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Stockholm on 28 November 2019

**Offentliga Hus i Norden AB (publ)**

*The board of directors*

## THE CAPITAL SECURITIES IN BRIEF

This section contains a general and broad description of the Capital Securities. It does not claim to be comprehensive or cover all details of the Capital Securities. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions for the Capital Securities, before a decision is made to invest in the Capital Securities.

Concepts and terms defined in Section *Terms and Conditions for the Capital Securities* are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

### General

Issuer .....	Offentliga Hus i Norden AB (publ) (reg. no. 556824-2696).
Resolutions, authorisations and approvals .....	The Company's board of directors resolved to issue the Initial Capital Securities on 26 September 2019 and the First Subsequent Capital Securities on 8 November 2019.
The Capital Securities offered.....	Up to SEK 750,000,000 subordinated perpetual floating rate callable capital securities. As at the date of this Prospectus, SEK 575,000,000 of the Capital Securities have been issued.
Nature of the Capital Securities ...	The Capital Securities constitute debt instruments (Sw. <i>skuldförbindelser</i> ), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act.
Number of Capital Securities .....	Maximum 600. At the date of this Prospectus, 460 Capital Securities have been issued.
ISIN .....	SE0013234531.
Issue Date .....	7 October 2019 (First Issue Date) and 20 November 2019 (Subsequent Issue Date).
Price.....	All Capital Securities issued on the First Issue Date have been issued at an issue price of 100 per cent. of the Nominal Amount. All Capital Securities issued on the Subsequent Issue Date have been issued at an issue price of 101.875 per cent. of the Nominal Amount.



No maturity .....	The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in this Clause 12 ( <i>Redemption and repurchase of the Capital Securities</i> ) of the Terms and Conditions. The Capital Securities are not redeemable at the option of the Holders at any time.
Initial Nominal Amount .....	The Capital Securities have a nominal amount of SEK 1,250,000 and the minimum permissible investment upon the Initial Issue is SEK 1,250,000.
Denomination.....	The Capital Securities are denominated in SEK.
Status of the Capital Securities.....	<p>The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer are subordinated as described below.</p> <p>In the event of a voluntary or involuntary liquidation (Sw. <i>likvidation</i>) or bankruptcy (Sw. <i>konkurs</i>) of the Issuer (each an “<b>Issuer Winding-up</b>”), the Holders shall have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank (i) <i>pari passu</i> without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities, (ii) in priority to all present and future claims in respect of the ordinary shares of the Issuer and any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities, and (iii) junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.</p> <p>In the event of a company re-construction (Sw. <i>företagsrekonstruktion</i>) of the Issuer under the Swedish Company Reorganisation Act (Sw. <i>lag (1996:764) om företagsrekonstruktion</i>) the Holders</p>

shall have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities and (ii) junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.

Use of Proceeds..... The proceeds of the Initial Issue and any Subsequent Issue shall be applied by the Issuer towards general corporate purposes of the Group, including investments and financing acquisitions.

#### **Interest Rate**

Interest Rate ..... Interest on the Capital Securities accrues at a floating rate of STIBOR (3 months) + 6.85 per cent. *per annum*.

Step-up after a Change of Control Notwithstanding any other provision of Clause 10 (*Interest*) of the Terms and Conditions, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 12.5 (*Voluntary redemption due to a Change of Control*) of the Terms and Conditions following the occurrence of a Change of Control, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of Clause 10 (*Interest*) of the Terms and Conditions, on the Capital Securities shall be increased by five (5.00) per cent. *per annum* with effect from (but excluding) the Change of Control Step-up Date.

Default Interest..... If the Issuer fails to pay any amount payable by it pursuant to certain provisions in the Terms and Conditions, on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate of two (2) per cent. *per annum*. See

	further Clause 10.5 ( <i>Default Interest</i> ) of the Terms and Conditions.
Interest Payment Dates.....	<p>Subject to any Optional interest deferral, Interest is to be paid quarterly in arrears on 7 January, 7 April, 7 July and 7 October each year, with the first Interest Payment Date being 7 January 2020 and the last Interest Payment Date being the relevant Redemption Date.</p> <p>Interest will accrue from (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date) and, in respect of any Subsequent Capital Securities, each Interest Period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance (or the First Issue Date if there is no such Interest Payment Date) and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date).</p>
Deferral of Interest Payments.....	<p>The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date by giving notice of such election to the Holders, the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Such deferral shall not constitute a default according to the Terms and Conditions. See further Clause 11.1 (<i>Deferral of Interest Payments</i>) of the Terms and Conditions.</p>
Optional settlement of deferred Interest.....	<p>Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders, the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date on which the Issuer will pay such Deferred Interest. See further</p>

	Clause 11.2 ( <i>Optional settlement of Deferred Interest</i> ) of the Terms and Conditions.
Mandatory settlement of deferred Interest.....	The Issuer shall pay any Deferred Interest, in whole but not in part, on the first date to occur of: (i) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs, (ii) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period, and (iii) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 12 ( <i>Redemption and repurchase of the Capital Securities</i> ) or Clause 15 ( <i>Default and Enforcement</i> ) of the Terms and Conditions. See further Clause 11.3 ( <i>Mandatory settlement of deferred Interest</i> ) of the Terms and Conditions.
<b>Redemption and repurchase</b>	
No maturity .....	The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in Clause 12.2 ( <i>The Group Companies' purchase of Capital Securities</i> ), Clause 12.3 ( <i>Voluntary redemption by the Issuer (call option)</i> ), 12.4 ( <i>Voluntary redemption due to a Special Event</i> ), 12.5 ( <i>Voluntary redemption due to a Change of Control</i> ), and 12.6 ( <i>Cancellation of Capital Securities</i> ) under the Terms and Conditions of the Capital Securities.
The Group Companies' purchase of Capital Securities .....	The Issuer or any other Group Company may, subject to applicable law, at any time and at any price purchase Capital Securities in the market or in any other way. See further Clause 12.2 ( <i>The Group Companies' purchase of Capital Securities</i> ) of the Terms and Conditions.
Voluntary redemption by the Issuer (call option) .....	The Issuer may redeem all, but not only some, of the Capital Securities in full on the First Call Date or on any Interest Payment Date falling thereafter at a price per Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any

	Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date. See further Clause 12.3 ( <i>Voluntary redemption by the Issuer (call option)</i> ) of the Terms and Conditions.
Voluntary redemption due to a Special Event.....	Upon a Special Event (as defined in the Terms and Conditions) occurring, the Issuer may redeem all, but not some only, of its Capital Securities at any time at a price per Capital Security equal to (i) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount, and (ii) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount, in each case together with any Deferred Interest and any accrued interest. See further Clause 12.4 ( <i>Voluntary redemption due to a Special Event</i> ) of the Terms and Conditions.
Voluntary redemption due to a Change of Control.....	Upon a Change of Control occurring, the Issuer may redeem all, but not some only, of its Capital Securities at an amount equal to (i) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount, and (ii) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount, in each together with any Deferred Interest and any accrued interest. See further Clause 12.5 ( <i>Voluntary redemption due to a Change of Control</i> ) of the Terms and Conditions.
Cancellation of Capital Securities	All Capital Securities which are redeemed pursuant to Clauses 12.3 to 12.5 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 12.2 ( <i>The Group Companies' purchase of Capital Securities</i> ) will be cancelled and may not be reissued or resold.
<b>Miscellaneous</b>	
Transfer restrictions .....	The Capital Securities are freely transferable. The Holders may be subject to purchase or transfer

restrictions with regard to the Capital Securities under local laws to which a Holder may be subject. The Capital Securities have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction.

