

# **Prospectus for Baseload Capital Sweden AB (publ)**



## **SEK 500,000,000 Senior Secured Floating Rate Green Bonds**

---

Issuing Agent and Sole Bookrunner:  
DNB Bank ASA, Filial Sverige

15 May 2020

This Prospectus has been approved by the Swedish Financial Supervisory Authority on 15 May 2020 and is valid for twelve (12) months from this date. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

## Important Information

This prospectus (the “**Prospectus**”) has been prepared by Baseload Capital Sweden AB (publ), Reg. No. 559143-5051 (the “**Issuer**” or “**Baseload Capital**”) or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the “**Group**”), in relation to the application for listing of SEK 500,000,000 senior secured floating green bonds (the “**Bonds**”) on the sustainable bond list of Nasdaq Stockholm Aktiebolag, Reg. No. 556420-8394 (“**Nasdaq Stockholm**”). DNB Bank ASA, Filial Sverige has acted as financial advisor to the Issuer in relation to the listing of the Bonds on Nasdaq Stockholm. Terms and concepts defined in the Terms and Conditions are used with the same meaning in this Prospectus unless it is otherwise explicitly understood from the context or otherwise defined in this Prospectus.

This Prospectus has been prepared in accordance with the standards and requirements under 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**”) and the rules and regulations connected thereto, as applicable. This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus has been produced in an English version only and shall be read together with all documents which have been incorporated by reference (see “*Documents incorporated by reference*”) and any supplements to this Prospectus. This Prospectus will be available at the Swedish Financial Supervisory Authority's website ([www.fi.se](http://www.fi.se)) and the Issuer's website ([www.baseloadcap.com](http://www.baseloadcap.com)). Paper copies may be obtained from the Issuer.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors. Certain financial and other information set forth in this Prospectus has 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 is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. The Issuer has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is the investor's obligation to ensure that the offers and sales of the Bonds comply with all applicable securities laws.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risk of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with 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 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 Issuer's management or are assumptions based on information available to the Issuer or 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 remits, 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 Issuer believes that the forecasts of or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Issuer's operations. Such factors of a significant nature are mentioned in the section “Risk Factors” below.

## TABLE OF CONTENTS

<b>1</b>	<b>Risk factors</b> _____	<b>4</b>
<b>2</b>	<b>Statement of Responsibility</b> _____	<b>15</b>
<b>3</b>	<b>The Bonds in Brief</b> _____	<b>16</b>
<b>4</b>	<b>Information about the Group</b> _____	<b>21</b>
<b>5</b>	<b>Legal and other matters</b> _____	<b>30</b>
<b>6</b>	<b>Terms and conditions of the Bonds</b> _____	<b>33</b>
<b>7</b>	<b>Addresses</b> _____	<b>106</b>

# **1 Risk factors**

*This section contains the risk factors considered to be material to the Issuer and the Group's business and future development. The risk factors relate to the Group and its market and the Bonds and are further divided into separate categories. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Prospectus Regulation, the risk factors mentioned below are limited to risks which are specific to the Issuer and/or the Bonds and which are material for taking an informed investment decision.*

*The description below is based on information available as of the date of the Prospectus. The risk factors that are currently considered to be most material are presented first in each category and the subsequent risk factors are presented in no particular order.*

## **1.1 Risks related to the Group**

### **1.1.1 Risks related to the Group's business and markets**

#### **1.1.1.1 Risks related to investments in geothermal heat power operations**

The long-term commercial success of the Group depends on its ability to find, evaluate and invest in projects and project entities in the relevant geographical locations suitable for geothermal heat power operations. In connection with an investment decision, the Group will normally conduct, and has in the past conducted, a limited due diligence review in relation to e.g. legal, financial, counterparty and environmental risks associated with such investment, including an examination of the prospective project entity and, depending on the project, geological surveys. However, there may be risks associated with an investment which the due diligence fails to identify, including but not limited to uncertainty as to whether the wells contain water at temperatures suitable for the relevant equipment to enable the Group to produce energy in accordance with the Group's estimates or to enable the relevant project to be profitable. Consequently, the Group may incur costs based on projected returns which prove to be inaccurate. During the financial year 2019 the Issuer made investments in geothermal power plants development (including, *inter alia*, office, staff, business development, equipment, land leases, consultants and project related costs) in Japan amounting to approximately SEK 91,000,000 Iceland, amounting to approximately SEK 4,000,000, Taiwan, amounting to SEK 6,000,000. The Issuer assesses that successful investment decisions as described above are of high material significance for the Group and failure to make such decisions could have a material adverse effect on the Groups earnings and, as a consequence, its financial position.

#### **1.1.1.2 Risks relating to geothermal energy operations and production**

Geothermal heat power operations involve the risk that the project sites and the condition of the wells will not meet the standard required to produce sufficient energy to generate a profit after operating expenses, drilling costs and other costs have been deducted and, thus, completed wells do not provide any assurance that a profit will be made on the investment.

Furthermore, changes in field-related operating conditions could greatly increase the costs of operations and/or adversely affect the power production from existing wells or wells that are being drilled. Field-related operating risks include, but are not limited to, the following: delays or increased costs in obtaining governmental approvals; permits or consents (if obtained at all) relating to, inter alia, the use of the leased land, operations on the project sites and environmental effects caused by the operations; mechanical failures; IT failures; leaks; labor disputes; acts of terrorism and sabotage; fires; shut-ins of existing wells resulting from extreme weather conditions and other geological or mechanical conditions. Such events could cause unexpected production shutdowns which, in turn, could result in decreased earnings and or unexpected costs.

In addition, the Group's business is dependent on the electrical power infrastructure on the project sites where the Group operates. Should the power distribution infrastructure be subject to breakdowns due to e.g. failure of equipment; fire; natural disasters; acts of terrorists and saboteurs or other similar events, the Group may not be able to deliver power to its customers, which could result in decreased revenue and increased costs.

The Issuer assesses that the risk relating to geothermal energy operations and production is of high material significance for the Group and if the risks above were to materialize it could result in significant increased costs and decreased revenues and, as a consequence, have a material adverse effect on the Groups revenue and, thus, its financial position.

#### **1.1.1.3 Environmental risks**

The business and operations of the Group includes the usage of natural resources and involves e.g. drilling, extraction of water and construction which has impact on the project sites where geothermal heat power operations are conducted. There is a risk that the Group will be held liable, pursuant to contracts, local law or regulations, for the after-care, clean-up or remediation of such properties, resulting in increased costs for the restoration of such properties. Furthermore, the Group is exposed to a risk of incurring liability under environmental laws and regulations as a result of performing production and construction work on current and future project sites.

The Group may incur substantial costs, arising from e.g. fines, damages, criminal or civil sanctions and remediation costs, for violations arising under environmental laws. If the Group was to be held liable for environmental damages resulting in costs as described it could have a material adverse effect on the Groups financial position. It is the assessment of the Issuer that such environmental risks are of low material significance for the Group.

#### **1.1.1.4 Counterparty risk**

Counterparty risk is the risk that the other party to a contract entered into by the Group will fail to comply with its contractual obligations. The Group is exposed to counterparty risk in all of its contracts. However, certain strategically important contracts, such as land lease agreements and power purchase agreements (“PPAs”), are of significant importance. There is a risk that a breach by the lessor under a land lease agreement will not be enforceable in the relevant jurisdiction or that the Group is not able to make profits on its investments following the lessors termination. If the Group’s counterparty risks were to materialize it would materially adversely affect

the Group's business and operations and, as a consequence, have a material adverse effect on the Group's earnings and financial position. It is the assessment of the Issuer that such risk is of medium material significance for the Group.

#### **1.1.1.5 Risks relating to suppliers**

The Group is dependent on certain strategic suppliers for the supply of necessary equipment and services. There is a risk that the suppliers will be unable to deliver the correct equipment or services of the requisite quality in due time. The Group is particularly dependent on the geothermal heat power equipment and technology developed by Climeon, which is also a minority shareholder of the Issuer. If there is a mechanical breakdown of equipment used by the Group or if the equipment needs to be replaced for any other reason, the replacement of such equipment with new Climeon modules would take up to 6 months. Should it be necessary to replace Climeon's modules with equipment from another supplier, this could take up to 18 months. During this time, the production of geothermal heat power from the relevant site would be significantly reduced (if any power is produced at all) and, consequently, the income generated by the Group would decrease accordingly.

In addition, the Group is dependent on its ability to identify, negotiate and execute attractive PPAs and land lease agreements and that its counterparties under such agreements comply and fulfill their obligations so that the Group can be able to establish and operate geothermal heat power plants and distribute produced energy and, thus, generate revenue as expected. If the Group is unable to produce and distribute energy, expected revenue would decrease and negatively impact the Group's earnings and, in turn, financial position. The Issuer assesses that the risks relating to its suppliers, as described above, is of medium material significance for the Group.

#### **1.1.1.6 Concentrated production in a small number of fields**

The Group's projects for geothermal heat power operations are currently concentrated in a relatively small number of fields in the United States, Japan, Taiwan and Iceland. As a result of these concentrations, the Group may be disproportionately exposed to the effect of regional factors, delays or interruptions in production from wells in these areas caused by e.g. governmental regulation, processing or availability of equipment. If they materialise, these risks could have an adverse effect on the Group's business and earnings. It is the assessment of the Issuer that such risks are of high material significance for the Group.

#### **1.1.1.7 Risks relating to the energy market and technological development**

The demand for geothermal energy is, to some extent, dependent on the price for energy generated from other sources. One of the factors that determine the demand for geothermal heat power is the terms under which other sources of energy (such as petroleum, coal, natural gas, nuclear power and other renewable energy sources) are produced. There is a risk that other types of renewable energy production technologies develop faster and become more commercially viable than geothermal heat power technology. This could, in turn, result in changes in demand and costs for alternative sources of energy which will negatively affect the demand for geothermal heat power, resulting in decreased revenues for the Group.

The geothermal heat power industry is characterised by technological advancements and introductions of new products utilising new technologies. Should the technology for geothermal heat power be improved, there is a risk that the existing projects which are using existing technology may decrease in value and the Group may only be able to implement such new technology at existing project sites at a significant cost (if even possible), which would have a material adverse effect on the Group's reputation, business and financial position.

Geothermal heat power prices are subject to large fluctuations and depend on a variety of factors beyond the Group's control. These factors include, but are not limited to, economic conditions (particularly in countries where the Group operates) and other alternative power sources. Even though the PPAs, which the Group has entered into, contain agreed fixed prices for its current projects, adverse changes in the economy may accordingly result in unexpected decreases in revenue. In addition, as a consequence of the fixed energy prices in the PPAs, the Group cannot pass on increased costs to its customers by raising its prices after the PPA is signed. Decreases in the market price or demand for geothermal heat power could negatively affect the Group's business and, as a consequence, earnings. The Issuer estimates that the described risks relating to the energy market and technological development, as described above, is of medium material significance to the Group.

#### **1.1.1.8 Dependency on key individuals**

The geothermal heat power industry is driven by development, ongoing improvement and research and, thus, the Group is dependent on maintaining and improving the know-how within the Group. As a consequence (and especially considering the R&D-focus within the sector) the Group is dependent on the knowledge, experience and commitment of its consultants, including local partners, and, to some extent, employees, for its continued development. The Group is also dependent on key individuals at management level. If the Group is not successful in recruiting and maintaining such individuals it could have a material adverse effect on the Group's ability to compete successfully and, thus, have a negative impact on the Group's earnings and financial position. The Issuer assesses such risks to be of high material significance for the Group.

#### **1.1.1.9 Risks relating to the outbreak of Covid-19**

The recent Covid-19 outbreak is causing uncertainty around the world. Whereas the Group's main markets, Japan and Taiwan, have been relatively mildly hit, the situation may change quickly. Currently, the Issuer and the Guarantors do not foresee any major delays to the execution of its near-term projects, or to business development activities in general in the two markets. The situation may however change on short notice and cause unforeseen adverse effects, such as delays in operations and an inability to retain and attract investments due to an impaired and unstable financial market following such situation. Furthermore, actions and measures taken in other countries and on different markets, such as, *inter alia*, the Swedish Ministry of Foreign Affairs' recommendation to avoid all non-crucial travel may affect the Issuers ability to monitor its investments in its main markets or develop new markets as frequently and quickly as planned, needed or anticipated.

## **1.1.2 Legal, regulatory and governance risks**

### **1.1.2.1 Political decisions and new legislation**

Geothermal heat power operations benefit from the willingness of politicians and authorities to support and contribute to the development of renewable energy as a whole and geothermal heat power in particular. Should political opinion as regards geothermal heat power develop in an unfavorable way or another renewable energy source be deemed more efficient, this may result in new, or adjusted, legislation and regulations, which could result in unexpected costs or the imposition of restrictions on the development of the Group's business. Moreover, in certain jurisdictions, the price of energy produced from geothermal heat power operations is subject to governmental subsidies, which may change in the future due to changes in policies, subsidies being granted to other renewable energy sources that are deemed more efficient, or other factors, which would result in decrease revenues for the Group. The Issuer assess that the risk for political decisions and new, or adjusted, laws and regulations as described above is of medium material significance for the Group.

### **1.1.2.2 Regulations, compliance and anti-corruption laws**

Various pieces of legislation and regulations (including, without limitation, relating to competition law, energy law, land law, contract law, environmental law and taxes) affect the business conducted by the Group. A breach of such legislation by the Group could result in remedies including fines, damages, criminal or civil sanctions, and remediation costs. Furthermore, the Group operates in various jurisdictions and may expand its business to additional jurisdictions in the future. The complexity, amplitude and variation of the legislative framework exposes the Group to risks such as legal uncertainties, which could lead to the imposition of fines or sanctions unless the Group is successful at keeping track of all relevant legislation and regulations in the jurisdictions where it operates. There is also a risk that the scope of the legislative framework to which the Group is required to adhere increases, resulting in increased costs for compliance. If such risks materialize it could adversely impact the Group's earnings and result in increased costs. It is the assessment of the Issuer that such risks are of low material significance for the Group.

There is a risk that the Group's internal control will fail to prevent the occurrence of corruption, bribery or other illegal activities by its employees and consultants. Violations of anti-corruption laws applicable to the Group in the various jurisdictions in which the Group operates could result in both civil and criminal sanctions being imposed on the Group, and such sanctions could have a material adverse effect on the Group's reputation, business or financial position, as well as the possibility for the Group to operate future projects. The Issuer assess that the risk described related to corruption and bribery is of medium material significance for the Group.

### **1.1.2.3 Benchmark Regulation**

The process for determining LIBOR, EURIBOR, STIBOR and other interest-rate benchmarks is subject to a number of statutory rules and other regulations. Some of these rules and regulations have already been implemented, whilst some are due to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and



of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited period in which the regulation has applied. However, there is a, in the assessment of the Issuer, low risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility in respect of some benchmarks. There is a risk, which the Issuer assesses to be of low significance, that increased administrative requirements, and the resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this were to happen in respect of a benchmark that is used for the Bonds, it could potentially be detrimental to the Bondholders. On 20 April 2020, Financial Benchmarks Sweden AB (a subsidiary of the Swedish Banker's Association) transferred the administration of STIBOR to Swedish Financial Benchmark Facility (a subsidiary of Global Rate Set Systems Ltd).

### **1.1.3 Tax and financial risks**

#### **1.1.3.1 Borrowing by the group and interest risk**

The Group's cash flow may not be sufficient to fund its ongoing geothermal heat power production activities or its contemplated investments at all times, and from time to time the Group may require additional financing. It should be noted that under the Terms and Conditions there is an agreed framework for a Intercreditor Agreement, as further described in the risk factor "*Risk relating to Intercreditor arrangements*" below, providing for such additional financing. The Group has incurred, and may further incur in compliance with the limits set out in the final Terms and Conditions, financial indebtedness to finance its business operations and future investments and, moreover, the project entities may incur additional external financing in compliance with the limits set out in the final Terms and Conditions (however, the Terms and Conditions does not include any restrictions on external financing in projects where the Group has made investments prior to or on the First Issue Date). Such financing may generate interest expenses that may be higher than the gains generated by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses and the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks.

The Group estimates that an increase of one (1) per cent. of the market interest during 2019 would have adversely impacted the Group's result for 2019 approximately with SEK -5,000,000 and the effect on the Group's equity (as per 31 December 2019) would have been approximately SEK -5,000,000.

There is a risk that the increase in interest rates would entail an increase in the Group's interest obligations, which could have an adverse effect on the Groups' results and,

thus, financial position. The Issuer assesses such risk to be of high material significance for the Group.

### **1.1.3.2 Refinancing risk**

There is a risk that the Issuer will be required to refinance some or all of its outstanding debt, including the Bonds. The Group's current financing mainly consists of the Bonds with a current total nominal amount of SEK 500,000,000 (maturing 2023). In addition, the Group further finance its project investments through a EUR 3,000,000 green loan from NEFCO.

The Issuer's ability to successfully refinance its debt depends, among other things, on the conditions on the debt capital markets and on the Issuer's financial condition at such time. Even if the debt capital markets improve, there is a risk that the Issuer will not have access to sources of financing on favourable terms, or at all. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, this would have a material adverse effect on the Group's financial position and on the Bondholders' recovery under the Bonds. The Issuer assesses that the risks relating to the refinancing of the Issuer's outstanding debt is of medium material significance for the Group.

### **1.1.3.3 Variations in foreign exchange rates**

The Group currently generates, and will in the future generate, earnings in several currencies that do not match the currencies in which the Group incurs costs (including interest under the Bonds) including USD, JPY, TWD and ISK. The largest exposure as of 31 December 2019 was JPY. If the exchange rate between SEK/JPY would have fluctuated +/- 10% during 2019 the translated profit for the Group, all other variables held constant, would have been SEK 23m lower/higher, mainly as a result of currency purchases. Even though the Group applies hedging policies, the exchange rates fluctuate, and these fluctuations lead to a currency exposure which could have an adverse effect on the Group and its business, earnings and financial position. The Issuer estimates such risks to be of low material significance for the Group.

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

### **1.2.1 Risks relating to the value of the Bonds and the bond market**

#### **1.2.1.1 Risks related to the Bond's floating rate structure**

The value of the Bonds depends on several factors, one of the most significant in the long term being the market interest rates. The Bonds will bear floating rate interest at the rate of 3 month STIBOR plus a margin, and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the general interest rate levels. There is a risk that an increase in the general interest rate levels will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the state of the Swedish and international economy and is outside the Group's control.

Further, the process for determining STIBOR is subject to EU-regulations (see further the risk factor “**Benchmark regulation**”). The effect of such regulations cannot be fully assessed. Although the effects are currently uncertain, the Issuer considers that there is a significant risk that such regulations may affect the determination and development of STIBOR which, in turn, could lead to an increased volatility in relation to STIBOR and, thus, in relation to the interest rate of the Bonds.

### **1.2.1.2 Risks relating to liquidity**

Even if the Bonds are admitted to trading on an exchange market, in accordance with the Terms and Conditions, the Bonds may not always be actively traded. In general, financial instruments with a high nominal value, such as the Bonds with a nominal value of SEK 2,000,000, are not traded as frequently as financial instruments with a lower nominal value. Given the high nominal value of the Bonds, there is a medium significant risk that there will not be a liquid market for trading in the Bonds. This may result in Bondholders being unable to sell their Bonds when they wish to do so or at a price which allows them to make a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

## **1.2.2 Risks relating to the transaction security**

### **1.2.2.1 Risks relating the Transaction Security**

If a Guarantor, in which the shares have been pledged in favour of the Bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, there is a highly significant risk that the shares that are subject to such pledge may then have limited value, since the subsidiary's obligations must first be satisfied, potentially leaving few or no remaining assets in the subsidiary for the Bondholders. As a result, there is a highly significant risk that the Bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, there is a medium significant risk that the value of the shares subject to pledges may decline over time.

The value of any intra-group loans that are subject to Transaction Security is largely dependent on the Parent's ability to repay such intra-group loans. Should the Parent be unable to repay upon an enforcement of the pledge, the Secured Parties may not recover the full value of the security granted over such intra-group loans. The Bondholders and the other Secured Parties will be represented by the Security Agent in all matters relating to the Transaction Security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security. Furthermore, Transaction Security is subject to certain hardening periods (Sw. *återvinningsfrister*) during which times the Secured Parties do not fully, or at all, benefit from the Transaction Security.

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

### 1.2.2.2 Risks relating to the Guarantees

The Bonds will be guaranteed by Baseload Capital Holding AB, Baseload Power Japan Corporation and any future Project Holdcos (other than the Taiwanese Holdco) (each term as defined in the Terms and Conditions) (the “**Guarantors**”), however the guarantees will to a certain extent constitute unsecured obligations of the Guarantors. If the Guarantors are subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, there is a highly significant risk that the Bondholders claim on the Guarantors will be subordinated to any secured creditor of such Guarantor and any other claims which are mandatorily preferred by law and will rank *pari passu* with any other unsecured creditor of such Guarantor.

### 1.2.2.3 Risks related to intercreditor arrangements

The Issuer will have the ability to incur additional debt under a super senior revolving credit facility (the “**Super Senior RCF**”) which will, in accordance with the terms of an Intercreditor Agreement (as defined below), rank senior to the Bonds. Moreover, the Issuer may enter into hedging arrangements where the obligations under such hedging arrangements will rank senior to the Bonds (together with the Super Senior RCF, the “**Super Senior Debt**”). Further, the Issuer may incur additional financial indebtedness which will rank *pari passu* with the Bonds. The relation between certain of the Issuer's other creditors (jointly the “**Secured Creditors**”) and the Security Agent will be governed by an intercreditor agreement (the “**Intercreditor Agreement**”). Although the obligations under the Bonds and certain other obligations of the Group towards the bondholders and the Secured Creditors will be secured by first priority security, the proceeds of any enforcement sale of the security assets may not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues subsequent Bonds, or if the outstanding obligations of the Group towards other Secured Creditors than the Bondholders increase, the security position of the current Bondholders may be impaired.

The Security Agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative under the Super Senior Debt. The Security Agent and/or a super senior representative under the Super Senior Debt may not act in a manner or give instructions not preferable to the Bondholders. In addition, the Security Agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregate to more than 50 per cent of the total senior debt. If the outstanding senior debt towards other senior creditors than the bondholders exceed the obligations under the Bonds, the bondholders will therefore not be in a position to control the enforcement procedure.

The Intercreditor Agreement will also contain provisions regarding the application of proceeds from an enforcement of security where any agent will receive payments first, secondly any creditor under any Super Senior Debt, thirdly any creditor pro rata under any senior debt (including the bondholders) and lastly any creditor under any intercompany and subordinated debt. There is a risk, which the Issuer assesses to be of medium material significance for the Group, that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above.

#### **1.2.2.4 Up-streaming of cash and dependency of subsidiaries**

Almost all of the Group's current assets and revenues relate to the project entities. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation and ownership of the project entities to enable it to make payments under the Bonds. Consequently, the Issuer is dependent on the project entities' availability of cash, and their legal ability to upstream cash, make dividends and service their debt to the Issuer which may from time to time be limited by corporate restrictions and law in the relevant jurisdiction. Moreover, the Group operates, and will in the future operate, in a wide variety of jurisdictions and restrictions may be imposed (either now or in the future) on foreign investors in relation to transferring funds from such jurisdiction. Should the Issuer not receive sufficient income from its subsidiaries or should any such restrictions apply, as described, the Issuer's ability to make payments under the Terms and Conditions may be adversely affected. The Issuer assesses such risk to be of medium material significance for the Group.

#### **1.2.2.5 Structural subordination and insolvency of Group companies**

In the event of the insolvency or liquidation of (or a similar event relating to) one of the subsidiaries or project entities, all creditors (including creditors under any secured or unsecured long-term project financing arrangement relating to the project entities) of such subsidiary or project entity would be entitled to payment in full out of the assets of such subsidiary or project entity before the Issuer (as a shareholder) would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries and project entities. The Group and its assets may not be protected from any actions by the creditors of any subsidiary or project entity, whether under bankruptcy law, by contract or otherwise. Moreover, the Group's right to payments in relation to any project loan from the Group to a project entity will be subordinated to any secured creditor of such project entity and any other claims which are mandatorily preferred by law, and will rank *pari passu* with any other unsecured creditor of such project entity. Therefore, there is a risk that the amounts received by the Group arising from any such project loans will be reduced or non-existent in the event of the insolvency or liquidation of (or a similar event in relation to) any project entity. The Issuer assesses such risks to be of low material significance for the Group.

### **1.2.3 Risks relating to certain limitations of the Bondholder's rights**

#### **1.2.3.1 Risks related to early redemption and put options**

Under the Terms and Conditions, the Issuer has reserved the right to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a highly significant risk that the market value of the Bonds will be higher than the early redemption amount and that it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate applicable to the Bonds and may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each Bondholder (put options) upon the occurrence of a Listing Failure Event or a Change of Control. Since a part of the Group's financing consists of the Bonds there is a risk, that the Issuer assesses to be of medium material significance for the Group, that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds, which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Bondholders and not only those that choose to exercise the option.

### **1.2.3.2 No action against the Issuer and Bondholders' representation**

In accordance with the Terms and Conditions, the Agent will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking unilateral action against the Issuer. Consequently, individual Bondholders do not have the right to take legal action to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies against the Issuer, unless and until a requisite majority of the Bondholders agree to take such action. There is consequently, a risk that the value of the Bonds will decrease meanwhile a requisite majority is not willing to take necessary legal actions against the Issuer. The unwillingness of a majority of Bondholders to act could thus damage the value of other Bondholder's investments in the Bonds.

However, there is a risk that an individual Bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions), which could adversely affect an acceleration of the Bonds or other action against the Issuer. For example, would an individual Bondholder initiate a bankruptcy proceeding against the Issuer, such proceeding could, despite being in breach of the Terms and Conditions, be legally valid, and consequently, cause damage to the Issuer and/or the other Bondholders.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures, including the right to agree to amend and waive provisions under the Finance Documents, that bind all Bondholders. Consequently, there is a risk that the actions of the Agent in such matters will affect a Bondholder's rights under the Terms and Conditions in a manner that is undesirable or negative for some of the Bondholders, and consequently, the materiality of such risks are dependent on the preferences of each Bondholder.

## 2 **Statement of Responsibility**

The issuance of the Bonds, including but not limited to the execution of all ancillary documents relating thereto and all ancillary documents required to list the Bonds on a regulated market, was authorised by resolutions taken by the board of directors of the Issuer on 14 February 2019. Thus, the Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds and the performance of its obligations relating thereto.

The board of directors of the Issuer is, to the extent provided by law, responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and neither the Issuing Agent nor any of representatives have conducted any efforts to confirm or verify the information supplied by the Issuer. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus, including the registration document and the securities note, is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) as competent authority under Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the securities.

Stockholm, 15 May 2020

**Baseload Capital Sweden AB (publ)**

*The Board of Directors*

### 3 The Bonds in Brief

The following summary contains basic information about the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. The Terms and Conditions for the Bonds can be found in the section Terms and Conditions. Terms and concepts defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context or otherwise defined in this Prospectus.

---

<b>The Issuer</b>	Baseload Capital Sweden AB (publ), Reg. No. 559143-5051.
-------------------	--

---

<b>The Issuing Agent:</b>	DNB Bank ASA, Filial Sverige, a Swedish branch office with Reg. No. 516406-0161.
---------------------------	--

---

<b>The Agent:</b>	Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879.
-------------------	--

---

<b>The Bonds:</b>	As of the date of this Prospectus an aggregated amount of Bonds of SEK 500,000,000 has been issued, all on the First Issue Date. The Issuer may choose to issue, or not issue, the remaining amount of Bonds at one or more subsequent dates. This Prospectus does not cover the issuance or listing of such Subsequent Bonds.
-------------------	--

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB, Reg. No. 556112-8074. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.

---

<b>Status of the Bonds:</b>	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.
-----------------------------	---

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and

- (a) shall at all times rank without any preference among them, and
  - (b) rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except
-



- 
- (i) those obligations which are mandatorily preferred by law, and
  - (ii) upon the incurrence of any Super Senior Debt, the super senior ranking of the Super Senior Debt in accordance with the Intercreditor Agreement, if any, and
  - (c) are guaranteed by the Guarantors (as defined below).

---

**ISIN:** SE0011923267.

---

**First Issue Date:** 22 March 2019.

---

**Maturity Date** 22 March 2023.

---

**Listing:** The Issuer shall apply to list (Sw. *uppta till handel*) the Bonds on the sustainable bond list of Nasdaq Stockholm or the Nordic Derivatives Exchange operated by NGM (or another regulated market). It is the intention of the Issuer to list any Subsequent Bonds on the same regulated market as the Bonds.

---

**Nominal Amount:** The Bonds have a nominal amount of SEK 2,000,000 and the minimal permissible investment in a Bond Issue is SEK 2,000,000.

---

**Number of Bonds:** Maximum 750 Bonds. As of the date of this Prospectus 250 Bonds has been issued, all on the First Issue Date.

---

**Issue Price:** All Initial Bonds have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The issue price of any Subsequent Bonds may be at a discount or at a premium compared to the Nominal Amount.

---

**Interest Rate:** The Interest Rates on the Bonds will be paid at a floating rate of three-month STIBOR plus 8.25 per cent. *per annum*.

---

**Use of benchmark:** Interest payable on the Bonds will be calculated by reference to STIBOR. As of the date of this Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) 2016/1011.

---

---

**Interest Payment Dates:** 22 March, 22 June, 22 September and 22 December each year. Interest will accrue from (but excluding) the First Issue Date.

---

**Guarantees:** The Issuer’s obligations under the Bonds are jointly and severally guaranteed (the “**Guarantee**”) by each of:

- the Parent;
- the Japanese HoldCo.

(each a “**Guarantor**” and jointly the “**Guarantors**”) under the terms and conditions of the Guarantee and Adherence Agreement.

See further “*Description of material agreement – Guarantee and Adherence Agreement*” for further details.

---

**Ranking of the Guarantees:** The Guarantee of each Guarantor is a general obligation of such Guarantor and ranks *pari passu* in right of payment with any existing and future indebtedness of such Guarantor that is not subordinated in right of payment to such Guarantee except obligations which are mandatory preferred by law.

The Guarantees are subject to certain limitations under local law.

---

**Redemption (Call Option):** The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (*Voluntary Total Redemption*) of the Terms and Conditions.

---

**Call Option Amount:** Call Option Amount means the amount at which the Issuer may redeem all, but not only some, of the outstanding Bonds in full:

- a) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 104.125 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c) in the Terms and Conditions, up to and including the First Call Date together with accrued but unpaid Interest;
- b) any time from and including the First Call Date to, but excluding, the first Business Day falling 42 months after the First Issue Date at

---

---

an amount per Bond equal to 104.125 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- c) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 102.063 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- d) notwithstanding paragraph c) above, provided that the redemption is financed in full by way of one or several Market Loan issues, at any time from and including the first Business Day falling three (3) months prior to the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

---

**Repurchase due to a Change of Control Event or Listing Failure Event (put option):**

Upon the occurrence of a Change of Control Event or Listing Failure Event each Bondholder have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer.

---

**Certain Covenants:**

The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other companies within the Group including *inter alia*:

- restrictions on making changes to the nature of their business;
- a negative pledge restricting the ability to grant security over its/their assets;
- restrictions on the incurrence of Financial Indebtedness; and
- limitation on the payment of dividends and disposal of assets.