Admission to trading .....	<p>The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that (i) the Initial Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days after the First Issue Date, (ii) any Subsequent Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days following the relevant subsequent issue date, and (iii) that the Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Capital Securities in close connection to the redemption of the Capital Securities).</p> <p>Application for admission to trading of the Capital Securities on the corporate bond list of Nasdaq Stockholm will be filed in connection with the SFSA's approval of this Prospectus. The earliest date for admitting the Capital Securities to trading on Nasdaq Stockholm is expected to be on or about 3 December 2019. The total expenses of the admission to trading of the Initial Capital Securities are estimated to amount to SEK 100,000.</p>
Agent .....	Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.
Governing law .....	Swedish law.

Timebar .....	The right to receive repayment of the principal of the Capital Securities shall be time-barred and become void 10 years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void 3 years from the relevant due date for payment.
Risk factors.....	Investing in the Capital Securities involves substantial risks and prospective investors should refer to Section <i>Risk Factors</i> for a discussion of certain factors that they should carefully consider before deciding to invest in the Capital Securities.

## DESCRIPTION OF THE COMPANY AND THE GROUP

### History and development of the Company

Offentliga Hus was formed in 2011. The Company is a public limited liability company registered in Sweden and is governed by Swedish law including, but not limited to, the Swedish Companies Act and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen* (1995:1554)).

### Overview of the Company

Legal form.....	Public limited liability company
Corporate registration number	556824-2696
LEI-code.....	549300DW54NOXRJXTR48
Incorporated .....	On 8 November 2010
Head office.....	Municipality of Stockholm
Address.....	Nybrogatan 3, 114 34 Stockholm, Sweden
Visitors address .....	Nybrogatan 3, 114 34 Stockholm, Sweden
Phone number.....	+46 (0)708-97 44 09
Website.....	www.offentligahus.se (the information provided at the Issuer's website does not constitute part of this Prospectus unless explicitly incorporated by reference)
Company/trade name .....	Offentliga Hus i Norden AB (publ) (registered on 31 October 2017)
Operational objective .....	The company shall manage and conduct business with real property, along with activities related to such operations.

### Overview of the Group

Offentliga Hus is a real estate company and the Group's operations is focused on owning and managing community service properties. The rental income is primarily derived from public sector operators with long-term lease agreements. As a parent company of the Group, the Company's business focus is primarily on owning and managing the Group's properties which are owned through the Company's directly and indirectly owned subsidiaries.

Since Offentliga Hus's operations are mainly carried out through its subsidiaries, Offentliga Hus is dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.



### Organisational structure

As of the date of this Prospectus, all the shares in the Company are held by Nordact AB (publ) (“**Nordact**”), reg. no. 556971-0113. The shareholders in Nordact are Vivskä AB, reg. no. 556848-4603, and Offentliga Nordic Property Holding SARL, both with 50 per cent. of the share capital and the votes. Vivskä AB is a wholly owned subsidiary of Aktiebolaget Fastator (publ) (“**Fastator**”), which is a company listed on Nasdaq First North.

Offentliga Hus is the parent company of 51 directly or indirectly owned subsidiaries, as listed below.

COMPANY, CORPORATE REGISTRATION NUMBER AND REGISTERED OFFICE	NO. OF SHARES	PARTICIPATIONS (%)
Nordact AB (publ), 556971-0113, Stockholm	1,000	100
Offentliga Hus i Norden AB (publ), 556824-2696, Stockholm	5,000	100
OH Bunge AB, 556872-0964, Stockholm	500	100
OH Lödöse AB, 556852-1560, Stockholm	1,000	100
Lödösehus 3 KB, 916896-0210, Stockholm	-	100
Lödösehus 4 KB, 916896-0228, Stockholm	-	100
Limestone Fastigheter på Gotland AB, 556741-2746, Stockholm	100,000	100
OH Fyllinge AB, 556435-6102, Stockholm	1,000	100
AB Trygghetsboendet 1 i Värmland, 556876-2537, Stockholm	500	100
OH Årjäng AB, 556892-6041, Stockholm	50,000	100
OH Landskrona Fastigheter AB, 556872-0956, Stockholm	500	100
OH Bagg AB, 556981-3974, Stockholm	500	100
OH Borås AB, 556982-9632, Stockholm	500	100
KB Fastigheten Liljedal, 969622-2760, Borås	-	100
KB Fjolner 21, 969621-9501, Ulricehamn	-	100
KB Grönfinken 1, 969621-5954, Borås	-	100
OH Nya Torg AB, 556981-3982, Stockholm	500	100
OH Karlsvik AB, 556983-1349, Stockholm	500	100
OH Träffpunkten AB, 556993-3418, Stockholm	1,000	100
OH Jungfrun 3 AB, 556993-3434, Stockholm	1,000	100
OH Jungfrun 2 AB, 559004-1785, Stockholm	1,000	100
OH Hallsta AB, 559004-1702, Stockholm	1,000	100
OH Tynnered AB, 559075-5129, Stockholm	1,000	100
OH Höör AB, 559075-5137, Stockholm	1,000	100
OH Kiruna AB, 559090-0055, Stockholm	50,000	100
OH Karesuando AB, 559089-7905, Stockholm	50,000	100
OH Ackjan 1 AB, 559089-7913, Stockholm	50,000	100
OH Jokkmokk AB, 559089-7921, Stockholm	50,000	100
OH Storuman AB, 559089-7939, Stockholm	50,000	100
OHNYAB 24 AB, 559089-7947, Stockholm	50,000	100
OHNYAB 25 AB, 559089-7954, Stockholm	50,000	100
OH Havsbadshotellet 1 AB, 559089-7962, Stockholm	50,000	100
OH Rosenknoppen AB, 559089-7970, Stockholm	50,000	100
OHNYAB 28 AB, 559087-6628, Stockholm	50,000	100

COMPANY, CORPORATE REGISTRATION NUMBER AND REGISTERED OFFICE	NO. OF SHARES	PARTICIPATIONS (%)
OHNYAB 30 AB, 559082-7811, Stockholm	50,000	100
OH Nynäs AB, 556887-6626, Stockholm	1,000	100
OH Västervik AB, 556903-1015, Stockholm	1,000	100
OHNYAB 33 AB, 559163-9629, Stockholm	50,000	100
OHNYAB 34 AB, 559163-9652, Stockholm	50,000	100
OHNYAB 35 AB, 559169-8542, Stockholm	50,000	100
OH Timrå 2, 556730-5775, Stockholm	1,000	100
OH Timrå 4 AB, 556730-3101, Stockholm	1,000	100
OH Väg Nord AB, 559122-7599, Stockholm	500	100
OH Väg Syd AB, 559102-9789, Stockholm	1,000	100
OH Västberga AB, 556760-9465, Stockholm	100,000	100
OH Iris AB, 559033-4339, Stockholm	500	100
OH Hässleholm AB, 556466-5452, Stockholm	100	100
OH Skåne AB, 559163-0198, Stockholm	500	100
OH P20 AB, 556910-5496, Stockholm	150,000	100
NSH Holding AB, 559017-4073, Stockholm1	1,000	100
OH Hedemora AB, 559087-6719, Stockholm	50,000	100
OH Vinstra KB, 969676-4340,	-	100
Studentbostäder i Sverige AB, 559163-0727, Stockholm	715,975	34.39

## Business operations

### *Business concept and operations*

The Group is operational within the real estate industry. The Company's business concept consists of acquiring and refining local environments and properties, with the aim of achieving long-term, stable development in municipalities. The Company focuses on properties with public sector tenants and ideally with longer rental agreements. The Company undertakes acquisitions for long-term ownership.