Each of these covenants is subject to significant qualifications and exceptions as is set out in the Terms and Conditions.

---

**Use of Proceeds:**

The proceeds from the Initial Bond Issue and any Subsequent Bond Issue shall be used to (i) make Project Investments, and (ii) finance Transaction Costs.

---

---

**Transfer Restrictions:** The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

---

**Risk Factors:** Investing in the Bonds involves substantial risks and prospective investors should refer to the section “*Risk Factors*” for a description of certain factors that they should consider before deciding to invest in the Bonds.

---

**Governing Law of the Bonds:** Swedish Law.

---

**Governing Law of the Guarantee and Adherence Agreement:** Swedish Law.

---

## 4 Information about the Group

### 4.1 History and development of the Issuer

The Issuer, Baseload Capital Sweden AB (publ) (being the Issuer's firm and trade name (Sw. *kommersiella beteckning*)), with Reg. No. 559143-5051, was founded on 3 January 2018, in Sweden in accordance with Swedish law. The Issuer is a Swedish public limited liability company, duly registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), and the Issuer's operations are regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Issuer's registered address is c/o Gullspång Invest AB, Ingmar Bergmans Gata 2, SE-114 42 Stockholm, Sweden and its registered office is in the county of Stockholm, municipality of Stockholm, with telephone number +46 764 666 921. The Issuer's Legal Entity Identifier (LEI) code is: 5493002EWDLVMPFXRC95 and the Issuer's website is [www.baseloadcap.com](http://www.baseloadcap.com).

According to the Issuer's articles of association, the Issuer's business shall be to own, manage and finance energy production facilities and thereby compatible operations.

#### 4.1.1 History and development of the Guarantors

##### 4.1.1.1 Baseload Holding

Baseload Capital Holding AB (being the company's firm and trade name (Sw. *kommersiella beteckning*)), with Reg. No. 559172-8224 ("**Baseload Holding**" or the "**Parent**"), was founded on 17 September 2018, in Sweden in accordance with Swedish law. The Parent is a Swedish limited liability company, duly registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), and the Parent's operations are regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Parent's registered and visiting address is c/o Gullspång Invest AB, Ingmar Bergmans Gata 2, SE-114 42 Stockholm, Sweden and its registered office is in the county of Stockholm, municipality of Stockholm, with telephone number +46 764 666 921. Baseload Holding's Legal Entity Identifier (LEI) code is 984500E51X5B61E86637.

According to the Parent's articles of association, the Parent's business shall be to, directly or indirectly, manage immovable and movable property (including shares) and any other activities consistent therewith.

##### 4.1.1.2 Baseload Japan

Baseload Power Japan Corporation (Jap. *Baseload Power Japan Kabushiki Kaisha*) (being the company's firm and trade name) with Japanese company identification number 0104-01-141634 ("**Baseload Japan**" or the "**Japanese HoldCo**"), was established 18 October 2018, in Japan in accordance with Japanese law. Baseload Japan is a Japanese stock company (Jap. *Kabushiki Kaisha*) and its operations are regulated by Japanese law. The head office of Baseload Japan is located in Shintora-Dori Core 3F, 4-1-1, Shimbashi, Minato-ku, Tokyo, 105-0004 Japan, with telephone number +81 3 5843 7774. Baseload Japan's Legal Entity Identifier (LEI) code is 353800AKHD1LGKJWJN90 and Baseload Japan's website is [www.baseloadpower.jp](http://www.baseloadpower.jp).

According to Baseload Japan’s articles of incorporation, the purpose of the company shall be as follows:

- (a) design, develop, ownership, building, maintenance and operation of renewable energy power plant such as solar power, wind power and geothermal power;
- (b) power business, distribution and sales of electricity;
- (c) debt financing and provision of guarantees for the company whose business purpose includes any of the foregoing; and
- (d) any business incidental to the foregoing.

Baseload Japan may engage in any of the businesses set out in the items of the preceding paragraph or any and all business incidental or related to the businesses in the items of the preceding paragraph.

#### 4.1.2 Business and operations of the Group

Baseload Capital is an investment company focused on investments in companies that build and/or operate power plants that use geothermal energy to produce electricity (“**Heat Power Plants**”), primarily, but not exclusively, based on heat power modules from Climeon AB (publ), Reg. No. 556846-1643 (“**Climeon**”). The Issuer invests, *inter alia*, through the financing of the operations in its subsidiaries and through other investments in Heat Power Plant projects.

A Heat Power Plant produces electricity from hot water located below the surface of the earth. How deep the hot water is located varies based on the geological setting, but hot water can be found in many places all over the world. The Group works globally with the ambition to provide Heat Power Plant operators with the financial tools required to be able to build and run Heat Power Plants and thereby generate renewable energy.

The vision of the Group is that future energy production is based entirely on renewable energy sources. Through its investments in Heat Power Plants and projects the Group wants to prove that the transition towards a sustainable energy system creates value for both the environment, people and investors both locally and globally.

Save for the Parent, whose sole business objective is to own and manage shares in the Issuer, the Group can be divided into three types of companies:

1. **Baseload Capital** is an investment entity, providing capital and some geothermal expertise to its portfolio companies. Baseload Capital provides equity and debt funding to the Baseload Power Companies as well as loans to the Heat Power Companies. Baseload Capital plans to generate revenue and profit primarily from the investments into Baseload Power Companies (via dividends and interest) as well as from direct loans to Heat Power Plant companies.
2. **Baseload Power Companies**, such as Baseload Japan, are national holding companies owning and operating Heat Power Companies. Baseload Power Companies also provide project management, business development, geological and engineering expertise and general advice to the Heat Power Companies. Baseload Power Companies are responsible for, through their business development teams, finding new suitable projects to invest in. Once a prospective project has been identified, the geology and engineering teams look

at geological data as well as available location, legal and infrastructure data to validate that the project is feasible. If it is deemed feasible and approved as a project by Baseload Capital's investment committee, a Heat Power Plant Company will be established and the responsible project manager will take over and manage the construction and execution of the project. Baseload Power Companies will generate revenue and profit from dividends and capital gains from the investments into Heat Power Plant Companies.

3. **Heat Power Plant Companies** are special purpose vehicles (“SPV”) set up to own one (or more) Heat Power Plant. The SPV will have a long term right to use the land the project is located on, as well as, typically, a long-term PPA (as defined below). Once the projects become operational and start producing electricity and generate revenue, the SPV will start paying dividends to the owner(s) and interest and principal on its loans. Currently, in Japan, the electricity price is fixed and guaranteed under a *Feed in Tariff* system for 15 years. The price per kWh of electricity produced from smaller geothermal projects is JPY 40. Assuming stable electricity generation, the *Feed in Tariff* price ensures strong and stable cash flow from each project and results in a relatively short pay-back time on the initial investment. Another possibility is to sell the SPV and/or the project.

Baseload Capital's key subsidiaries are Baseload Japan, a Guarantor under the Bonds, and Baseload Power Taiwan Inc., a newly started subsidiary with the same purpose in Taiwan.

The Group's investment strategy is primarily based on the following four investment criteria:

- (a) *Resource* – Investments are primarily made in projects with existing or well documented resources. The resource (hot water) should be in the range of 70-150 degrees Celsius.
- (b) *Power Purchase Agreement (“PPA”)* – The PPA between the energy producer (the Heat Power Plant) and the electric company purchasing the electricity, which should have a high credit rating, should be on a long-term basis, preferably ten years or more.
- (c) *Land* – The primary focus are projects where it is possible to secure the land where the heat source and the Heat Power Plant is located by acquisition or a long-term lease agreement.
- (d) *Partner* – the Group works closely with local partners to facilitate each project and it is important for the Group and its operations that the partner possesses the knowledge to develop the project in the local area.

In addition to the above-mentioned factors, the risk of a prospective project is analysed in relation to its profitability. Such risks include the flow and temperature of the water, the competence of the partner, technology and constructions, the relevant country's bureaucracy and processes for handling the necessary permits. If the risk can be eliminated or minimised to a reasonable level in relation to the profitability, the project is qualified for an investment decision.

### 4.1.3 Recent events

There have been no recent events particular to the Issuer nor the Guarantors and which are to a material extent relevant to an evaluation of the Issuer's or the Guarantors' solvency.

### 4.1.4 Trends and material change

There has been no material adverse change in the prospects of the Issuer nor the Guarantors since the date of the last published audit financial statements and no significant change in the financial position of the Group since the end of the last financial period for which financial information has been published to the date of the registration document.

There have been no trends known to the Issuer nor the Guarantors affecting its businesses, respectively.

### 4.1.5 Share capital and legal and ownership structure

#### 4.1.5.1 The Issuer

As of the date of this Prospectus the Issuer has an issued share capital of SEK 5,037,500 divided into 50,375 shares. Each share carries one vote and has equal rights on distribution of income and capital.

As of the date of this Prospectus the major and only shareholder of the Issuer was the Parent and as of the date of this Prospectus the Parent holds all 50,375 outstanding shares in the Issuer, corresponding to 100% of the share capital and 100% of the voting rights.

As of 31 December 2019 the Issuer held seven (7) subsidiaries, as further described under the section "*Structural overview of the Group*", through which various parts of the Group's operations are conducted. As a consequence, the Issuer is, to a varying extent, dependent on its subsidiaries in order to generate profit and cash flow and, thus, to be able to meet its obligations under the Bonds.

#### 4.1.5.2 The Parent

As of the date of this Prospectus the Parent has an issued share capital of SEK 63,558 divided into 63,558 shares. Each share carries one vote and has equal rights on distribution of income and capital. The shareholding in the Parent as of the date of this Prospectus is indicated in the table below. For further information please see the section "*Structural overview of the Group*" below.

Shareholder	Number of shares	Number of votes	%
Gullspång Invest AB, Reg. No. 559022-7046	13,183	13,183	20,7
LMK Forward AB, Reg. No. 556757-1897	13,183	13,183	20,7

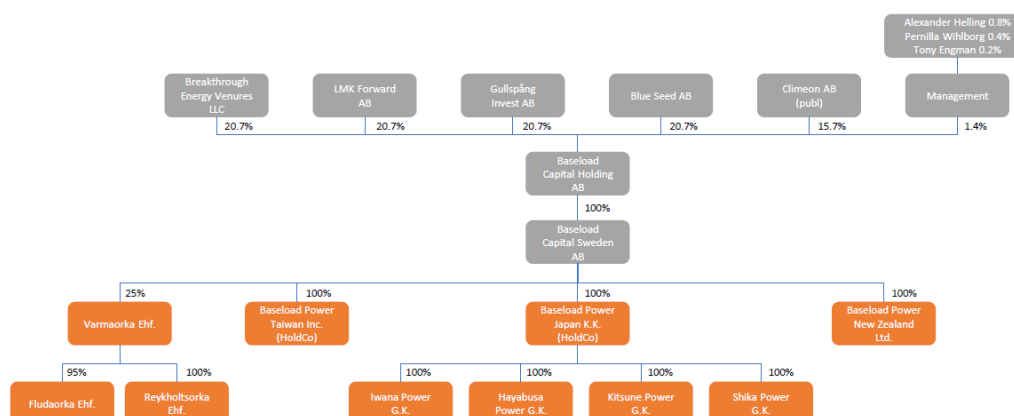


Blue Seed AB, Reg. No. 559126-5904	13,183	13,183	20,7
Climeon AB (publ), Reg. No. 556846-1643	9,951	9,951	15,6
Breakthrough Energy Ventures LLC, Reg. No. 6173328	13,183	13,183	20,7
Alexander Helling, Pernilla Wihlborg and Tony Engman	875	875	1,4
<b>Total:</b>	<b>63,558</b>	<b>63,558</b>	<b>100</b>

### 4.1.5.3 Baseload Japan

Baseload Japan is a wholly owned-subsiary of the Issuer, for further information see the section “*Structural overview of the Group*” below. As of the date of this Prospectus Baseload Japan has issued 99,900 shares.

### 4.1.5.4 Structural overview of the Group



## 4.2 Management and auditor

### 4.2.1 Board of Directors of the Issuer

The Issuer’s Board of Directors consists of five ordinary board members, including the chairman. The members of the Board of Directors, their position and other relevant assignments are set forth below. All board members can be contacted through the Issuer’s registered address, Baseload Capital Sweden AB (publ), c/o Gullspång Invest AB, Ingmar Bergmans gata 2, SE-114 34 Stockholm, Sweden.

#### 4.2.1.1 Magnus Brandberg (born 1980) – Chairman of the Board of Directors

Other relevant assignments: Mr. Brandberg is Board Director in Isac Brandberg AB, Gullspång Invest AB, Högtorps Gård AB, Baseload Capital Holding AB, Vilokan AB,

Trine AB and Eneo Solutions AB. Mr. Brandberg is a shareholder in Gullspång Invest AB that holds 13,183 shares in the Baseload Capital Holding AB.

#### **4.2.1.2 Anders Jacobsson (born 1986) – Member of the Board of Directors**

Other relevant assignments: Mr. Jacobson is Board Director in Airinum AB, Baseload Capital Holding AB, Blue Seed AB, FloWater Inc, HälsoParadisets AB, Orangery Design AB, Save by Solar AB, Seven District Development AB, TAPP Water Co, Visiba Group AB. Mr. Jacobson is a shareholder in Blue Seed AB that holds 13,183 shares in Baseload Capital Holding AB.

#### **4.2.1.3 Susanne Liljefors Krüeger (born 1968) – Member of the Board of Directors**

Other relevant assignments: Mrs. Liljefors Krüeger is Board Director in Krueger Liljefors Partners AB and Baseload Capital Holding AB and Member of the Board of Directors in Krueger Liljefors Konsult AB and Härolden AB. Mrs. Liljefors Krüeger works for LMK that holds 13,183 shares in Baseload Capital Holding AB.

#### **4.2.1.4 Klas Lindgren (born 1965) – Member of the Board of Directors**

Other relevant assignments: Mr. Lindgren is Board Director in Arredare Projekt AB and Baseload Capital Holding AB. Mr. Lindgren works for Climeon that holds 9,951 shares in Baseload Capital Holding AB.

#### **4.2.1.5 Karl White (born 1965) – Member of the Board of Directors**

Other relevant assignments: Mr. White is Board Director in Kobold Metals and Baseload Capital Holding AB. Mr. White works for Breakthrough Energy Ventures LLC that holds 13,183 shares in Baseload Capital Holding AB.

### **4.2.2 Management of the Issuer**

The members of the Issuer's management, their position and other relevant assignments outside the Issuer (if any) are set forth below. All members of the Issuer's management can be contacted through the Issuer's registered address, Baseload Capital Sweden AB (publ), c/o Gullspång Invest AB, Ingmar Bergmans gata 2, SE-114 34 Stockholm, Sweden.

#### **4.2.2.1 Alexander Helling – Chief Executive Officer**

Other relevant assignments: Board member of Sommarvik AB, Nordic Business House AB and Liveside Event AB. Mr. Helling holds 500 shares in Baseload Capital Holding AB.

#### **4.2.2.2 Johan Edin – Chief Financial Officer**

Other relevant assignments: No other assignments. Mr. Edin holds 0 shares in Baseload Capital Holding AB.

Mr Edin's employment has by mutual agreement been terminated and he will be replaced by no later than 6 November 2020. Until then, Mr. Edin will remain in his role as Chief Financial Officer of the Issuer and the Parent.

#### **4.2.2.3 Pernilla Wihlberg – Chief Operating Officer**

Other relevant assignments: No other assignments. Mrs. Wihlberg holds 250 shares in Baseload Capital Holding AB.

#### **4.2.2.4 Dr. Greg Bignall – Chief Technical Officer**

Other relevant assignments: Research Funding Assessor for the New Zealand Ministry of Business, Innovation and Employment, Board member of the International Geothermal Association and the New Zealand Geothermal Association. Mr. Bignall holds 0 shares in Baseload Capital Holding AB.

### **4.2.3 Board of Directors of the Parent**

#### **4.2.3.1 Magnus Brandberg (born 1980) – Chairman of the Board of Directors**

For information regarding Mr. Brandberg see the section "*Board of Directors of the Issuer*" – "*Magnus Brandberg (born 1980) – Chairman of the Board of Directors*"

#### **4.2.3.2 Anders Jacobsson (born 1986) – Member of the Board of Directors**

For information regarding Mr. Jacobsson see the section "*Board of Directors of the Issuer*" – "*Anders Jacobsson (born 1986) – Member of the Board of Directors*"

#### **4.2.3.3 Susanne Liljefors Krüeger (born 1968) – Member of the Board of Directors**

For information regarding Mrs. Liljefors Krüeger see the section "*Board of Directors of the Issuer*" – "*Susanne Liljefors Krüeger (born 1968) – Member of the Board of Directors*"

#### **4.2.3.4 Klas Lindgren (born 1965) – Member of the Board of Directors**

For information regarding Mr. Lindgren see the section "*Board of Directors of the Issuer*" – "*Klas Lindgren (born 1965) – Member of the Board of Directors*"

#### **4.2.3.5 Karl White (born 1965) – Member of the Board of Directors**

For information regarding Mr. White see the section "*Board of Directors of the Issuer*" – "*Karl White (born 1965) – Member of the Board of Directors*"

### **4.2.4 Management of the Parent**

For information regarding the management of the Parent see section "*Management of the Issuer*".

## **4.2.5 Board of Directors of Baseload Japan**

### **4.2.5.1 Masahiro Ito (born 1958) – Representative Director**

Other Assignments: No other assignments. Mr. Ito holds 0 shares in Baseload Capital Holding AB, but is part of a local management incentive program.

### **4.2.5.2 Pernilla Wihlborg (born 1980) – Director**

For information regarding Mrs. Wihlborg see the section “*Management of the Issuer*” – “*Pernilla Wihlborg – Chief Operating Officer*”

### **4.2.5.3 Alexander Helling (born 1982) – Director**

For information regarding Mr. Helling, please see the section “*Management of the Issuer*” – “*Alexander Helling – Chief Executive Officer*”

## **4.2.6 Management of Baseload Japan**

### **4.2.6.1 Masahiro Ito (born 1958) – Representative Director**

For information regarding Mr. Ito, please see the section “*Board of Directors of Baseload Japan*” – “*Masahiro Ito (born 1958) – Representative Director*”

## **4.2.7 Conflict of interest within administrative, management and control bodies**

There are no conflicts of interest or potential conflicts of interest between the duties of the members of the Board of Directors and the members of management towards the Group and their private interests and/or other duties. However, several members of the Board of Directors and company management have certain financial interests in the Issuer as a consequence of their holdings of shares in the Issuer. It should further be noted that Alexander Helling and Pernilla Wihlborg hold positions within both the Issuer and the Guarantor and that Johan Edin previously was employed by the Issuing Agent and the Sole Bookrunner and was engaged in work in relation to the Bonds on their behalf.

## **4.2.8 Auditor**

The Issuer’s auditor is presently Öhrling PricewaterhouseCoopers AB with authorised auditor Daniel Algotsson as the auditor in charge. Öhrling PricewaterhouseCoopers AB was re-elected as auditor of the Issuer at the annual general meeting held 14 June 2019 for the time until the end of the annual general meeting 2020. For the avoidance of doubt, Daniel Algotsson has been the Issuer’s auditor in charge for the entire time period from 2018 to present day. Daniel Algotsson can be contacted at Öhrling PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, Sweden. Daniel Algotsson is an authorised auditor and a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

The Parent’s auditor is presently Öhrling PricewaterhouseCoopers AB with authorised auditor Daniel Algotsson as the auditor in charge. Öhrling PricewaterhouseCoopers

AB was elected as auditor of the Parent at the annual general meeting held 14 June 2019 for the time until the end of the annual general meeting 2020. For the avoidance of doubt, Daniel Algotsson has been the Parent's auditor in charge for the entire time period from 2019 to present day. Daniel Algotsson can be contacted at Öhrling PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, Sweden. Daniel Algotsson is an authorised auditor and a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

Baseload Japan's auditor is RSM Seiwa Japan with authorised auditor Kinjo Takuma as the auditor in charge. RSM Seiwa Japan was elected auditor on 5 March 2020. Kinjo Takuma can be contacted at RSM Seiwa Japan, Syosankan 4F, 1-3-2, Iidabashi, Chiyoda-ku, Tokyo 102-0072, Japan. Kinjo Takuma is and authorised auditor and a member of the professional body Japan Institute of Certified Public Accountants, the professional institute for the accountancy sector in Japan.

### 4.3 Description of material agreements

The following is a summary of the material terms of material agreements to which the Issuer and/or the Guarantor(s) is a party and is considered to be outside of the ordinary course of business. The description set out below does not purport to describe all of the applicable terms and conditions of such agreements.

#### 4.3.1 Guarantee and Adherence Agreement

The Guarantors have entered into a guarantee and adherence agreement with the Agent dated 27 March 2019 (the "**Guarantee and Adherence Agreement**"), pursuant to which each Guarantor has agreed to jointly and severally guarantee obligations as follows, subject to certain limitations as set out in the Guarantee and Adherence Agreement and as imposed by any applicable local law requirements in the relevant jurisdiction:

- (a) the full and punctual payment and performance within applicable grace periods of all Guaranteed Obligations, including the payment of principal and premium, if any, and interest under the Senior Finance Documents when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of that Guarantor to the Secured Parties under the Senior Finance Documents; and
- (b) the full and punctual performance within applicable grace periods of all other obligations and liabilities of that Guarantor under the Senior Finance Documents.

For the purpose of this section "*Guarantee and Adherence Agreement*" the below listed terms and definitions shall have the following meaning:

**"Guaranteed Obligations"** means the Secured Obligations.

**"Secured Obligations"** means (i) prior to the entering into of an Intercreditor Agreement, all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor towards the Secured Parties outstanding from time to time under the Finance Documents, and (ii) after the entering into of an Intercreditor Agreement, the meaning given to such term in the Intercreditor Agreement.

“**Senior Finance Documents**” means (i) prior to the entering into of an Intercreditor Agreement, the meaning given to the term "Finance Documents" in the Terms and Conditions, and (ii) after the entering into of an Intercreditor Agreement, the meaning given thereto in the Intercreditor Agreement.

## **5 Legal and other matters**

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

The Issuing Agent and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in its ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and/or its affiliates having previously engaged, or engaging in the future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. The Issuer currently rents offices and buys bookkeeping services, on market terms and conditions, from its shareholder Gullspång Invest AB.

### **5.2 Disputes and litigation**

During the past 12 months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Issuer and its consolidated subsidiaries.

### **5.3 Expected date for listing, market place and costs relating to the listing**

The Bonds will be admitted to trading on the sustainable bond list of Nasdaq Stockholm on or around 22 May 2020, for which listing this Prospectus has been prepared. The accrued costs relating to the listing are approximately SEK 650,000.

### **5.4 Clearing and settlement**

As of the date of this Prospectus, bonds have been issued in an amount of SEK 500,000,000. Each Bond has a nominal amount of SEK 2,000,000. The ISIN for the Bonds is SE0011923267.

The Bonds have been issued in accordance with Swedish law. The bonds are connected to the account-based system of Euroclear Sweden AB. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.

### **5.5 Representation of the Bondholders**

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders.

## **5.6 Credit rating**

No credit rating has been assigned to the Issuer or any of the Guarantors, or any of their debt securities.

## **5.7 Documents available for inspection**

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Issuer's visiting address at Baseload Capital Sweden AB (publ), c/o Gullspång Invest AB, Ingmar Bergmans Gata 2, SE-114 42 Stockholm, Sweden, during ordinary weekday office hours, as well as on the Issuer's website [baseloadcap.com](http://baseloadcap.com):

- (a) The Issuer's articles of association;
- (b) the Issuer's certificate of registration;
- (c) the Issuer's annual report for the for the financial year ending 31 December 2018, including the audit report for the financial year ending 31 December 2018;
- (d) the Issuer's annual report for the for the financial year ending 31 December 2019, including the audit report for the financial year ending 31 December 2019;
- (e) the Parent's articles of association;
- (f) the Parent's certificate of registration;
- (g) the Parent's annual report for the for the financial year ending 31 December 2018, including the audit report for the financial year ending 31 December 2018;
- (h) the Parent's annual report for the for the financial year ending 31 December 2019, including the audit report for the financial year ending 31 December 2019;
- (i) Baseload Japan's articles of association;
- (j) Baseload Japan's certificate of registration;
- (k) Baseload Japan's annual report for the for the financial year ending 31 December 2018, including the audit report for the financial year ending 31 December 2018;
- (l) Baseload Japan's annual report for the for the financial year ending 31 December 2019, including the audit report for the financial year ending 31 December 2019;
- (m) this Prospectus;
- (n) the Guarantee and Adherence Agreement; and
- (o) the terms and conditions that stipulates the provisions for the Agent's representation of the Bondholders.

## 5.8 Documents incorporated by reference

This Prospectus, in addition to this document, comprises of the following financial information which is incorporated by reference and available in electronic format on the Issuer's website, <https://www.baseloadcap.com/investors>, during the period of validity of this Prospectus:

<b>The Issuer's annual report for 2018</b>	as regards the audited financial information and the audit report on page 8-18.
<b>The Issuer's annual report for 2019</b>	as regards the audited financial information and the audit report on page 12-27.
<b>The Parent's annual report for 2018</b>	as regards the audited financial information and the audit report on page 8-18.
<b>The Parent's annual report for 2019</b>	as regards the audited financial information and the audit report on page 12-28.
<b>Baseload Japan's annual report for 2018</b>	as regards the audited financial information and the audit report on page 1-7.
<b>Baseload Japan's annual report for 2019</b>	as regards the audited financial information and the audit report on page 1-7.

The Issuer's and the Parent's annual reports have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In addition, the Supplementary Accounting Rules for Groups (RFR 1) of the Swedish Financial Reporting Board have been applied.

Baseload Japan's annual reports have been prepared in accordance with accounting principles generally accepted in Japan. Pursuant to article 1(b) of the Commission's Decision 2008/961/EC of 12 December 2008, generally accepted accounting principles of Japan shall be considered as equivalent to IFRS adopted pursuant to Regulation (EC) No 1606/2002.

The sections of the above documents that have not been incorporated by reference are not relevant for investors in the Bonds. Information on the Issuer's or a Guarantor's website or any other website referred to in this Prospectus which has not been incorporated by reference into this Prospectus does not form part of this Prospectus and has not been reviewed or approved by the competent authority. Further, unless otherwise explicitly stated herein, no information contained in this Prospectus has been audited or reviewed by the Issuer's nor the Guarantors' auditors.



## 6 Terms and conditions of the Bonds

### 1. Definitions and Construction

#### 1.1 Definitions

In these terms and conditions, originally dated 20 March 2019 and as amended and restated on 12 March 2020 (the "**Terms and Conditions**"):

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

"**Accounting Principles**" means the generally accepted accounting principles, standards and practices in Sweden as applied by the Issuer in preparing its annual consolidated financial statements.

"**Adjusted Equity Ratio**" means (i) Equity to (ii) Total Assets minus Cash and Cash Equivalents (Cash and Cash Equivalents shall, for the purpose of Adjusted Equity Ratio only, include the cash standing to the credit of the Proceeds Account).

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

"**Advance Purchase Agreements**" means (i) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services in the normal course of business with credit periods which are normal for the relevant type of advance or deferred purchase contracts, or (ii) any other trade credit incurred in the ordinary course of business.

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

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

"**Agent**" means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

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

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

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

**"Bond Issue"** means the Initial Bond Issue and any Subsequent Bond Issue.

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

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

**"Call Option Amount"** means the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

**"Cash and Cash Equivalents"** means, at any time, (i) cash in hand held by the Issuer or with a reputable bank credited to an account in the name of the Issuer and in each case to which the Issuer is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest (for the avoidance of doubt, not including cash standing to the credit of the Proceeds Account and e.g. any other cash subject to a pledge or similar arrangement (excluding legal right to set-off) or any amount standing on client accounts) and (ii) short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value of the Issuer.

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more Persons (other than any of the Main Shareholders) acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

**"Compliance Certificate"** means a certificate to the Agent, in the agreed form between the Agent and the Issuer, signed by the CFO, the CEO or an authorised signatory of the Issuer, certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the relevant Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated);
- (c) if the Compliance Certificate is delivered in connection with a New Debt Incurrence Test, (i) a list of the Planned Projects that will be financed with the relevant New Debt incurred including a brief description of the relevant project(s)

and the geographical location of such project(s) and (ii) reasonably details of the calculations of the Pro Forma EBITDA;

- (d) if the Compliance Certificate is delivered in connection with the annual audited consolidated financial statements of the Group, the clean down of the Super Senior RCF; and
- (e) if the Compliance Certificate is provided in connection with that a Financial Report is made available, that the test of the Maintenance Covenants is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated).

**"Conditions Subsequent Security Agreement"** means the security agreement pursuant to paragraph (d) under the definition of Transaction Security.

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

**"CSD Regulations"** means the CSD's rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

**"EBITDA"** means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (d) not including any accrued interest owing to any Group Company;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (i) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group; and

- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

**"Eligible Project"** means a Project in any jurisdiction other than an Excluded Jurisdiction.

**"Equity"** means, in accordance with the applicable Accounting Principles from time to time, the consolidated sum of (i) restricted equity, (ii) non-restricted equity and (iii) any Subordinated Debt.

**"Event of Default"** means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.10 (*Continuation of the Business*).

**"Excluded Jurisdiction"** means a country which at the time for a contemplated Project Investment is subject to country-wide Sanctions.

**"Final Maturity Date"** means 22 March 2023, being the date falling four (4) years after the First Issue Date.

**"Finance Charges"** means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any loan owing to any member of the Group or any Subordinated Debt and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

**"Finance Documents"** means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement;
- (d) the Security Documents;
- (e) the Guarantee and Adherence Agreement;
- (f) the Intercreditor Agreement, if any; and
- (g) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

**"Finance Leases"** means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Accounting Principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as a finance lease.

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

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

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

**"First Call Date"** means 22 March 2021, being the date falling 24 months after the First Issue Date.

**"First Issue Date"** means 22 March 2019.

**"Floating Rate Margin"** means 8.25 per cent. *per annum*.

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

**"Green Bond Framework"** means the Issuer's framework for green bonds from time to time.

**"Group"** means the Issuer and each of its Subsidiaries from time to time, and **"Group Company"** means any of them.

**"Guarantee and Adherence Agreement"** means the guarantee and adherence agreement pursuant to which, subject to the Intercreditor Agreement (if any), the Guarantors shall, amongst other, (i) irrevocably and unconditionally, jointly and severally, as principal obligor (*Sw. proprieborgen*) guarantee all amounts outstanding under the Senior Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses, (ii) agree to subordinate all subrogation claims, and (iii) undertake to adhere to the terms of the Senior Finance Documents.

**"Guarantees"** means the guarantees provided by the Guarantors under the Guarantee and Adherence Agreement.

**"Guarantors"** means the Parent, the Japanese Holdco and any Project Holdco (other than the Taiwanese Holdco), which for the avoidance of doubt shall not include any entity already incorporated in Iceland or the United States of America prior to the First Issue Date, to the extent that granting of a guarantee is permitted under laws applicable to such Subsidiary.

**"Hedging Obligations"** has the meaning given thereto in (i) prior to the entering into of the Intercreditor Agreement, the Intercreditor Term Sheet, and (ii) after the entering into of the Intercreditor Agreement, the Intercreditor Agreement.

**"Incurrence Test"** means each of the New Debt Incurrence Test and the Project Entity Indebtedness Incurrence Test (as applicable).