The Group consists of property owning companies and as of 30 September 2019, the Group's property portfolio consisted of 213 Properties in 137 Swedish municipalities.<sup>1</sup> The Company's property portfolio consists of, *inter alia*, retirement homes, schools, county council buildings, student flats, healthcare centres, residential care homes, day centres, theatres, etc. As of 30 September 2019, the Group's total property value amounted to around SEK 4,735 million.<sup>2</sup> The Group's tenants consisted to 90 per cent. of publicly financed operations with long average lease term of 5 years. The Company actively works with digitalisation and CSR.

<sup>1</sup> The information is derived from the Company's unaudited interim report for the period ended 30 September 2019.

<sup>2</sup> The information is derived from the Company's unaudited interim report for the period ended 30 September 2019.

### *Business strategy and sustainability*

The Company aims to be the top of mind partner and landlord for municipalities, county councils and The Swedish government and to have a stable cash flow from low credit risk tenants. In order to maintain high retention rates and increase the profits over time, the Company is focusing on providing a high service level to the tenants as well as focusing on controlling/lowering financial and property related costs.

Offentliga Hus has never divested any of its community service properties, emphasizing its focus on long term and active ownership and providing reliable premises. Public services need to be operated in a long-term and sustainable manner. Offentliga Hus is Committed towards evolving its sustainability work and makes energy efficiency improvements and will continuously find clever ways of being more resource intelligent.

In conjunction with the issue by the Company in September 2019 of SEK 500 million and in November of SEK 200 million senior unsecured callable floating rate green bonds 2019/2023 (the “**Green Bond Issue**”), Offentliga Hus published a Green Finance Framework at the Company’s website, [www.offentligahus.se](http://www.offentligahus.se). The initial focus of the selection of eligible projects identified in the Green Finance Framework will be on energy efficiency, verified through third party labelling, such as Leed, BREEAM or Miljöbyggnad, or, in relation to new constructions, requirements that such new constructions will have an energy consumption that is 25 per cent. lower than the national building standards, or either has or will receive an energy performance certificate of level A or B. Renovations will reduce energy consumption by at least 25%.

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

The Company’s shares are denominated in SEK. As of the date of this Prospectus, the Company had an issued share capital of SEK 500,000 divided into 5,000 shares. Each share carries one vote and has equal rights on distribution of income and capital. As described in Section *Organisational structure* above, Offentliga Hus is a wholly owned by Nordact, which in turn is owned to 50 per cent. by Fastator through a wholly-owned subsidiary, and to 50 per cent. by Offentliga Nordic Property Holding SARL.

Fastator’s shares are listed on Nasdaq First North Stockholm since 24 September 2015. Offentliga Nordic Property Holding SARL is owned to 25 per cent. by Pierre Ladow who is a member of the board of directors in the Company.

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

**Recent events**

Except for the issuance of the Capital Securities and as set out below, there have been no recent events particular to the Company, which are to a material extent relevant to the evaluation of the Company's solvency.

**Adverse changes and trend information**

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report. Furthermore, except for the issuance of the Capital Securities and the events made public by press release, as set out below, there have been no significant changes in the financial performance of the Group since the last financial period for which the Group has published its quarterly report.

As announced by way of press release on 27 November 2019, the Company has completed its last outstanding acquisition of six properties in five municipalities in Mälardalen, Dalarna and Småland, which was announced on 1 July 2019. The acquisition was financed by way of cash and bank loan.

As announced by way of press release on 26 November 2019, and subject to the approval of Fastator's extraordinary general meeting, the Company will acquire six properties from Fastator at a total value of MSEK 1,228 and Fastator will acquire 30 properties from the Company at a total value of MSEK 118. The Company will also sell its share in Studentbostäder i Sverige AB to Fastator at an estimated share value of MSEK 222. The transactions are carried out at market value based on external valuation and is estimated to have a positive net effect on the Company's results of operations.

As announced by way of press release on 15 October 2019, and as set out in Section Board of directors and senior management below, the extraordinary general meeting held on 15 October 2019 elected a new board of directors.

On 20 September 2019 (initial issue) and on 13 November 2019 (subsequent issue), the Company announced the Green Bond Issue. The green bonds carry a floating interest at 3 months STIBOR plus 440 bps.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

According to the Company's articles of association, the board of directors should consist of at least one and not more than seven members, with a maximum of seven deputies. The board of directors currently consists of five (5) board members, and no deputy board member. A new board of directors was elected by the extra general meeting held on 15 October 2019.

The Company currently has two senior management positions, the role as CEO and the role as CFO. The CEO and the CFO are responsible for the Company's ongoing management and operations, reports to the board of directors and are required to manage the operations in accordance with the board of directors' guidelines and instructions as well as provide 'the board with decision-aiding materials. The division of duties between the board of directors and the CEO follows form Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO. On 9 September 2019, the Company announced that it had recruited a new senior management and, as a result, the current management will resign. The new senior management will consist of Fredrik Brodin as CEO, Magnus Sundell as CFO and Johan Bråkenhielm as chief transactions officer. As announced by way of press release on 9 September 2019, the new senior management Group will accede its positions as of the first quarter 2020.

The Company's primary support functions are outsourced and include accounting, marketing, IT and property management. Currently, the CEO and the CFO are the Company's only employees, as all administrative services are purchased from OH Management AB, reg. no. 556969-0562, and Nordic PM AB, reg. no. 556970-9727 (for a more detailed description of terms the agreements, please refer to Section *Material Agreements* below).

The board of directors and the senior management may be contacted through the Company at its head office at Nybrogatan 3, 114 34 Stockholm. Information regarding the members of the board of directors and the senior management, including significant commitments outside the Company, which are relevant for the Company, is set out below.

### The board of directors of the Company

*Björn Rosengren, chairman of the board since 2019.*

Current significant commitments outside the Group:	Chairman of the board in Priority Group, the Norwegian-Swedish Chamber of Commerce and Aktiebolaget Fastator (publ). Member of the board in Cellcomb AB.
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*Carl Bildt, member of the board since 2019.*

Current significant commitments outside the Group:	Member of the board in Aktiebolaget Fastator (publ), Micro Systemation AB (publ) and the international foundation Crisis Group.
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*Pierre Ladow, member of the board since 2014.*

Current significant commitments outside the Group: -

*Svante Bengtsson, member of the board since 2017.*

Current significant commitments outside the Group: COO and Deputy CEO of Aktiebolaget Fastator (publ).

*Jacqueline Winberg, member of the board since 2017.*

Current significant commitments outside the Group: Board member and CEO of Stanton Chase International AB. Board member of Avanza Bank Holding AB, Aktiebolaget Fastator (publ), Avanza Bank AB and Katod AB.

### **Management of the Company**

*Lars Holm, CEO since 2017.*

Current commitments outside the Group: -

*Christoffer Strömbäck, Acting CFO since 2019.*

Current commitments outside the Group: CFO of Aktiebolaget Fastator (publ).

### **Conflicts of interests within administrative, management and control bodies**

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

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

## FINANCIAL INFORMATION

### Historical financial information

The Company's annual reports for the financial years ended 2018 and 2017 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus.

The financial information for the financial years ending 2018 and 2017 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*), the Complementary Accounting Standards for Groups issued by the Swedish Council for Financial Reporting (Sw. *RFR 1 Kompletterande redovisningsregler för koncerner*), the International Financial Reporting Standards ("IFRS") as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union.

The Company's annual reports for the financial years ended 2018 and 2017 have been audited by the Company's auditor. Other than the auditing of the Company's annual report for the financial ended 2018 and for the financial year ended 2017, the Company's auditor has not audited or reviewed any other parts of this Prospectus.

Information in the documents below, which has not been incorporated by reference, is either deemed by the Company no to be relevant for investors in the Capital Securities or is covered elsewhere in the Prospectus.