**"Initial Bond Issue"** means the issuance of the Initial Bonds.

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

**"Initial Japanese Project Entities"** means Shika Power LLC, corporate identity no. 0104-03-020870 and Kitsune Power LLC, corporate identity no. 0104-03-020869, both being Project Entities incorporated in Japan.

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

**"Intercreditor Agreement"** means the intercreditor agreement to be entered into between, amongst other, the Issuer, the Super Senior RCF Creditor, any hedge counterparty, the Agent (representing the Bondholders), any providers of such New Debt as set out in paragraphs (g)(ii)-(g)(iii) in the definition of "Permitted Debt" (or their agent) and any provider of Subordinated Debt upon the incurrence of such New Debt as set out in paragraphs (g)(ii)-(g)(iii) in the definition of "Permitted Debt" or debt pursuant to the Hedging Obligations or the Super Senior RCF, on substantially such principle terms as set out in the Intercreditor Term Sheet.

**"Intercreditor Term Sheet"** means the term sheet setting out the principle terms upon which the Intercreditor Agreement shall be entered into on upon the incurrence of such New Debt as set out in paragraphs (g)(ii)-(g)(iii) in the definition of "Permitted Debt" or debt pursuant to the Hedging Obligations or the Super Senior RCF, as set out in the term sheet appended hereto in Schedule 1 (*Intercreditor Term Sheet*).

**"Interest"** means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

**"Interest Payment Date"** means 22 March, 22 June, 22 September and 22 December each year. The first Interest Payment Date shall be 22 June 2019. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the relevant Interest Payment Date shall be the Business Day following from an application of the Business Day Convention.

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

**"Interest Rate"** means STIBOR 3-months plus the Floating Rate Margin.

**"Issuer"** means Baseload Capital Sweden AB (publ), a limited liability company incorporated in Sweden with reg. no. 559143-5051.

**"Issuing Agent"** means DNB Bank ASA, Filial Sverige, a Swedish branch office with reg. no. 516406-0161, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Japanese Holdco"** means Baseload Power Japan Corporation (Reg. No. 0104-01-141634).

**"Listing Failure Event"** means:

- (a) that the Bonds have not been admitted to listing on the sustainable bond list of Nasdaq Stockholm or the Nordic Derivatives Exchange operated by NGM (or another Regulated Market) within fourteen (14) months after the First Issue Date;
- (b) any Subsequent Bonds have not been admitted to listing on the sustainable bond list of Nasdaq Stockholm or the Nordic Derivatives Exchange operated by NGM (or another Regulated Market) within sixty (60) days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date falling fourteen (14) months after the First Issue Date in which case such Subsequent Bonds shall be listed within fourteen (14) months after the First Issue Date); or
- (c) in the case of a successful admission to listing, that the Bonds cease to be admitted to listing on the sustainable bond list of Nasdaq Stockholm or the Nordic Derivatives Exchange operated by NGM (or another Regulated Market) without being admitted to trading on another Regulated Market.

**"Main Shareholders"** means Blue Seed AB (Reg. No. 559126-5904), Breakthrough Energy Ventures, LLC (Delaware file number 6173328), Gullspång Invest AB (Reg. No. 559022-7046) and LMK Forward AB (Reg. No. 556757-1897).

**"Maintenance Covenants"** means the maintenance covenants set out in Clause 12.1 (*Maintenance Covenants*).

**"Market Loan"** means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding

programmes), provided in each case that such instruments and securities are or can be subject to trade on any regulated or unregulated recognised market place.

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

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the ability of the Obligors (taken as a whole) to comply with their obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

**"MTF"** means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Net Finance Charges"** means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Subordinated Debt).

**"Net Interest Bearing Debt"** means the aggregate interest bearing Financial Indebtedness less Cash and Cash Equivalents of the Group in accordance with the Accounting Principles (for the avoidance of doubt, excluding guarantees, bank guarantees, Subordinated Debt, any claims subordinated pursuant to the Intercreditor Agreement (if any) and interest bearing Financial Indebtedness borrowed from any Group Company).

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

**"New Debt"** means debt incurred by the Issuer as permitted under paragraph (g) in the definition "Permitted Debt".

**"New Debt Incurrence Test"** means the test pursuant to Clause 12.4 (*New Debt Incurrence Test*).

**"NGM"** means Nordic Growth Market NGM Aktiebolag, Reg. No. 556556-2138.

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

**"Obligors"** means the Issuer and each Guarantor.

**"Operational Projects"** means any Project funded with Net Proceeds (in whole or in part) that has been operational and running for at least a full quarter.

**"Operational Projects Investments to EBITDA Ratio"** means the aggregate amount of Project Investments made in the Operational Projects to EBITDA relating to the Operational Projects during the Reference Period. For these purposes (i) the EBITDA included in the calculations shall be the *pro rata* amount of EBITDA attributable to the Project Investment(s) made by the Issuer (directly or indirectly) with Net Proceeds in such Operational Projects and (ii) for each Reference Period ending on a date which is less than twelve (12) months after the date when such Operational Project became operational (each a "**Start Date**"), EBITDA relating to each Operational Project shall be



calculated by reference to the amount of EBITDA relating to such Operational Project for the period after the relevant Start Date, annualised on a straight line basis).

"**Parent**" means Baseload Capital Holding AB, reg. no. 559172-8224.

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

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (c) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business but not any transaction for investment or speculative purposes;
- (d) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (e) incurred under any Subordinated Debt;
- (f) incurred by any member of the Group under the Super Senior RCF in an amount not exceeding five (5) per cent. of the aggregate amount outstanding under the Bonds and any New Debt;
- (g) incurred by the Issuer, and not otherwise permitted hereunder, if such Financial Indebtedness meets the New Debt Incurrence Test tested *pro forma* including such incurrence, and
  - (i) is incurred as a result of a Subsequent Bond Issue; or
  - (ii) ranks *pari passu* with the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date; or
  - (iii) is subordinated to the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date;
- (h) Project Entity Indebtedness incurred by a Project Entity, and not otherwise permitted hereunder, if the Project Entity Indebtedness Incurrence Test is met tested *pro forma* including such incurrence;
- (i) incurred under Advance Purchase Agreements;
- (j) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (k) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (l) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking the CSD Regulations into account), for the purpose of securing, *inter alia*, the redemption of the Bonds;

- (m) incurred by a Guarantor or by the Taiwanese Holdco from the Issuer and any Project Investments;
- (n) incurred by the Issuer, a Guarantor or by the Taiwanese Holdco from any Project Entity provided that any such Financial Indebtedness shall be offset against dividends from such Project Entity as soon as practicably possible;
- (o) incurred under any Project Loan; and
- (p) not covered under paragraphs (a)-(o) above in an aggregate maximum amount of SEK 15,000,000.

**"Permitted Security"** means any Security:

- (a) provided under the Finance Documents and otherwise permitted pursuant to the Intercreditor Agreement (if any);
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (d) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (e) any Security created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);
- (f) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (g) provided over assets in a Project Entity for any debt permitted pursuant to paragraph (h) of Permitted Debt incurred by such Project Entity;
- (h) provided by or over a Group Company to secure any Permitted Debt referred to in paragraphs (b), (c), (g) and (j) of the definition "Permitted Debt"; or
- (i) not covered under paragraphs (a)-(h) above securing an aggregate maximum amount of SEK 15,000,000.

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

**"Planned Projects"** means any Project where the Issuer (or any Project Holdco) will make a Project Investment within three (3) months.

**"Pro Forma EBITDA"** means the EBITDA for the next twelve (12) months calculated *pro forma* as if the Projects have been completed using reasonable assumptions including reasonably assumed uptime based on previous experience, utilisation based on previous experience and the circumstances at relevant project site, prices in accordance with the

relevant power purchase agreement, assumed operating expenses based on previous experience and the circumstances at relevant project site and lease costs in accordance with relevant land lease agreement.

**"Proceeds Account"** means a bank account of the Issuer, into which the Net Proceeds from any Bond Issue will be transferred and which has been pledged in favour of the Secured Parties (represented by the Agent) under the Proceeds Account Pledge Agreement.

**"Proceeds Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Agent on or about the First Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Secured Parties (represented by the Agent).

**"Projects"** means projects for development of geothermal power plants at sites with low and medium enthalpy resources.

**"Project Co-Investor"** means any co-investor in any Project Entity.

**"Project Entity"** means any entity incorporated for the purpose of developing a Project, which, for the avoidance of doubt, shall not include any entity already incorporated in Iceland or the United States of America prior to the First Issue Date.

**"Project Entity Indebtedness"** means Financial Indebtedness incurred by a Project Entity other than any loans from the Issuer, any Project Holdco or any Project Loan Entity provided that if such Project Entity is not wholly owned by the Group, the Project Entity Indebtedness in relation to a Project Entity shall only include the Group's *pro rata* share of the Project Entity Indebtedness.

**"Project Entity Indebtedness Incurrence Test"** means the test pursuant to Clause 12.5 (*Project Entity Indebtedness Incurrence Test*).

**"Project Entity Provisions"** means:

- (a) restrictions for the relevant Project Entity from making any distribution of any kind or grant any loan to any third party (including but not limited to any shareholder), other than where the distribution is made to the shareholders if the Issuer or the Project Holdco receives its *pro rata* share based on its Project Investment Amount to the total investments made in such Project Entity;
- (b) restrictions on the relevant Project Entity from incurring Financial Indebtedness other than Permitted Debt;
- (c) restrictions on the relevant Project Entity from granting any security other than Permitted Security;
- (d) obligations for the relevant Project Entity to conduct all transactions with any third party (including but not limited to any shareholder) on arm's length terms; and
- (e) obligations for the relevant Project Entity to enter into all project agreements and asset management agreements on market terms with warranties customary for the relevant market and to:

- (i) comply with all laws and regulations applicable from time to time; and
- (ii) obtain, maintain and comply with the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Project Entity, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

**"Project Equity Investment"** means an equity investment in a Project Entity in which the Issuer (directly or indirectly) controls a majority of the votes.

**"Project Equity Investment SHA"** means any shareholder agreement entered into in relation to any Project Entity where the Issuer has made a Project Equity Investment or a Project Minority Equity Investment.

**"Project Holdco"** means the Japanese Holdco and any other entity which is owned to at least seventy (70) per cent. by the Issuer and incorporated (or acquired as an off the shelf company) for the purpose of making Project Investments.

**"Project Investment"** means a Project Loan Entity Investment, the granting of Project Loans, a Project Equity Investment or a Project Minority Equity Investment.

**"Project Investment Amount"** means in relation to a Project the aggregate amount invested by the Issuer (or any Project Holdco) by way of Project Minority Equity Investments, Project Equity Investments or Project Loans.

**"Project Investment Certificate"** means a certificate in relation to a Project Investment where duly authorised signatories of the Issuer has confirmed (i) that the relevant Project is an Eligible Project, (ii) that the main terms of the power purchase agreement (being the price and tenor) has been agreed or otherwise determined, (iii) that the land lease agreement has been duly executed (iv) the name of the counterparties under the power purchase agreement and the land lease agreement, (v) the amount of and type of the Project Investment (including a list of any project costs exceeding SEK 1,000,000 that will be paid with the proceeds disbursed pursuant to the Project Investment Certificate and the due date for such payments), (vi) the budget for the relevant Project (or a revised budget if a budget has already been circulated for the relevant Project) including a confirmation that the estimated internal rate of return for the relevant project is equal to or exceeds 10 per cent., (vii) the time plan for the relevant Project and (viii) a brief description of the relevant Project. The Project Investment Certificate shall include a funds flow statement evidencing the recipient(s) of the Project Investment.

**"Project Loan"** means (i) a loan granted by a Project Loan Entity to a Project Entity (other than any Project Entity into which a Project Equity Investment has been made) or (ii) a loan granted by the Issuer or a Project Holdco to a Project Entity into which a Project Equity Investment has been made.

**"Project Loan Entity"** means an entity held by the Issuer and any Project Co-Investor in which such Project Co-Investor is the controlling party and the Issuer has invested in preference shares with the same economic terms as the relevant Project Loan granted by such Project Loan Entity.

**"Project Loan Entity Investment"** means an equity investment made by the Issuer or a Project Holdco in a Project Loan Entity.

**"Project Loan Entity Investment SHA"** means any shareholder agreement entered into in relation to any Project Loan Entity where the Issuer or a Project Holdco has made a Project Loan Entity Investment.

**"Project Minority Equity Investment"** means an equity investment in a Project Entity where the Project Co-Investor controls a majority of the votes in the Project Entity.

**"Project Sale Profit"** means the proceeds (after deducting transaction costs) received in connection with the disposal of a Project Entity or Project Investment less the relevant Project Investment Amount (or, if a Project Entity or Project Investment is partly disposed, a share of the Project Investment Amount which is equal to the share of the Project Entity or Project Investment being disposed).

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

**"Record Date"** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**"Redemption Date"** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

**"Reference Date"** means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

**"Reference Period"** means each period of twelve (12) consecutive calendar months.

**"Regulated Market"** means any regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Restricted Payment"** has the meaning set forth in Clause 13.2(a).

**"Sanctions"** means:

- (a) United Nations sanctions imposed pursuant to any United Nations Security Council Resolution;
- (b) U.S. sanctions or trade embargoes imposed, administered or enforced by the Office of Foreign Assets Control of the U.S Department of Treasury;
- (c) EU restrictive measures implemented pursuant to any EU Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the EU's Common Foreign and Security Policy;
- (d) UK sanctions implemented, administered or enforced by Her Majesty's Treasury;
- (e) economic sanctions, embargoes or other restrictive measures administered, enacted or enforced by the Swedish Government; or

- (f) any other economic sanctions or trade embargoes imposed, administered or enforced by any other relevant sanctions authority (as recognised and implemented by the Swedish Government).

**"Secured Obligations"** means (i) prior to the entering into of the Intercreditor Agreement, all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor towards the Secured Parties outstanding from time to time under the Finance Documents, and (ii) after the entering into of the Intercreditor Agreement, the meaning given to such term in the Intercreditor Agreement.

**"Secured Parties"** means (i) prior to the entering into of the Intercreditor Agreement, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement and in its capacity as security agent), and (ii) after the entering into of the Intercreditor Agreement, the meaning given to such term in the Intercreditor Agreement.

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

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

**"Security Agent"** means (i) prior to the entering into of the Intercreditor Agreement, the Agent as security agent or another party replacing it as Security Agent, in accordance with these Terms and Conditions, and (ii) after the entering into of the Intercreditor Agreement, the security agent appointed by the Secured Parties pursuant to the Intercreditor Agreement, holding the Transaction Security on behalf of the Secured Parties.

**"Security Documents"** means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

**"Senior Finance Documents"** means (i) prior to the entering into of the Intercreditor Agreement, the meaning given to the term "Finance Documents", and (ii) after the entering into of the Intercreditor Agreement, the meaning given thereto in the Intercreditor Agreement.

**"Subordinated Debt"** means any loan made to the Issuer as debtor, if such loan:

- (a) according to (i) the Intercreditor Agreement, if any, or (ii) a subordination agreement, is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date.

**"Sole Bookrunner"** means DNB Bank ASA, Filial Sverige.

"**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 rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

"**Subsequent Bond Issue**" has the meaning set forth in Clause 2(e).

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

"**Subsidiary**" means, in respect of which such Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners; or
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

"**Super Senior Debt**" has the meaning given thereto in (i) prior to the entering into of the Intercreditor Agreement, the Intercreditor Term Sheet, and (ii) after the entering into of the Intercreditor Agreement, the Intercreditor Agreement.

"**Super Senior RCF**" has the meaning given thereto in (i) prior to the entering into of the Intercreditor Agreement, the Intercreditor Term Sheet, and (ii) after the entering into of the Intercreditor Agreement, the Intercreditor Agreement.