The following information in the Company's consolidated annual report for the financial year ended 2018 is incorporated in this Prospectus by reference. For particular financial figures, please refer to the pages set out below.

Reference	Pages	Reference	Pages
Consolidated income statement	6	Parent income statement	10
Consolidated balance sheet	7	Parent balance sheet	11
Consolidated changes in equity	8	Parent changes in equity	12
Consolidated cash flow statement	9	Parent cash flow statement	13
Notes	14–33		
Independent auditor's report	35–37		

The following information in the Company's consolidated annual report for the financial year ended 2017 is incorporated in this Prospectus by reference. For particular financial figures, please refer to the pages set out below.

Reference	Pages	Reference	Pages
Consolidated income statement	6	Parent income statement	10
Consolidated balance sheet	7	Parent balance sheet	11
Consolidated changes in equity	8	Parent changes in equity	12
Consolidated cash flow statement	9	Parent cash flow statement	13
Notes	14–29		
Independent auditor's report	31–33		

#### **Auditing of the annual historical financial information**

The Company's annual reports for the financial years ended 2018 and 2017 have been audited by Öhrlings PricewaterhouseCoopers AB, with Magnus Thorling as the auditor in charge. Magnus Thorling has been the Company's auditor since 2016 and is a member of FAR. The office address of Öhrlings PricewaterhouseCoopers AB is: Torsgatan 21, SE-113 97, Stockholm, Sweden. Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditor

#### **Age of the most recent financial information**

The most recent audited financial information derives from the Company's consolidated annual report for the financial year ending on 2018, which was published on the Company's website on 4 April 2019. This means that the balance sheet date of the Company's most recent audited financial information falls at least 18 months prior to the date of this Prospectus.

#### **Legal and arbitration proceedings**

The Company has not, during the previous twelve months, been involved in and is not aware of, any governmental, legal or arbitration proceedings that have had or may have, significant effects on the Company's or the Group's financial position or profitability. Nor is the Company aware of any such proceedings that are pending or threatening and that could lead to the Company or any member of the Group becoming a part to such proceedings.

#### **Significant changes**

Other than the issuance of the Initial Capital Securities on 7 October 2019 and the Green Bond Issue as described under the Section *Adverse changes and trend information* above, there has



been no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

## DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material agreements to which the Company is a party and considered as outside in the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such agreements.

Other than as set out below, neither the Group, nor any of its associated entities has entered into any material agreements not in the ordinary course of its business and that may affect the Company's ability to fulfil its obligations under the Capital Securities.

### Property management agreements

The Company acquires administrative services from the companies Nordic PM AB, reg. no. 556970-9727, ("**Nordic PM**") (through a framework agreement entered into by the Company's indirect shareholder Fastator) and OH Management AB, reg. no. 556969-0562, ("**OH Management**"). Nordic PM and OH Management are associated companies of the Company, and are, alike the Company, owned to 50 per cent. by Fastator and 50 per cent. by Nordic Property Holding SARL.

According to the relevant framework agreement, Nordic PM is to provide commercial, financial and technical management and O&M (operations and maintenance) as well as leasing of vacant facilities. The framework agreement with Fastator also includes functions such as due diligence processes available for Fastator. Call-off agreements are established describing the scope of the assignment is to be entered into with the relevant property owning company, being a subsidiary of Fastator.

Under the framework agreement entered into by Fastator described above, the Company has entered into a call-off agreement with Nordic PM governing the management of the Company's real properties, including commercial, financial and technical management and O&M (operations and maintenance) as well as rental of vacant dwellings and non-residential premises in the Company's real properties.

The Company has entered into a central administration agreement with OH Management according to which OH Management is to provide services regarding oversight and administration, including, but not limited to, accounting, business development and transaction services.

## OTHER INFORMATION

### Clearing and settlement

The Capital Securities are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE-101 23 Stockholm. This means that the Capital Securities are registered on behalf of the Holders on a securities account (Sw. *VP-konto*). No physical Capital Securities have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear's book-entry system.

### Credit rating

The Company has been assigned a credit rating of BB-, outlook stable (long term) from Nordic Credit Rating AS, registered with the European Securities and Markets Authority (ESMA) as a credit rating agency established in the EU under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the CRA Regulation).

#### Long-term rating scale

AAA	<i>'AAA' rated entities and instruments demonstrate the highest credit quality and lowest expectation of default risk.</i>
AA	<i>'AA' rated entities and instruments demonstrate very high credit quality with a very low default risk.</i>
A	<i>'A' rated entities and instruments demonstrate high credit quality with a low default risk.</i>
BBB	<i>'BBB' rated entities and instruments demonstrate medium credit quality with a moderate default risk.</i>
BB	<i>'BB' rated entities and instruments demonstrate speculative credit quality with a slightly increased default risk.</i>
B	<i>'B' rated entities and instruments demonstrate highly speculative credit quality with an increased default risk.</i>
CCC	<i>'CCC' entities and instruments demonstrate very low credit quality with a high default risk.</i>
CC	<i>'CC' rated entities and instruments demonstrate very low credit quality and an event of default is very likely.</i>
C	<i>'C' rated entities and instruments demonstrate the lowest credit quality and an event of default is imminent.</i>
D/SD	<i>'D' rated entities and instruments have defaulted, as defined by NCR. 'SD' (selective default) rated entities have only defaulted on certain debt obligations.</i>
Plus (+) and minus (-)	<i>Rating categories from 'AA' to 'B' are modified by a plus (+) or a minus (-), where required, to show their relative position within the rating category.</i>

**Representation of the holders**

Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879) is acting as agent for the holders in relation to the Capital Securities, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.

By acquiring Capital Securities, each subsequent holder confirms such appointment and authorisation for the Agent to act on its behalf. An agency agreement was entered into between the agent and the Company on or about the First Issue Date regarding, among others, the remuneration payable to the agent. The agency agreement is available at the agent's office address (Norrländsgatan 23, SE-111 43 Stockholm, Sweden) during normal business hours. The rights and obligations of the agent are set forth in the Terms and Conditions.

**Documents available for inspection**

Copies of the following documents are available at the Company's head office in paper format during the validity period of this Prospectus.

- The Company's articles of association.
- The Company's certificate of registration.
- The Company's consolidated annual report for the financial year ending on 2018.
- The Company's consolidated annual report for the financial year ending on 2017.

The documents listed above are also available at the Company's website, [www.offentligahus.se](http://www.offentligahus.se).

**Interest of natural and legal persons involved in the issue**

The Issuing Agent and the Joint Bookrunners and/or their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and the Joint Bookrunners and/or their affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

# TERMS AND CONDITIONS FOR THE CAPITAL SECURITIES

## TERMS AND CONDITIONS FOR OFFENTLIGA HUS I NORDEN AB (publ)



### **MAXIMUM SEK 750,000,000 SUBORDINATED PERPETUAL FLOATING RATE CALLABLE CAPITAL SECURITIES**

**ISIN: SE0013234531**

**LEI: 549300DW54NOXRJXTR48**

First Issue Date: 7 October 2019

*The distribution of this document and the public offering of the Capital Securities in certain jurisdictions may be restricted by law. No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of any document or other material relating to the Issuer or the Capital Securities other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.*

## PRIVACY STATEMENT

Each of the Issuer, the Agent and the Issuing Agent may collect and process personal data relating to the Holders, the Holders' representatives or agents, and other persons nominated to act on behalf of the Holders pursuant to the Terms and Conditions (name, contact details and, when relevant, holding of Capital Securities). The personal data relating to the Holders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Capital Securities and payments under the Capital Securities;
- (c) to enable the Holders to exercise their rights under these Terms and Conditions; and
- (d) to comply with their respective obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (a) to (c) above is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under these Terms and Conditions. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent (as applicable). Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent or the Issuing Agent (as applicable). In addition, data subjects have the right to:

- (a) request that personal data is rectified or erased;
- (b) object to specific processing;
- (c) request that the processing be restricted; and
- (d) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their respective websites [www.offentligahus.se](http://www.offentligahus.se), [www.nordictrustee.com](http://www.nordictrustee.com) and [www.swedbank.se](http://www.swedbank.se).

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**TERMS AND CONDITIONS FOR  
OFFENTLIGA HUS I NORDEN AB (PUBL)  
MAXIMUM SEK 750,000,000  
SUBORDINATED PERPETUAL FLOATING RATE CALLABLE CAPITAL SECURITIES  
ISIN: SE0013234531**

**1 DEFINITIONS AND CONSTRUCTION**

**1.1 Definitions**

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Capital Securities.

“**Accounting Event**” means the receipt by the Issuer of an opinion of an authorised accountant (Sw. *auktoriserad revisor*) from a well-reputed accounting firm in Sweden (experienced in such matters) to the effect that, as a result of a change in the Accounting Principles or interpretation thereof, the equity treatment of the Capital Securities as “equity” in full in the Issuer’s consolidated financial statements has or will cease.

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

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

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

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

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time, initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879.

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



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

“**Capital Security**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and as defined in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer as Capital Securities under these Terms and Conditions, including the Initial Capital Securities and any Subsequent Capital Securities.

“**Central Securities Depositories and Financial Instruments Accounts Act**” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“**Change of Control**” means the occurrence of an event or series of events whereby one or more Persons (other than any Main Shareholder) acting together, acquire control over the Issuer and where “control” means:

- (a) to own, directly or indirectly, and vote as they see fit for, more than fifty (50.00) per cent. of the total number of shares and votes in the Issuer; or
- (b) to have the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Change of Control Period**” means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant Change of Control and (B) the date of the earliest Potential Change of Control Announcement, if any, and (ii) ending on the date which is the one hundred and twentieth (120<sup>th</sup>) day after the date of the first public announcement of the relevant Change of Control (such one hundred and twentieth (120<sup>th</sup>) day, the “**Initial Longstop Date**”); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Issuer, if a Rating Agency publicly announces, at any time during the period commencing on the date which is sixty (60) days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls ninety (90) days after the date of such public announcement by such Rating Agency.

“**Change of Control Step-up Date**” means the date falling six (6) months after the date on which a Change of Control has occurred.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Capital Securities from time to time; initially Euroclear Sweden AB reg. no. 556112-8074.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Capital Securities from time to time.

“**Deferred Interest**” has the meaning ascribed to it in Clause 11.1 (*Deferral of Interest Payments*).

**“Deferred Interest Payment Event”** means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities; and/or
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in each case, any declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital, which is made by reason of a claim (in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) by shareholder(s) owning not less than ten (10.00) per cent. of the shares in the Issuer; and
- (iii) in the case of paragraph (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of:
  - (A) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; or
  - (B) any share buyback programme then in force and duly approved by the shareholders’ general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction.

**“First Call Date”** means 7 January 2025 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“First Issue Date”** means 7 October 2019 or such other date as is agreed between the Issuing Agent and the Issuer.

**“First Step-up Date”** means 7 January 2030.

“**Fitch**” means Fitch Ratings Ltd.

“**Force Majeure Event**” has the meaning ascribed to it in Clause 26.1.

“**Group**” means the Issuer and each of its Subsidiaries from time to time.

“**Group Company**” mean each member of the Group.

“**Holder**” means the Person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Capital Security.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 17 (*Holders’ Meeting*).

“**Initial Capital Securities**” means the Capital Securities issued on the First Issue Date.

“**Initial Issue**” means the issuance of Capital Securities on the First Issue Date.

“**Interest**” means the interest on the Capital Securities calculated in accordance with Clause 10 (*Interest*).

“**Interest Payment**” means, in respect the payment of Interest on an Interest Payment Date, the amount of Interest payable for the relevant Interest Period in accordance with Clause 10 (*Interest*).

“**Interest Payment Date**” means, subject to Clause 11 (*Optional interest deferral*), 7 January, 7 April, 7 July and 7 October in each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention, with the first Interest Payment Date for the Capital Securities being 7 January 2020 and the last Interest Payment Date being the relevant Redemption Date.

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date) and, in respect of any Subsequent Capital Securities, each Interest Period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance (or the First Issue Date if there is no such Interest Payment Date) and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date).

“**Interest Rate**” means a floating rate of STIBOR (three (3) months) plus the applicable Margin, including the Change of Control Step-up in accordance with Clause 10.4 (*Step-up after a Change of Control*).

“**Investment Grade Rating Change**” means that any rating assigned to the Issuer by any Rating Agency is changed from an investment grade rating (being at least Baa3 by Moody’s or BBB- by S&P, Fitch or NCR) to a non-investment grade rating (being Ba1 or lower by Moody’s or BB+ or lower by S&P, Fitch or NCR).

**“Issue Date”** means the First Issue Date or any subsequent date when Subsequent Capital Securities are issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

**“Issuer”** means Offentliga Hus i Norden AB (publ), a public limited liability company incorporated under the laws of Sweden with reg. no. 556824-2696.

**“Issuer Winding-up”** has the meaning ascribed to it in paragraph (a) of Clause 3.2.

**“Issuing Agent”** means Swedbank AB (publ), reg. no. 502017-7753, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**“Main Shareholder”** means each of Aktiebolaget Fastator (publ), reg. no. 556678-6645 and Offentliga Nordic Property Holding SARL, reg. no. B181169 and their respective Affiliates.

**“Margin”** means:

- (a) from (but excluding) the First Issue Date to (and including) the First Step-up Date, 6.85 per cent. points *per annum*;
- (a) from (but excluding) the First Step-up Date to (and including) the Second Step-up Date, 7.10 per cent. *per annum*; and
- (b) from (but excluding) the Second Step-up Date to (and including) the Redemption Date, 7.85 per cent. *per annum*.

**“Moody’s”** means Moody’s Investors Services Ltd.

**“Nasdaq Stockholm”** means the Regulated Market of Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394.

**“NCR”** means Nordic Credit Rating AS.

**“Net Proceeds”** means the proceeds from the issuance of any Capital Securities after deduction has been made for all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer in connection with the issuance and listing of such Capital Securities.

**“Nominal Amount”** has the meaning ascribed to it in Clause 2.1.

**“Parity Securities”** means any obligations of:

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities; and
- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities.

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

**“Potential Change of Control Announcement”** means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any

specific and near-term potential Change of Control (where “near-term” shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within one hundred and twenty (120) days of the date of such announcement or statement).

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

“**Rating Agency**” means Moody’s, S&P, Fitch or NCR and any other rating agency of equivalent international standing requested by the Issuer to grant corporate credit rating to the Issuer and, in each case, their successors or affiliates.

“**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (i) the rating previously assigned to the Issuer (if any) by any Rating Agency is withdrawn and not subsequently reinstated within the Change of Control Period or (ii) the non-investment grade rating previously assigned to the Issuer by any Rating Agency (if any) is lowered one rating category (for example, from Ba1/BB+ to Ba2/BB or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period or (iii) an Investment Grade Rating Change occurs and is not subsequently reinstated within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control.

“**Rating Event**” shall be deemed to occur if the Issuer has received confirmation from any Rating Agency either directly or via a publication by such Rating Agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency and this has resulted in lower equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Capital Securities than the equity credit initially assigned in relation to the Capital Securities.

“**Record Date**” means the fifth (5<sup>th</sup>) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date; or
- (c) another relevant date,

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

“**Redemption Date**” means the date on which the relevant Capital Securities are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Capital Securities*).