"**Super Senior RCF Creditor**" has the meaning given thereto in (i) prior to the entering into of the Intercreditor Agreement, the Intercreditor Term Sheet, and (ii) after the entering into of the Intercreditor Agreement, the Intercreditor Agreement.

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

"**Taiwanese Holdco**" means Baseload Power Taiwan Inc (government uniform invoice number 85001923).

**"Total Assets"** means the consolidated book value of all assets of the Group calculated in accordance with the Accounting Principles.

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

**"Transaction Costs"** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) a Bond Issue, (ii) any New Debt, and (iii) the listing of the Bonds.

**"Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (a) a Swedish law governed pledge over all the shares in the Issuer granted by the Parent;
- (b) a Swedish law governed pledge over all current and future intercompany loans provided by the Parent to the Issuer;
- (c) a Swedish law governed pledge over the Proceeds Account granted by the Issuer; and
- (d) a Japanese law governed pledge over the Japanese Holdco.

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) 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 (riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Bond is SEK 2,000,000 (the "**Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is SEK 2,000,000.
- (e) Provided that the New Debt Incurrence Test is met (calculated *pro forma* including the contemplated issuance of Subsequent Bonds) and no Event of Default is continuing or would result from such issue, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 1,500,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (f) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) upon the incurrence of any Super Senior Debt, the super senior ranking of the Super Senior Debt in accordance with the Intercreditor Agreement, if any.

- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

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

The proceeds from the Initial Bond Issue and any Subsequent Bond Issue shall be used to (i) make Project Investments, and (ii) finance Transaction Costs.

### **4. Conditions Precedent and Conditions Subsequent**

#### **4.1 Conditions Precedent Initial Bond Issue**

- (a) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent (acting reasonably):
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the relevant Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent, any provider of New Debt, the Japanese Holdco or any Super Senior RCF Creditor), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Terms and Conditions, the Agency Agreement, the Proceeds Account Pledge Agreement and the Guarantee and Adherence Agreement (other than if such document(s) is/are to be executed and delivered as a condition subsequent pursuant to Clause 4.2 (*Conditions Subsequent*)) duly executed;
  - (iii) evidence that the Transaction Security, other than the Transaction Security purported to be created by the Conditions Subsequent Security Agreement, either has been or will be perfected in accordance with the terms of the relevant Security Documents;
  - (iv) an agreed format of the Compliance Certificate; and
  - (v) an agreed format of the Project Investment Certificate.
- (b) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(a) 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. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(a) above from a legal or commercial perspective of the Bondholders.

- (c) When the conditions precedent for disbursement set out in Clause 4.1(a) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall confirm to the Issuing Agent that the Net Proceeds shall be transferred to the Proceeds Account.
- (d) If the conditions precedent for disbursement set out in Clause 4.1(a) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within thirty (30) Business Days from the First Issue Date, the Issuer consents to that the Issuing Agent shall, on its behalf, repurchase all Bonds at a price per Bond equal to 100 per cent. of the Nominal Amount together with any accrued Interest. Any funds distributed by the Issuing Agent to the Bondholders in accordance with this paragraph (d) shall be deemed to be paid by the Issuer for the redemption under this Clause 4.1(d). Any shortfall shall be covered by the Issuer. The repurchase date shall fall no later than thirty (30) Business Days after the ending of the thirty (30) Business Days period referred to above.

## **4.2 Conditions Subsequent**

- (a) The Issuer shall ensure that no later than sixty (60) days following the First Issue Date the following documents are being received by the Agent:
  - (i) constitutional documents and corporate resolutions (or any other similar authorisation document required or customary pursuant to Japanese law) of the Issuer and Japanese Holdco approving the relevant agreements set out in (ii) to (iv) below, together constituting evidence that the Finance Documents have been duly executed;
  - (ii) a copy of a duly executed accession agreement whereby the Japanese Holdco accedes to the Guarantee and Adherence Agreement;
  - (iii) a copy of a duly executed accession agreement whereby the Japanese Holdco accedes to the Intercreditor Agreement, if any;
  - (iv) the Condition Subsequent Security Agreement, duly executed and evidence that the security has been perfected in accordance with the terms of the Condition Subsequent Security Agreement; and
  - (v) a legal opinion issued by a reputable law firm in Japan in form and substance satisfactory to the Agent on (A) the capacity and authority of the Japanese Holdco in relation to the agreements under (ii) and (iii) above, and (B) the validity and enforceability of the Condition Subsequent Security Agreement.
- (b) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.2(a) 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. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.2(a) above from a legal or commercial perspective of the Bondholders.

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

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the applicable CSD Regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such Persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

## **6. Right to Act on Behalf of a Bondholder**

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

## **7. Payments in Respect of the Bonds**

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8. Interest**

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per centage points higher than the Interest Rate. Accrued default interest shall not be capitalised. No

default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **9.1 Redemption at maturity**

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

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

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled (except in connection with a full redemption of the Bonds).

### **9.3 Voluntary total redemption (call option)**

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
  - (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 104.125 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to and including the First Call Date together with accrued but unpaid Interest;
  - (ii) any time from and including the First Call Date to, but excluding, the first Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 104.125 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 102.063 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) notwithstanding paragraph (iii) above, provided that the redemption is financed in full by way of one or several Market Loan issues, at any time from and including the first Business Day falling three (3) months prior to the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

#### **9.4 Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)**

- (a) Upon the occurrence of a Change of Control Event or Listing Failure Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event or Listing Failure Event pursuant to Clause 11.1(e) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure Event.
- (b) The notice from the Issuer pursuant to Clause 11.1(e) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(e). The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.4(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Notwithstanding Clause 9.2 (*Issuer's purchase of Bonds*), any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained, sold or cancelled.

### **10. Transaction Security and Guarantees**

- (a) Subject to the Intercreditor Agreement (if any), as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement grants the Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) The Security Agent shall hold the Transaction Security and inure the benefit of the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement, and the Intercreditor

Agreement (as applicable). The Issuer shall, and shall procure that the Guarantors and each Group Company party to any Security Document and/or the Guarantee and Adherence Agreement (as applicable) will, enter into the Security Documents and/or the Guarantee and Adherence Agreement (as applicable) and perfect the Transaction Security in accordance with the terms of the Security Documents.

- (c) Unless and until the Security Agent has received instructions to the contrary in accordance with the Intercreditor Agreement (or if no Intercreditor Agreement is entered into, in accordance with Clause 16 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders', the super senior RCF creditor's under the Super Senior RCF, the creditors' under any New Debt, the hedge counterparties' under the Hedging Agreement or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.
- (d) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement and if no such Intercreditor Agreement is entered into it shall be entitled to release all Transaction Security upon the full discharge of the Secured Obligations.

## **11. Information to Bondholders**

### **11.1 Information from the Issuer**

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Issuer:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (*Sw. bokslutskommuniké*) (as applicable), including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors.
- (b) Any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to listing.
- (c) When the Bonds have been listed on a Regulated Market:



- (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in Clause 11.1(a) shall be prepared in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC.
- (d) When the Financial Reports are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such Financial Reports and other information to the Agent.
- (e) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (f) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of an Incurrence Test;
  - (ii) in connection with a Financial Report being made available; and
  - (iii) at the Agent's reasonable request, within twenty (20) days from such request.
- (h) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (g) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (i) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

## **11.2 Information from the Agent**

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## **11.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

## **12. Financial Undertakings**

### **12.1 Maintenance Covenants**

The Issuer shall ensure that:

- (a) Operational Projects Investments to EBITDA Ratio is equal to or below 10.00:1;
- (b) The Adjusted Equity Ratio is at least 20 per cent.; and
- (c) Cash and Cash Equivalents held by the Issuer and the Guarantors is equal to or exceeds the lower of:
  - (i) Finance Charges for the next twelve (12) months; and
  - (ii) SEK 100,000,000.

### **12.2 Testing of the Maintenance Covenants**

- (a) The Maintenance Covenants shall be calculated in accordance with the Accounting Principles applicable to the Issuer.
- (b) The Operational Projects Investments to EBITDA Ratio shall be tested by reference to the latest Financial Report on each Reference Date with respect to the Reference Period ending on such Reference Date. The Adjusted Equity Ratio

and the amount of Cash and Cash Equivalents held by the Issuer and the Guarantors shall be tested on each Reference Date by reference to the latest Financial Report. In the event that the Operational Projects Investments to EBITDA Ratio cannot be tested as a result of there not being any Operational Projects, the test thereof will be deemed to have been met on the relevant Reference Date and no breach of this ratio, Default or Event of Default will be deemed to have occurred.

- (c) For the purpose of testing the Maintenance Covenants, Finance Charges shall be the projected Finance Charges for the period from the relevant Reference Date to the date falling twelve (12) months from the relevant Reference Date based on the Financial Indebtedness outstanding on the relevant Reference Date.
- (d) The first test date of the Maintenance Covenants shall be 31 March 2020.

### **12.3 Equity Cure**

- (a) If there is a breach of any of the Maintenance Covenants pursuant to Clause 12.1(a) or Clause 12.1(b) (but not Clause 12.1(c)), no Event of Default will occur if, within thirty (30) Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with these Terms and Conditions, the Issuer has received equity injection in cash in the form of a share issue, an unconditional shareholder contribution or Subordinated Debt in an amount sufficient to ensure compliance with the relevant Maintenance Covenant, as at the relevant Reference Date (the "**Cure Amount**") and has deposited such equity injection on the Proceeds Account.
- (b) The calculation of the Operational Projects Investments to EBITDA Ratio shall be adjusted so that the amount of Project Investments made in the Operational Projects for the Reference Period is reduced with an amount equal to the Cure Amount.
- (c) The calculation of the Adjusted Equity Ratio shall be adjusted so that the Total Assets for the Reference Period is reduced with an amount equal to the Cure Amount.
- (d) Any Equity Cure must be made in cash and no more than three (3) Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of two (2) consecutive calendar quarters.

### **12.4 New Debt Incurrence Test**

The New Debt Incurrence Test is met if:

- (a) the ratio of (i) Net Interest Bearing Debt to (ii) Pro Forma EBITDA (including any Pro Forma EBITDA for Planned Projects set out in the relevant Compliance Certificate) is less than 5.00:1;
- (b) the Maintenance Covenants were met on the most recent Reference Date (or, for any Reference Date prior to 31 March 2020, the Maintenance Covenants would have been met if tested on the most recent Reference Date);

- (c) EBITDA relating to the Operational Projects was at least SEK 5,000,000 in aggregate for the most recent Reference Period (for this purpose EBITDA relating to each Operational Project, for each Reference Period ending on a date which is less than twelve (12) months after the date when such Operational Project became operational (each a "Start Date" for the purpose of this paragraph (c)), shall be calculated by reference to the amount of EBITDA relating to such Operational Project for the period after the relevant Start Date, annualised on a straight line basis); and
- (d) no Event of Default is continuing or would occur as a result of the incurrence (as applicable).

## **12.5 Project Entity Indebtedness Incurrence Test**

The Project Entity Indebtedness Incurrence Test is met if:

- (a) the ratio of (i) the aggregate Project Entity Indebtedness to (ii) Total Assets is less than 20 per cent.;
- (b) the ratio of (i) Project Entity Indebtedness (in the relevant Project Entity) to (ii) the book value of the relevant Project Entity (in the books of the Issuer) calculated in accordance with the accounting principles from time to time, is less than 30 per cent; and
- (c) no Event of Default is continuing or would occur as a result of the incurrence (as applicable).

## **12.6 Testing of the Incurrence Tests**

- (a) Net Interest Bearing Debt for purposes of the New Debt Incurrence Test shall be calculated as follows:
  - (i) the calculation shall be made as per a testing date determined by the Issuer, falling no more than one month prior to the incurrence of the New Debt; and
  - (ii) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any New Debt (however, any cash balance resulting from the incurrence of any New Debt shall not reduce the Net Interest Bearing Debt).
- (b) The Project Entity Indebtedness for purposes of the Project Entity Indebtedness Test shall be calculated as follows:
  - (i) the calculation shall be made one day prior to the incurrence of the Project Entity Indebtedness; and
  - (ii) the amount of Project Entity Indebtedness shall be measured on the relevant testing date so determined, but shall also include any new Project Entity Indebtedness.
- (c) The calculation of the Adjusted Equity Ratio, Total Assets, book value of each Project Entity, Finance Charges, Pro Forma EBITDA and EBITDA for the

purpose of the Incurrence Tests shall be tested on the last day of the period covered by the Financial Report as of the most recent Reference Date for which a Financial Report has been published.

## 13. General Undertakings

### 13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will and shall procure that each Obligor (pursuant to the Guarantee and Adherence Agreement) undertakes to) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

### 13.2 Restricted Payments

- (a) No Obligor (other than the Parent) shall, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend in respect of its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - (iv) repay any Subordinated Debt or pay any interest thereon;
  - (v) make any prepayments or repayments under any long term debt ranking junior to the Bonds;
  - (vi) make any prepayments under any long term debt ranking *pari passu* with the Bonds; or
  - (vii) make any other similar distribution or transfers of value to any Person,(paragraphs (i)-(vii) above are together and individually referred to as a "**Restricted Payment**").
- (b) Notwithstanding the above, a Restricted Payment may be made:
  - (i) if made to the Issuer or a wholly owned direct or indirect Subsidiary of the Issuer; and/or
  - (ii) by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, to the Issuer or a wholly owned direct or indirect Subsidiary of the Issuer and any third party shareholder provided in each case that the Restricted Payment is made on at least a *pro rata* basis to the Issuer or a wholly owned direct or indirect Subsidiary of the Issuer.

### **13.3 Nature of Business**

Each Obligor shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

### **13.4 Financial Indebtedness**

No Obligor (other than the Parent) shall, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness, other than Permitted Debt.

### **13.5 Disposal of Assets**

- (a) Subject to the terms of the Intercreditor Agreement, if any, no Obligor shall, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (i) is carried out at fair market value and on arm's length terms and (ii) does not have a Material Adverse Effect.
- (b) In connection with a disposal to any person not being the Issuer or any of its Subsidiaries, in whole or in part, of any Project or Project Investment, an amount equal to:
  - (i) the relevant Project Investment Amount (or, if a Project Entity or Project Investment is partly disposed, a share of the Project Investment Amount which is equal to the share of the Project Entity or Project Investment being disposed); and
  - (ii) 50 per cent. of the relevant Project Sale Profit,shall be deposited on the Proceeds Account.
- (c) No asset that is subject to Transaction Security may be disposed of other than in accordance with the terms of the Intercreditor Agreement (if any).

### **13.6 Repayment of Project Loans**

In connection with a repayment, in whole or in part, of a Project Loan, an amount equal to:

- (a) the principal amount of the Project Loan being repaid; and
  - (b) 50 per cent. of the accrued interest in excess of 8.25 per cent. *per annum*,
- shall be deposited on the Proceeds Account.

### **13.7 Negative Pledge**

No Obligor (other than the Parent) shall, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its/their assets (present or future), other than any Permitted Security.

### **13.8 Loans out**

No Obligor shall, and shall procure that none of its Subsidiaries will, extend any loans in any form to any other party other than:

- (a) in the ordinary course of trading;
- (b) any Project Loans or any loans from the Issuer to any Project Holdco in connection with a Project Investment made by such Project Holdco;
- (c) any loans granted prior to the First Issue Date (not exceeding an aggregate amount of SEK 50,000,000);
- (d) intercompany loans provided by Baseload Capital Holding AB to the Issuer (provided that such loans become subject to Transaction Security to the benefit of the Secured Parties); or
- (e) any other loans not covered under items (a) to (d) above in an amount not exceeding SEK 30,000,000.

### **13.9 Clean Down of Super Senior RCF**

If a Super Senior RCF has been entered into, the Issuer shall procure that during each calendar year there shall be a period of three (3) consecutive days during which the amount outstanding under the Super Senior RCF (excluding any non-cash elements of ancillary facilities), less cash and cash equivalents of the Group, amounts to zero (0) or less. Not less than six (6) months shall elapse between two such periods. The clean down shall be confirmed in a Compliance Certificate.