“**Reference Banks**” means Nordea Bank Abp, filial i Sverige, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

“**Regulated Market**” means any regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

“**S&P**” means Standard and Poor’s Credit Market Services Europe Limited.

“**Second Step-up Date**” means 7 January 2045.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and Financial Instruments Accounts Act in which:

- (a) an owner of such security is directly registered; or
- (b) an owner’s holding of securities is registered in the name of a nominee.

“**SEK**” or “**Swedish Kronor**” means the lawful currency of Sweden.

“**Special Event**” means any of an Accounting Event, a Rating Event, a Substantial Repurchase Event, a Tax Deductibility Event, a Withholding Tax Event or any combination of the foregoing.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between:
  - (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period; and
  - (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the relevant Quotation Day;
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no rate is available for the relevant Interest Period pursuant to paragraph (a) or (b) above and no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subordinated Indebtedness**” means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities.

“**Subsequent Capital Securities**” means any Capital Security issued in a Subsequent Issue.

“**Subsequent Issue**” has the meaning ascribed to it in Clause 2.5.

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

“**Substantial Repurchase Event**” shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than eighty (80.00) per cent. of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes any Subsequent Capital Securities).

“**Tax Deductibility Event**” means the receipt by the Issuer of an opinion of a well-reputed counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, any interest payments under the Capital Securities were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer.

“**Tax Law Change**” means:

- (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation;
- (b) any governmental action; or
- (c) any amendment to, clarification of, or change in the application, official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the First Issue Date.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Capital Securities outstanding at the relevant time.

“**Withholding Tax Event**” shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

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

**The following text in italics does not form part of these Terms and Conditions:**

*The Issuer intends (without thereby assuming any legal or contractual obligations whatsoever) that it will only redeem or repurchase Capital Securities to the extent that the equity credit of the Capital Securities to be redeemed or repurchased does not exceed the equity credit resulting from the sale or issuance during the 360-day period ending on the date of such redemption or repurchase by the Issuer or any subsidiary of the Issuer of replacement hybrid securities to third party purchasers (other than subsidiaries of the Issuer).*

*The foregoing shall not apply if:*

- (a) the issuer rating assigned by S&P, Moody’s, Fitch or NCR (as applicable) to the Issuer is equivalent to “BBB” (or such similar or corresponding nomenclature then used by the relevant Rating Agency) or higher at the time of such redemption or repurchase and the Issuer is of the view that such issuer credit rating would not fall as a result of such redemption or repurchase; or*
- (b) the Capital Securities are redeemed following a Change of Control or pursuant to a Special Event; or*
- (c) less than (x) 10 per cent. of the aggregate principal amount of the Capital Securities originally issued is repurchased pursuant to Clause 12.2 in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Capital Securities originally issued is repurchased in any period of 10 consecutive years; or*
- (d) the relevant repurchase has followed an issuance of any class of ordinary shares or other instruments which are granted on issuance of high equity content where the amount of equity credit resulting from such issuance is equal to or more than the amount of equity credit assigned by S&P, Moody’s, Fitch or NCR to the Capital Securities being repurchased at the time of their issuance; or*
- (e) such replacement would cause the Issuer’s outstanding hybrid capital which is assigned equity credit by S&P, Moody’s, Fitch or NCR to exceed the maximum aggregate principal amount of hybrid capital which S&P, Moody’s, Fitch or NCR, under their then prevailing methodology; would assign equity credit to, based on the Issuer’s adjusted total capitalisation; or*
- (f) if such redemption or repurchase occurs on or after the Second Step-up Date.*

*For the avoidance of doubt, the Issuer wishes to clarify that at any time, including during the period up to the First Call Date, the Issuer shall not be required to replace the Capital Securities if paragraph (b), (d) or (e) above applies.*



For the purpose of the foregoing, “equity credit” (or such similar nomenclature then used by S&P, Moody’s, Fitch or NCR) describes:

- (i) *the part of the nominal amount of the Capital Securities that was assigned equity credit by S&P, Moody’s, Fitch or NCR at the time of their issuance, or when the Capital Securities were first assigned more than minimal equity credit; and*
- (ii) *the part of the net proceeds received from issuance of replacement hybrid securities or any class of ordinary shares that was assigned equity credit by S&P, Moody’s, Fitch or NCR at the time of their sale or issuance (or the equity credit S&P, Moody’s, Fitch or NCR has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of equity credit by S&P, Moody’s, Fitch or NCR on the issue date of such replacement hybrid securities).*

## **1.2 Construction**

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

1.2.3 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

1.2.4 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Holders and the Agent.

## **2 THE AMOUNT OF THE CAPITAL SECURITIES**

2.1 The aggregate amount of the Capital Securities will be an amount of up to SEK 750,000,000 which will be represented by Capital Securities, each of a nominal amount of SEK 1,250,000 (the “**Nominal Amount**”) or full multiples thereof. The total Nominal Amount of the Initial Capital Securities issued is SEK 500,000,000.

- 2.2 The ISIN for the Capital Securities is SE0013234531.
- 2.3 The Initial Capital Securities are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 2.4 The minimum permissible investment in connection with the Initial Issue is SEK 1,250,000.
- 2.5 Provided that a default (as construed by reference to Clause 15.1.1) has not occurred, the Issuer may at one (1) or maximum two (2) occasions after the First Issue Date up until the date falling three (3) months from the First Issue Date issue Subsequent Capital Securities under these Terms and Conditions (each such issue, a “**Subsequent Issue**”), provided that the Total Nominal Amount of the Initial Capital Securities and all Subsequent Capital Securities may not exceed SEK 750,000,000 unless consent is obtained from the Holders in accordance with paragraph (a) of Clause 16.5.
- 2.6 Subsequent Capital Securities shall be issued subject to these Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Maturity Date applicable to the Capital Securities issued in the Initial Issue shall also apply to Subsequent Capital Securities.
- 2.7 The price of Subsequent Capital Securities may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.
- 2.8 The Capital Securities are denominated in SEK and each Capital Security is constituted by these Terms and Conditions.
- 2.9 By subscribing for Capital Securities, each initial Holder agrees that the Capital Securities shall benefit from and be subject to these Terms and Conditions and by acquiring Capital Securities each subsequent Holder confirms these Terms and Conditions.

### **3 STATUS OF THE CAPITAL SECURITIES**

- 3.1 The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer are subordinated as described under Clause 3.2.
- 3.2 In the event of:
- (a) a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
    - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
    - (ii) in priority to all present and future claims in respect of:
      - (A) the shares of the Issuer; and

- (B) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities; and
- (iii) junior in right of payment to any present or future claims of:
  - (A) all unsubordinated obligations of the Issuer; and
  - (B) all Subordinated Indebtedness; or
- (b) a company re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*), the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
  - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; and
  - (ii) junior in right of payment to any present or future claims of:
    - (A) all unsubordinated obligations of the Issuer; and
    - (B) all Subordinated Indebtedness.

*Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under a company re-construction of the Issuer.*

- 3.3 Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities and each Holder shall, by virtue of its holding of any Capital Security, be deemed to have waived all such rights of set-off, compensation or retention.

## **4 USE OF PROCEEDS**

The Net Proceeds of the Initial Issue or any Subsequent Issue shall be applied by the Issuer towards general corporate purposes of the Group, including investments and financing acquisitions.