### **13.10 Mergers and demergers**

Each Obligor shall procure that none of its Subsidiaries will enter into a merger or demerger unless such merger or demerger is not likely to have a Material Adverse Effect and, if the merger involves the Issuer, the Issuer is the surviving entity.

### **13.11 Dealings at arm's length terms**

Each Obligor shall, and shall procure that its Subsidiaries, conduct all dealings with any Person (other than Group Companies) at arm's length terms.

### **13.12 Compliance with laws and authorisations**

Each Obligor shall, and shall make sure that its Subsidiaries will, (i) comply with all laws and regulations applicable from time to time and (ii), obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **13.13 Green Bond Framework**

The Issuer shall maintain a Green Bond Framework and shall ensure that the proceeds from any Bond Issue is used in accordance with the Green Bond Framework applicable from time to time.

### **13.14 Project Holdcos**

- (a) The Issuer shall ensure that each Project Holdco (other than the Taiwanese Holdco), prior to using any funds standing to the credit of the Proceeds Account to make Project Investments through such Project Holdco, accedes to the Guarantee and Adherence Agreement (subject to any limitations pursuant to any applicable law) and that the shares owned by the Issuer in each Project Holdco (other than the Taiwanese Holdco) are pledged to the Bondholders represented by the Agent (subject to any limitations pursuant to any applicable law) and the Issuer shall in connection with a Project Holdco's accession to the Guarantee and Adherence Agreement deliver to the Agent:
  - (i) constitutional documents and corporate resolutions for (A) the pledgor of the shares in the relevant Project Holdco and (B) the relevant Project Holdco (approving the accession to the Guarantee and Adherence Agreement and the execution of the pledge agreement over the shares owned by the Issuer in the relevant Project Holdco), together constituting evidence that the pledge agreement over the Issuer's shares in the relevant Project Holdco and the Guarantee and Adherence Agreement has been duly executed; and
  - (ii) a legal opinion issued by a reputable law firm, in form and substance satisfactory to the Agent, on (A) the capacity and authority of any party not being incorporated in Sweden and (B) the validity and enforceability of the share pledge agreement other than if the pledge agreement is governed by the laws of Sweden.
- (b) Notwithstanding paragraph (a) above, a Project Holdco does not need to accede to the Guarantee and Adherence Agreement and does not need to procure that security is provided over its shares owned by the Issuer if the relevant Project Holdco delivers to the Agent a confirmation from a reputable law firm stating that:
  - (i) it is not possible to create and/or grant the relevant security and/or guarantee in such a manner as set out herein; or
  - (ii) registration fees, stamp duties, notary fees or any similar costs or fees (for the avoidance of doubt, not including legal fees) in relation to such security or guarantee will exceed USD 30,000 or its equivalent in any other currency.

### **13.15 Project Investments**

- (a) The Issuer (and each Project Holdco) may use the funds standing to the Proceeds Account to make Project Investments. The Issuer may submit several Project Investment Certificates in relation to a Project Entity.
- (b) The Agent shall upon receipt of a duly executed Project Investment Certificate instruct the account bank to transfer the amount of the Project Investment from the Proceeds Account for payment in accordance with the Project Investment Certificate (which, for the avoidance of doubt, may be transferred directly (i) to the Project Holdco for immediate disbursement by the Project Holdco to the relevant Project Entity or (ii) to the relevant Project Entity in accordance with the



Project Investment Certificate). The disbursement from the Proceeds Account shall be made to the relevant Project Entity in accordance with the Project Investment Certificate provided that in relation to each Project Investment Certificate an amount of up to SEK 30,000,000 may be disbursed to an Obligor from the Proceeds Account for disbursement by such Obligor to the relevant Project Entity within three (3) months in accordance with the Project Investment Certificate.

- (c) The Issuer (and each Project Holdco) shall ensure that no contractual restrictions (other than pursuant to applicable laws) exists in relation to payment of cash from any Project Entity by way of dividends or repayment on Project Loans.
- (d) The Issuer (or any Project Holdco) shall ensure that each Project Entity adheres to the Project Entity Provisions by including such provisions in each Project Equity Investment SHA, Project Loan Entity Investment SHA, Project Minority Equity Investment SHA or Project Loan and use its best efforts to enforce such provisions.
- (e) Notwithstanding (a) to (d) above but subject to (f) below, prior to the date when any Project in Japan has produced electricity which has been delivered to the Japanese grid network (for purpose of this paragraph (e), the "**Relevant Date**"), each Project Investment shall to at least 33 per cent. be financed with cash held by the Issuer or a Project Holdco (not including the cash standing to the credit of the Proceeds Account but including any amounts already invested in the relevant Project Entity (not including any investment with cash made to comply with this paragraph (e) and cash from the Proceeds Account) by the Issuer or the Project Holdco) and the Issuer shall up until the Relevant Date provide to the Agent evidence that the relevant Project Investment is financed to at least 33 per cent. with cash held by the Issuer or a Project Holdco (not including the cash standing to the credit of the Proceeds Account but including any amounts already invested in the relevant Project Entity (not including any investment with cash made to comply with this paragraph (e) and cash from the Proceeds Account) by the Issuer or the Project Holdco) by way of including a confirmation to such effect in the Project Investment Certificate.
- (f) Notwithstanding (e) above, the Issuer may not use the funds standing to the credit of the Proceeds Account to finance the Initial Japanese Project Entities.

### **13.16 Environmental**

Each Obligor shall, and shall ensure that its Subsidiaries will, comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **13.17 Incurrence of New Debt**

The Issuer shall ensure that, in connection with the incurrence of New Debt, an amount equal to at least 90 per cent. of the principal amount of such New Debt shall be deposited on the Proceeds Account unless such New Debt is used to refinance any existing New Debt on its maturity date or the Bonds on the Final Maturity Date.

### **13.18 Amendment upon Market Loans**

If the Issuer issues any Market Loans after the First Issue Date with maintenance covenants, incurrence tests, events of defaults, prepayment obligations or general undertakings which are more restrictive for the Issuer than those under these Terms and Conditions, the Issuer and the Agent shall amend these Terms and Conditions so that such more restrictive maintenance covenants, incurrence tests, events of defaults, prepayment obligations or general undertakings are incorporated into these Terms and Conditions within thirty (30) days without any further consent from the Bondholders.

## **14. Events of Default and Acceleration of the Bonds**

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.11 (*Acceleration of the Bonds*)) is an Event of Default.

### **14.1 Non-Payment**

The Issuer or a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error and
- (b) payment is made within five (5) Business Days of the due date.

### **14.2 Maintenance Covenants**

The Issuer has failed to comply with any of the Maintenance Covenants and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 12.3 (*Equity Cure*).

### **14.3 Other Obligations**

- (a) A party (other than the Agent or the Security Agent) fails to comply with the Finance Documents, in any other way than as set out in Clause 14.1 (*Non-Payment*) and 14.2 (*Maintenance Covenants*) above, provided that no Event of Default will occur if the Issuer has remedied the failure to comply within fifteen (15) Business Days of (i) the Issuer becoming aware of the failure to comply or (ii) the Agent requesting the Issuer in writing to remedy such failure (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).
- (b) Notwithstanding paragraph (a) above, any failure to comply with the undertaking set out in Clause 13.13 (*Green Bond Framework*) shall not constitute an Event of Default under any circumstance.

### **14.4 Project Entities**

Any Project Entity breaches any Project Entity Provision, provided that the Agent has requested the Issuer in writing to remedy such failure or the Issuer becoming aware of such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request or from such awareness (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

## **14.5 Cross payment default and Cross-acceleration**

Any Financial Indebtedness of a Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) declared to be due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Event of Default will occur under this Clause 14.5 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than an amount in SEK equivalent to three (3) per cent. of the aggregate amount outstanding under the Bonds and any New Debt, or (ii) it is owed to a Group Company.

## **14.6 Insolvency**

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

## **14.7 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

## **14.8 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding an amount (in SEK) equivalent to three (3) per cent. of the aggregate amount outstanding under the Bonds and any New Debt, and is not discharged within sixty (60) days.

## **14.9 Impossibility or Illegality**

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

## **14.10 Continuation of the Business**

The Issuer or any other Group Company ceases to carry on its business (other than (i) following a merger or demerger permitted pursuant to Clause 13.10 (*Mergers and demergers*), (ii) a solvent liquidation permitted pursuant to Clause 14.7 (*Insolvency Proceedings*) above or (iii) a disposal permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

## **14.11 Acceleration of the Bonds**

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreement (if any), the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

- (f) Subject to the Intercreditor Agreement, if any, in the event of an acceleration of the Bonds in accordance with this Clause 14.11, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount applicable for the relevant period.

## 15. Distribution of Proceeds

- (a) Prior to the entering into of an Intercreditor Agreement, all payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees can be applied towards satisfaction of the below) shall be distributed in the following order of priority:

- (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in its capacity as agent or security agent under the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(m);
- (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) After the entering into of an Intercreditor Agreement, all payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees can be applied towards satisfaction of the Secured Obligations) shall be distributed in accordance with the Intercreditor Agreement.

- (c) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15(a)(i).
- (d) Prior to the entering into of an Intercreditor Agreement, funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable. After the entering into of an Intercreditor Agreement, funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (*Sw. redovisningsmedel*) and must be promptly turned over to the Security Agent to be applied in accordance with the Intercreditor Agreement.
- (e) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply.

## **16. Decisions by Bondholders**

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
  - (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 1,500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
  - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);
  - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iv) a change to the Interest Rate or the Nominal Amount;
  - (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
  - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
  - (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (ix) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee and Adherence Agreement and the Intercreditor Agreement (as applicable);
  - (x) a mandatory exchange of the Bonds for other securities; and
  - (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clauses 19(a)(i) to 19(a)(iii)), an acceleration of the Bonds, or the enforcement of any Transaction Security or Guarantees.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written



Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.

- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## 18. Written Procedure

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 19. Amendments and Waivers

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Bondholders;
  - (ii) the Agent is satisfied that such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
  - (iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iv) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a) and Clause 13.18 (*Amendment upon Market Loans*), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible in accordance with the relevant CSD Regulations.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. Appointment and Replacement of the Agent and the Security Agent**

### **20.1 Appointment of Agent and the Security Agent**

- (a) By subscribing for Bonds, each initial Bondholder:
  - (i) appoints the Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees; and
  - (ii) confirms, after the entering into of the Intercreditor Agreement, the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 20.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.

- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 Duties of the Agent and the Security Agent**

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee and Adherence Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.

- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) Each of the Agent and the Security Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 20.2(i).
- (l) The Agent shall, as applicable, 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 the Finance Documents.

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

- (a) Neither the Agent nor the Security Agent will be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection

with any Finance Document, unless directly caused by its negligence or wilful misconduct. Neither the Agent nor the Security Agent shall be responsible for indirect loss.

- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by it to the Bondholders, provided that it 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 it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

#### **20.4 Replacement of the Agent and the Security Agent**

- (a) Subject to Clause 20.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or the

Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.

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

## **21. Appointment and Replacement of the Issuing Agent**

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.

- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- (c) The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations as applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under these Terms and Conditions.

## **22. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer and/or any Group Company or with respect to the Transaction Security or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 22(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2(k) before a Bondholder may take any action referred to in Clause 22(a).
- (c) The provisions of Clause 22(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **23. Prescription**

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



(10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **24. Notices and Press Releases**

### **24.1 Notices**

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(a);
  - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1(a); or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 11.59 p.m. in the place of receipt shall be deemed only to become effective on the following day.
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

### **24.2 Press releases**

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 11.1(e), 14.11(c), 16(o),

17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.

- (b) In addition to Clause 24.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

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

- (a) None of the Agent, the Security Agent or 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, the Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **26. Governing Law and Jurisdiction**

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

**Intercreditor Term Sheet**

**STRICTLY PRIVATE AND CONFIDENTIAL**

**Final draft**

# **INTERCREDITOR TERM SHEET**

**ISIN: SE0011923267**

**Maximum SEK 1,500,000,000**

**Senior Secured Callable Floating Rate Bonds 2019/2023**

**(the "Bonds")**

**and SEK [\*\*] super senior revolving credit facility agreement**

*This intercreditor term sheet (this "ICA Term Sheet") should be read together with the term sheet for the Bonds (the "Bond Term Sheet").*

*Unless otherwise defined in this ICA Term Sheet, terms defined in the terms and conditions for the Bonds, which terms are the same as the ones defined in the Bond Term Sheet, shall have the same meaning when used in this ICA Term Sheet.*

**Original Parties:**

To establish the relative rights of creditors under various financing arrangements, the Intercreditor Agreement will be entered into by:

1. the Issuer and the Guarantors (the "**Original ICA Group Companies**");
2. [ ] and [ ], as Subordinated Creditors under certain Subordinated Debt (each as defined below);
3. [DNB Bank ASA, Filial Sverige, as hedge counterparty (the "**Original Hedge Counterparty**")];
4. Nordic Trustee & Agency AB (publ), acting as agent (on behalf of and representing itself and the Bondholders) (the "**Original Bond Agent**"); and
5. Nordic Trustee & Agency AB (publ) acting as security agent (on behalf of the Secured Parties) (the "**Original Security Agent**").

**Acceding Parties:**

Each of the following Person(s) shall accede to the Intercreditor Agreement (without being required to obtain any prior consent from any other party to the Intercreditor Agreement):

- (a) any shareholder/party providing and any Group Company incurring Subordinated Debt;
- (b) any Project Holdco (as defined in the Bonds term sheet);
- (c) any Facility Agent and Super Senior Creditor; or
- (d) any New Debt Creditor.

**Background:**

The Security provided for the benefit of the Secured Parties will (to the extent permitted by applicable law and practically possible) be a single Security package which will be held pursuant to Swedish and other relevant law and the Intercreditor Agreement. The Security Agent will be appointed as Original Security Agent to hold the Security on behalf of each of the Secured Parties.

The waterfall arrangements in the Intercreditor Agreement will reflect the ranking of the liabilities owed by the ICA Group Companies to the Secured Parties, as set out in this ICA Term Sheet.

The Intercreditor Agreement will incorporate, amongst other things, the principles set out in the following paragraphs.

**Definitions:**

"**Bond Agent**" means (i) the Original Bond Agent or (ii) a new agent replacing the Original Bond Agent as agent in accordance with the Terms and Conditions.

**"Conflicting Enforcement Instructions"** means instructions (or proposed instructions) as to the enforcement of the Transaction Security or the taking of any Enforcement Action delivered to the Security Agent by a Representative that are inconsistent in terms of the manner of enforcement (including any inconsistency relating to the timeframe for realising value from an Enforcement Action in respect of the Transaction Security or the Guarantees or a distressed disposal), it being understood that, for the purpose of triggering the consultation requirements under paragraph (b)(ii) under the Section titled "Enforcement" only and not for any other purpose (including, without limitation, determining the Instructing Party), the failure to give instructions by either the Super Senior Representative or Senior Representative will be deemed to be an instruction inconsistent with any other instructions given.

**"Collective Majority Senior Creditors"** means the Senior Creditors representing a majority of the Senior Debt under any Bonds and New Debt, based on the Senior Creditors under any Bonds and any New Debt voting as one class of creditors.

**"Debt"** means any indebtedness under or in connection with the Senior Debt, the Super Senior Debt (including in each case any replacement debt referred to in "Replacement of debt" below), , the Subordinated Debt and the Intercompany Debt.