## **5 CONDITIONS PRECEDENT**

### **5.1 Conditions precedent in respect of the Initial Capital Securities**

- 5.1.1 The Issuer shall provide to the Agent, no later than 9.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent, acting in its sole discretion), the following:
- (a) copies of the articles of association and certificate of registration of the Issuer;
  - (b) a copy of a resolution from the board of directors of the Issuer:

- (i) approving the issue of the Initial Capital Securities and resolving that it executes and performs these Terms and Conditions and Agency Agreement; and
  - (ii) authorising a specified person or persons to execute these Terms and Conditions and Agency Agreement on its behalf;
- (c) a copy of these Terms and Conditions and the Agency Agreement duly executed by the Issuer; and
- (d) evidence that the Capital Securities has been or will be registered with the CSD.
- 5.1.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 2.00 p.m. two (2) Business Days prior to the First Issue Date (or later, if the Issuing Agent so agrees), provided however that the Issuing Agent and the Issuer may agree to postpone the First Issue Date.
- 5.1.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.1.2, the Issuing Agent shall settle the issuance of the Initial Capital Securities and pay the Net Proceeds of the Initial Capital Securities to the Issuer on the First Issue Date.

## **5.2 Conditions precedent in respect of any Subsequent Capital Securities**

- 5.2.1 The Issuer shall provide to the Agent, no later than 9.00 a. m. two (2) Business Days prior to any Issue Date in respect of Subsequent Capital Securities, in form and substance satisfactory to the Agent (acting reasonably), a copy of a resolution from the board of directors of the Issuer approving the issue such Subsequent Capital Securities and resolving to that it execute and perform any documents necessary in connection therewith.
- 5.2.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions set out in Clause 5.2.1 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 14.00 a.m. two (2) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees), provided however that the Issuing Agent and the Issuer may agree to postpone the relevant Issue Date.
- 5.2.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.2.2, the Issuing Agent shall settle the issuance of any Subsequent Capital Securities and pay the Net Proceeds of such Subsequent Capital Securities to the Issuer on the relevant Issue Date.

## **5.3 No responsibility for documentation**

The Agent may assume that the documentation and evidence delivered to it pursuant to this Clause 5 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 5 from a legal or commercial perspective of the Holders.

## **6 THE CAPITAL SECURITIES AND TRANSFERABILITY**

- 6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 6.2 The Capital Securities are freely transferable. All Capital Securities transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Capital Securities transferees upon completed transfer.
- 6.3 Upon a transfer of Capital Securities, any rights and obligations under these Terms and Conditions relating to such Capital Securities are automatically transferred to the transferee.
- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of any document or other material relating to the Issuer or the Capital Securities in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Capital Securities, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Capital Securities in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

## **7 CAPITAL SECURITIES IN BOOK-ENTRY FORM**

- 7.1 The Capital Securities will be registered for the Holders on their respective Securities Accounts and no physical Capital Securities will be issued. Accordingly, the Capital Securities will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator.
- 7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Capital Security shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Capital Securities. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Capital Securities. If the Agent does not otherwise obtain information from such

debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.

7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Capital Securities. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.

7.6 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

## **8 RIGHT TO ACT ON BEHALF OF A HOLDER**

8.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

8.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Capital Securities held by it. Any such representative may act independently under these Terms and Conditions in relation to the Capital Securities for which such representative is entitled to represent the Holder.

8.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **9 PAYMENTS IN RESPECT OF THE CAPITAL SECURITIES**

9.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Capital Securities, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account, such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.
- 9.5 The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

## **10 INTEREST**

### **10.1 Interest accrual**

Subject to Clause 11 (*Optional interest deferral*), the Capital Securities (and any unpaid amounts thereon) will carry Interest from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Capital Security will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.

### **10.2 Interest Rate**

- 10.2.1 Subject to Clause 10.4 (*Step-up after a Change of Control*), the Interest Rate in respect of each Interest Period shall be the aggregate of the applicable:
- (a) Margin; and
  - (b) STIBOR (3 months).

- 10.2.2 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

### **10.3 Interest Payment Dates**

- 10.3.1 Subject to Clause 11 (*Optional interest deferral*) and the Business Day Convention, payment of interest in respect of the Capital Securities shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 10.3.2 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 11 (*Optional interest deferral*).

### **10.4 Step-up after a Change of Control**

Notwithstanding any other provision of this Clause 10, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 12.5 (*Voluntary redemption due to a Change of Control*) following the occurrence of a Change of Control, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Clause 10, on the Capital Securities shall be increased by five (5.00) percentage points *per annum* (the “**Change of Control Step-up**”) with effect from (but excluding) the Change of Control Step-up Date.

## **10.5 Default Interest**

If the Issuer fails to pay any amount payable by it pursuant to Clause 11.3 (*Mandatory settlement of Deferred Interest*) or Clause 12 (*Redemption and repurchase of the Capital Securities*) (except for Clause 12.1 (*No maturity*), Clause 12.2 (*The Group Companies' purchase of Capital Securities*) and Clause 12.6 (*Cancellation of Capital Securities*)) on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate of two (2.00) per cent. *per annum*. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD.

## **11 OPTIONAL INTEREST DEFERRAL**

### **11.1 Deferral of Interest Payments**

11.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice of such election to the Holders in accordance with Clause 25 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above.

11.1.2 If the Issuer makes only a partial payment of interest on an Interest Payment Date, such amount shall be applied equally to each Capital Security.

11.1.3 Any Interest Payment so deferred pursuant to this Clause 11 shall, from (but excluding) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (and including) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.

11.1.4 The deferral of an Interest Payment in accordance with this Clause 11 shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

### **11.2 Optional settlement of Deferred Interest**

Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Clause 25 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest. Any such notice shall state the date fixed for the payment and the relevant Record Date and is irrevocable.

### **11.3 Mandatory settlement of Deferred Interest**

11.3.1 The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:



- (a) the tenth (10<sup>th</sup>) Business Day following the date on which a Deferred Interest Payment Event occurs;
- (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
- (c) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 12 (*Redemption and repurchase of the Capital Securities*) or Clause 15 (*Default and Enforcement*).

11.3.2 Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Clause 25 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

## **12 REDEMPTION AND REPURCHASE OF THE CAPITAL SECURITIES**

### **12.1 No maturity**

The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in this Clause 12 (*Redemption and repurchase of the Capital Securities*). The Capital Securities are not redeemable at the option of the Holders at any time.

### **12.2 The Group Companies' purchase of Capital Securities**

The Issuer or any other Group Company may, subject to applicable law, at any time and at any price purchase Capital Securities in the market or in any other way. Capital Securities held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes, any Subsequent Capital Securities).

### **12.3 Voluntary redemption by the Issuer (call option)**

The Issuer may redeem all, but not only some, of the Capital Securities in full on the First Call Date or on any Interest Payment Date falling thereafter at a price per Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

### **12.4 Voluntary redemption due to a Special Event**

Upon a Special Event occurring, the Issuer may redeem all, but not some only, of its Capital Securities at any time at a price per Capital Security equal to:

- (a) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; or
- (b) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

in each case together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

## **12.5 Voluntary redemption due to a Change of Control**

12.5.1 If, upon a Change of Control, a Rating Downgrade occurs in respect of that Change of Control within the Change of Control Period, the Issuer may, no later than the Change of Control Step-up Date, redeem all, but not some only, of its Capital Securities at an amount equal to:

- (a) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; and
- (b) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

in each together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

12.5.2 Immediately upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice to the Agent and the Holders in accordance with Clause 25 (*Notices*), specifying the nature of the Change of Control.

## **12.6 Notice of redemption**

Redemption in accordance with Clauses 12.3, 12.4 or 12.5 shall be made by the Issuer giving at least thirty (30) but not more than sixty (60) Business Days' notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Capital Securities in full at the applicable amounts.

## **12.7 Cancellation of Capital Securities**

All Capital Securities which are redeemed pursuant to this Clause 12 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 12.2 (*The Group Companies' purchase of Capital Securities*) will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Holders in accordance with Clause 25 (*Notices*), the Agent and the Issuing Agent of any such cancellation and for so long as the Capital Securities are admitted to trading on Nasdaq Stockholm and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm (or any other relevant Regulated Market on which the Capital Securities are admitted to trading) of the cancellation of any Capital Securities under this Clause 12.6.

## **13 PRECONDITIONS TO SPECIAL EVENT REDEMPTION OR CHANGE OF CONTROL REDEMPTION**

13.1 Prior to the publication of any notice of redemption pursuant to Clause 12 (*Redemption and repurchase of the Capital Securities*) (other than redemption pursuant to Clause 12.3 (*Voluntary redemption by the Issuer (call option)*)), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating:

- (a) that the relevant requirement or circumstance giving rise to the right to redeem the Capital Securities is satisfied; and
- (b) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it.

13.2 In addition, in the case of a Special Event other than a Substantial Repurchase Event, the Issuer shall deliver to the Agent and the Issuing Agent an opinion of independent legal, accounting or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). Such certificate and, if applicable, opinion, shall be conclusive and binding on the Holders.

13.3 Any redemption of the Capital Securities in accordance with Clause 12 (*Redemption and repurchase of the Capital Securities*) shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Clause 11.3 (*Mandatory settlement of Deferred Interest*) on or prior to the date of such redemption.

## **14 ADMISSION TO TRADING**

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that:

- (a) the Initial Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days after the First Issue Date;
- (b) any Subsequent Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days following the relevant subsequent issue date (or any shorter period of time required pursuant to applicable regulations or stock exchange rules); and
- (c) the Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Capital Securities in close connection to the redemption of the Capital Securities).

## **15 DEFAULT AND ENFORCEMENT**

### **15.1 Proceedings**

15.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 11 (*Optional interest deferral*), if a default is made by the Issuer for a period of thirty (30) days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Agent (acting on instructions of the Holders in accordance with these

Terms and Conditions) or (subject to Clause 23.2) any Holder may institute proceedings for an Issuer Winding-up provided that such default is still continuing.

- 15.1.2 In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 3.2.

## **15.2 Enforcement**

The Agent (acting on the instructions of the Holders in accordance with these Terms and Conditions) may institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Capital Securities but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

## **15.3 Extent of Holders' Remedy**

No remedy against the Issuer, other than as referred to in this Clause 15, shall be available to the Agent and the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities.

## **16 DECISIONS BY HOLDERS**

- 16.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 16.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if:
- (a) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given; or
  - (b) the suggested decision is not in accordance with applicable laws.
- 16.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 17.3, in respect of a Holders' Meeting; or
- (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,

may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Capital Securities are included in the definition of Adjusted Nominal Amount.

16.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:

- (a) the issue of any Subsequent Capital Securities, if the Total Nominal Amount of the Capital Securities exceeds, or if such would cause the Total Nominal Amount of the Capital Securities to at any time exceed, SEK 750,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Capital Securities are issued);
- (b) a change to the currency, denomination, status or transferability of the Capital Securities;
- (c) a change to the Nominal Amount or the Interest Rate (including, for the avoidance of doubt, changes to the Margin or STIBOR);
- (d) a change of Issuer or any delay of the due date for payment of any interest on the Capital Securities other than as permitted pursuant to Clause 11 (*Optional interest deferral*);
- (e) early redemption of the Capital Securities, other than as otherwise permitted or required by these Terms and Conditions;
- (f) a mandatory exchange of Capital Securities for other securities; and
- (g) amend the provisions in this Clause 16.5 or in Clause 16.6.

16.6 Any matter not covered by Clause 16.5, including for the avoidance of doubt the initiation of an Issuer Winding-up, shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to or waiver of the terms of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) or (b) of Clause 19.1).

16.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holders (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5 and otherwise twenty (20.00) per cent of the Adjusted Nominal Amount:

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

- (b) if in respect of a Written Procedure, reply to the request.
- 16.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.10 A Holder holding more than one Capital Security need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Capital Securities owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Capital Securities. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Capital Security is owned by a Group Company or an Affiliate of a Group Company.
- 16.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holders be sent to it by the Issuer or the Agent, as applicable.

## **17 HOLDERS' MEETING**

- 17.1 The Agent shall convene a Holders' Meeting no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice to each such Person who is registered as a Holder on the Business Day prior to the date on which the notice is sent. If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting by sending a notice to each Holder in accordance with Clause 17.1 with a copy to the Agent. Before such notice is sent the Issuer shall inform the Agent of its request to replace the Agent and, on the request of the Agent, append a statement from the Agent together with the notice. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include:
- (a) time for the meeting;
  - (b) place for the meeting,
  - (c) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the notice pursuant to Clause 17.1),
  - (d) agenda for the meeting (including each request for a decision by the Holders) and
  - (e) a form of power of attorney.
- Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 17.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 17.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 17.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of

the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.

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

## **18 WRITTEN PROCEDURE**

- 18.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include:
- (a) each request for a decision by the Holders;
  - (b) a description of the reasons for each request;
  - (c) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1);
  - (d) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney;
  - (e) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1); and
  - (f) if the voting shall be made electronically, instructions for such voting.
- 18.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.



## **19 AMENDMENTS AND WAIVERS**

- 19.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).
- 19.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.
- 19.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the website of the Agent and the Issuer shall ensure that such amendments to these Terms and Conditions are available on the website of the Issuer. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD.
- 19.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20 APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **20.1 Appointment of Agent**

- 20.1.1 By subscribing for Capital Securities, each initial Holder appoints the Agent to act as its agent and security agent in all matters relating to the Capital Securities and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Capital Securities held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*), or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.
- 20.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for

the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions.

- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent's obligations as agent and security agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 Duties of the Agent**

- 20.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution, validity or enforceability of these Terms and Conditions.
- 20.2.2 The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent. The latest versions of these Terms and Conditions shall be available to the Holders at the office of the Agent during normal business hours.
- 20.2.3 Upon request by a Holder, the Agent may distribute to the Holders any information from such Holder which relates to the Capital Securities (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent may upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 20.2.4 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.
- 20.2.6 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions.
- 20.2.7 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Capital Securities. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information.
- 20.2.8 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged for the purpose of investigating or considering a matter relating to the Issuer which the

Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions.

- 20.2.9 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 20.2.10 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 20.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 20.2.12 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions, or (ii) if it refrains from acting for any reason described in Clause 20.2.11.
- 20.2.13 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

### **20.3 Limited liability for the Agent**

- 20.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*) or a demand given by Holders in accordance with these Terms and Conditions.
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

20.3.6 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other Person.

#### **20.4 Replacement of the Agent**

20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

20.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

20.4.4 If the Holders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.

20.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.

20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions.

Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **21 APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 21.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Capital Securities.
- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- 21.3 The Issuing Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

## **22 APPOINTMENT AND REPLACEMENT OF THE CSD**

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Capital Securities listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

## **23 NO DIRECT ACTIONS BY HOLDERS**

- 23.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Group Companies in relation to any of the liabilities of the Issuer or a Subsidiary under these Terms and Conditions. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the

Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or by any reason described in Clause 20.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.12 before a Holder may take any action referred to in Clause 23.1.

## **24 TIME-BAR**

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

## **25 NOTICES**

- 25.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time, and, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or such address as notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
  - (c) if to the Holders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practicable possible) or letter for all Holders, provided that the same means of communication shall be used for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.
- 25.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed

to the address specified in Clause 25.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.

- 25.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

## **26 FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 26.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 26.3 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

## **27 GOVERNING LAW AND JURISDICTION**

- 27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 27.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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