**"Enforcement Action"** means any action of any kind to:

- (a) declare prematurely due and payable or otherwise seek to accelerate payment of or place a demand on all or any part of any Debt (notwithstanding whether such Debt has fallen due or not) or Guarantee (other than as a result of it becoming unlawful for a Secured Party to perform its obligations under, or of any voluntary or mandatory prepayment under, the Senior Finance Documents);
- (b) recover all or any part of any Debt (including by exercising any set-off, save as required by law and normal netting and set-off transactions in the ordinary course of business);
- (c) exercise or enforce any enforcement right under the Transaction Security, in each case granted in relation to (or given in support of) all or any part of any Debt;
- (d) petition for (or take or support any other step which may lead to) an Insolvency Event;

- (e) sue, claim or bring proceedings against the Issuer, any Guarantor or any ICA Group Company in respect of recovering any Debt; or
- (f) in relation to any Hedging Obligation only, designate an Early Termination Date (as defined in the relevant Hedging Agreement) under any Hedging Agreement, or terminate, or close out any transaction under, any Hedging Agreements, prior to its stated maturity, or demand payment of any amount which would become payable on or following an Early Termination Date (as defined in the relevant Hedging Agreement) or any such termination or close-out, unless voluntary or in accordance with a partial termination in accordance with the terms of the Senior Finance Documents and not related to any default.

**"Enforcement Instructions"** means instructions to take an Enforcement Action (including the manner and timing of enforcement) given by a Representative to the Security Agent, provided that instructions not to undertake enforcement or an absence of instructions as to the effectuation of enforcement shall not constitute "Enforcement Instructions".

**"Facility Agent"** means any agent or representative in relation to any Super Senior RCF.

**"Finance Documents"** has the meaning given to such term in the Terms and Conditions.

**"Final Discharge Date"** means the date when all principal, interest and any other costs or outstanding amounts under the Senior Finance Documents have been irrevocably discharged in full and all commitments of the Secured Parties under the Senior Finance Documents have expired, been cancelled or terminated.

**"Guarantee"** means the guarantees provided under the Guarantee and Adherence Agreement to the Secured Parties.

**"Guarantee and Adherence Agreement"** has the meaning given to such term in the Terms and Conditions.

**"Hedge Counterparty"** means (i) the Original Hedge Counterparty and (ii) any Person who is or becomes a hedge counterparty pursuant to any Hedging Agreement.

**"Hedging Agreement"** means any and all currency or interest swaps and/or interest cap and/or hedging agreements entered into

or to be entered into by the Issuer or any other Group Company with any Hedge Counterparty.

**"Hedging Obligations"** means all present and future moneys, debts and liabilities due, owing or incurred from time to time by any Group Company to any Hedge Counterparty under or in connection with any Hedging Agreement.

**"ICA Group Companies"** means the Original ICA Group Companies and any other entity which has acceded to the Intercreditor Agreement as an ICA Group Company in accordance with the terms of the Intercreditor Agreement.

**"Insolvency Event"** means:

- (a) any Obligor or any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Obligor or any Group Company.
- (c) any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, dissolution, administration or reorganisation of any Obligor or any Group Company;
  - (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor or any Group Company; or
  - (iii) the appointment of a liquidator, trustee in bankruptcy, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Obligor or any Group Company or any of its assets; or

any analogous procedure or step is taken in any jurisdiction other than:



- (i) proceedings which are vexatious or frivolous or are being disputed in good faith and are discharged, stayed or dismissed within ninety (90) days of commencement; or
- (ii) in relation to Obligors or Group Companies (other than the Issuer), solvent liquidations that are permitted under the Senior Finance Documents.

**"Intercompany Debt"** means any loan or credit made by an Obligor to another Obligor.

**"Instructing Party"** means the Senior Representative or, following replacement in accordance with paragraph (b)(v) under the Section titled "Enforcement", the Super Senior Representative.

**"Major Obligations"** means an obligation with respect to any Obligor or any Group Company pursuant to any negative pledge undertaking or restriction on financial indebtedness, disposals, loans out or holding company activities under any Super Senior RCF.

**"New Debt"** means Financial Indebtedness incurred pursuant to paragraph (g) of the definition of Permitted Debt in the Terms and Conditions and otherwise permitted under the Senior Finance Documents provided that the creditors under such debt has acceded to the Intercreditor Agreement.

**"New Debt Documents"** means each document, agreement or instrument entered into after the date hereof between the Issuer and a New Debt Creditor setting out the terms of any credit which creates or evidences New Debt.

**"New Debt Creditors"** means each creditor under and as defined in the relevant New Debt Documents (or their agent, as applicable).

**"Payment Block Event"** means when the Super Senior Representative serves a written notice to the Issuer, the Security Agent, the Bond Agent and any New Debt Creditor(s) (or its/their agent) that an event of default (for the avoidance of doubt, after the expiry of any applicable grace period in respect of the default giving rise to the event of default) relating to:

- (a) a non-payment;
- (b) a breach of financial covenants;
- (c) non-compliance with any of the Major Obligations;
- (d) a cross-default;

- (e) insolvency;
- (f) insolvency proceedings;
- (g) creditors' process;
- (h) impossibility or illegality; or
- (i) cession of business,

under a Super Senior RCF has occurred or the Super Senior Representative serves a written notice of acceleration to the Issuer, the Security Agent, the Bond Agent and any New Debt Creditor(s) (or its/their agent).

**"Representatives"** means the Super Senior Representative and the Senior Representative.

**"Secured Obligations"** means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by any Obligor towards the Secured Parties outstanding from time to time under the Senior Finance Documents.

**"Secured Parties"** means the creditors under the Senior Finance Documents but only if such creditor (or, in the case of a Bondholder, its Representative) is a Party or has acceded to the Intercreditor Agreement in the appropriate capacity pursuant to the terms and conditions of the Intercreditor Agreement, the Bond Agent, the Facility Agent and the Security Agent.

**"Security Agent"** means (i) the Original Security Agent or (ii) any new agent replacing the Original Security Agent as security agent in accordance with the relevant clause in the Intercreditor Agreement.

**"Security Enforcement Objective"** means maximising, insofar as being consistent with prompt and expeditious realisation of value from enforcement of the Transaction Security and the Guarantees, the recovery by the Secured Parties, always provided that such enforcement is made in compliance with the fiduciary duties of the Security Agent and the Secured Parties and applicable laws and regulations.

**"Senior Creditor"** means the Bondholders, the Bond Agent and any New Debt Creditor acceding to the Intercreditor Agreement as a Senior Creditor.

**"Senior Debt"** means (i) all indebtedness outstanding under the Finance Documents and (ii) any New Debt.

**"Senior Finance Documents"** means the Finance Documents, the Super Senior RCF Documents, the Hedging Agreements and any New Debt Documents.

**"Senior Representative"** means, at any time, the representative of:

- (a) those Senior Creditors whose Senior Debt at that time aggregate more than 50 per cent. of the total Senior Debt at that time; or
- (b) for as long as any New Debt is larger than the debt outstanding under the Bonds, those Senior Creditors, voting for the relevant decision, whose Senior Debt at that time aggregate more than 50 per cent. of the total Senior Debt at that time, calculated based on the Senior Creditors under any Bonds and any New Debt voting as one class of creditors with a representative of the majority of such class of creditors being the senior representative.

The Bond Agent shall represent all Bondholders and act on the instructions of and on behalf of the Bondholders in accordance with the Terms and Conditions unless the New Debt is larger than the debt outstanding under the Bonds in which case the Bond Agent or another representative selected by the Collective Majority Senior Creditors shall represent all the Senior Creditors and act on the instructions of the Collective Majority Senior Creditors and on behalf of all the Senior Creditors.

**"Subordinated Creditor"** means any third party including any direct or indirect shareholder of the Issuer (for the avoidance of doubt not including any Secured Party or any ICA Group Company) in its capacity as creditor in respect of Subordinated Debt.

**"Subordinated Debt"** means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the Issuer to any Subordinated Creditor, including any dividends and any advisory, monitoring or management fee.

**"Super Senior Creditors"** means each Super Senior RCF Creditor and each Hedge Counterparty.

**"Super Senior Credit Participation"** means, in relation to a Super Senior RCF Creditor or a Hedge Counterparty the aggregate of:

- (a) its aggregate commitment under the Super Senior RCF, if any;

- (b) in respect of any hedging transaction of that Hedge Counterparty under any Hedging Agreement that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of this Agreement, the amount, if any, payable to it under any Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement) and to the extent it is a Hedging Obligation; and
- (c) only if no principal, interest and any other costs or other amounts is outstanding under any Super Senior RCF and no commitments is outstanding under any Super Senior RCF, in respect of any hedging transaction of that Hedge Counterparty under any Hedging Agreement to the extent it constitutes a Hedging Obligation that has, as of the date the calculation is made, not been terminated or closed out:
  - (i) if the relevant Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

- (ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

**"Super Senior Debt"** means all indebtedness to the Super Senior Creditors outstanding under the Super Senior RCF Documents and the Hedging Agreements.

**"Super Senior Representative"** means the Facility Agent or another representative acting on the instructions of and on behalf of the Super Senior Creditors whose Super Senior Credit Participations at that time aggregate more than 50.00 per cent. of the total Super Senior Credit Participations at that time.

**"Super Senior RCF"** means any revolving capital facility or similar agreement incurred pursuant to the Section titled "Super Senior RCF" or any other revolving capital facility agreement or similar agreement providing financing for general corporate purposes (including investments) and/or working capital purposes between any Group Company and a Super Senior RCF Creditor replacing a super senior revolving capital facility in accordance with the Section titled "Replacement of Debt".

**"Super Senior RCF Creditor"** means any Person who is or becomes a lender under a Super Senior RCF (or their agent, as applicable).

**"Super Senior RCF Documents"** means (i) any Super Senior RCF (and any designated finance document thereunder), (ii) the Intercreditor Agreement, (iii) the Guarantee and Adherence Agreement and (iv) the Security Documents.

**"Terms and Conditions"** means the terms and conditions of the Bonds entered into between the Issuer and the Original Bond Agent.

**"Transaction Security"** means the Security provided to the Secured Parties under the Security Documents.

**"Triggering Event"** means the occurrence of an event of default (however described) under any Senior Finance Document.

**Ranking and priority:**

Each of the parties to the Intercreditor Agreement will agree that the Secured Obligations owed by the ICA Group Companies to the Secured Parties shall rank in respect of proceeds in right and priority following an application of an Enforcement Action in the following order:

- (a) *firstly*, the Super Senior Debt (pari passu between all indebtedness under any Super Senior RCF and the Hedging Obligations);
- (b) *secondly*, the Senior Debt (pari passu between all indebtedness under the Bonds and any New Debt);
- (c) *thirdly*, any liabilities raised in the form of Intercompany Debt; and
- (d) *fourthly*, any liabilities raised in the form of Subordinated Debt.

**Sharing of Transaction Security and Guarantees with New Debt:**

A Group Company and an Obligor may grant Security and guarantees for New Debt to a New Debt Creditor provided that:

- (a) (i) the New Debt shares in and is secured by the Transaction Security and the Guarantees, and/or (ii) such Security and guarantees which do not constitute Transaction Security or Guarantees are granted also to the Secured Parties (including the New Debt Creditor), in each case to be shared between the Senior Creditors and the Super Senior Creditors as set forth in the Intercreditor Agreement; and
- (b) the New Debt Creditor shall accede to the Intercreditor Agreement as a Senior Creditor and the New Debt shall rank as Senior Debt pursuant to the terms of the Intercreditor Agreement;

Any Security and guarantee granted shall constitute Transaction Security and any documents regarding such Security or guarantee shall constitute a Security Document or a Guarantee and Adherence Agreement, as the case may be.

**Hedging arrangements:**

The Intercreditor Agreement will contain customary provisions regarding the hedging arrangements and the rights and obligations of the Hedge Counterparties, including without limitation (i) certain qualification requirements for Hedge Counterparties, (ii) (any hedging agreement to be based on the 1992 or 2002 ISDA Master Agreement (the "**ISDA Master Agreement**")), (iii) no voting rights and no enforcement rights for Hedge Counterparties and (iv) restrictions on over-hedging relating to interest.

**Subordination of Intercompany Debt and restrictions on Subordinated Debt subject to Transaction Security**

Any Intercompany Debt shall be subordinated to the Secured Obligations.

The Intercreditor Agreement shall include provisions for turnover of payments received under any Intercompany Debt in conflict with this ICA Term Sheet which will be set out in the full Intercreditor Agreement.

Repayment of principal and payment of interest on Intercompany Debt shall be allowed for as long as no Triggering Event is continuing.

No payments shall be permitted under Subordinated Debt which is subject to Transaction Security.

**Subordination of Subordinated Debt:**

Any Subordinated Debt shall be subordinated to the Secured Obligations and any repayment of, or payment of interest under, any Subordinated Debt shall be subject to all Secured Obligations having been discharged in full (other than as permitted by the Senior Finance Documents).

The Intercreditor Agreement shall include provisions for turnover of payments received under any Subordinated Debt in conflict with the terms of the Intercreditor Agreement.

The Subordinated Creditors shall (i) not consent to or receive any repayment of, or payment of interest under, any Subordinated Debt (unless such payment is permitted under the Senior Finance Documents), (ii) not propose or consent to any amendment of the terms of any Subordinated Debt (unless such amendment is not to the detriment of the Secured Parties) and (iii) ensure that any Subordinated Debt remains fully subordinated to the Secured Obligations.

**Payment Block:**

Following a Payment Block Event and for as long as such is continuing and until the earlier of (i) the taking of Enforcement Actions in accordance with the Intercreditor Agreement and (ii) a written notice from Super Senior Representative to the Security Agent to the contrary, no payments of principal or interest in respect of the Senior Debt shall be made to the Senior Creditors (notwithstanding any other provision(s) to the contrary herein). However, interest shall continue to accrue during such period and any overdue amounts shall carry default interest pursuant to the terms of the Terms and Conditions. For the avoidance of doubt, the failure to repay principal or pay interest on a due date shall constitute an Event of Default under the Terms and Conditions and under any New Debt Documents.

Upon the occurrence of a Payment Block Event, any amounts paid under the Senior Debt (despite the Payment Block) shall be applied in accordance with the Section titled "Application of Enforcement Proceeds".

**Super Senior RCF**

The Issuer shall be entitled to enter into a Super Senior RCF for general corporate purposes (including investments) and/or working capital purposes up to the amount of the Super Senior Headroom and provided that the creditor(s) of such Super Senior Debt directly or through an agent or another representative accedes to the Intercreditor Agreement as a Super Senior RCF Creditor such creditor(s) of such Super Senior Debt shall have a right to the Transaction Security as a Super Senior RCF Creditor pursuant to the Intercreditor Agreement and the Security Agent shall hold the Transaction Security on behalf of the new creditors on the same terms, mutatis mutandis, as the Transaction Security is held by the Security Agent on behalf of the Secured Parties.

The Security Agent may from time to time, at the request of the Issuer, amend vary and/or restate the Security Documents to give effect to the above.

**Replacement of debt:**

The Issuer shall from time to time be entitled to (i) replace a Super Senior RCF in full with one or several new revolving credit facilities for general corporate purposes (including investments) and/or working capital purposes up to the amount of the Super Senior Headroom (the "**Replacement Super Senior Debt**") and/or (ii) replace the Bonds with new bonds or debt facilities (the "**Replacement Senior Debt**"); provided that:

- (a) the Transaction Security shall secure the Replacement Super Senior Debt on the same terms, mutatis mutandis, as it secures



the previous Super Senior RCF, including the terms of the Intercreditor Agreement;

- (b) the Transaction Security shall secure the Replacement Senior Debt on the same terms, mutatis mutandis, as it secures the Bonds including the terms of the Intercreditor Agreement;
- (c) the new creditor(s) shall directly or through an agent or another representative be a party to the Security Documents;
- (d) the Security Agent shall hold the Transaction Security on behalf of the new creditors on the same terms, mutatis mutandis, as the Transaction Security is held by the Security Agent on behalf of the Secured Parties;
- (e) the new creditor(s) of the Replacement Super Senior Debt shall:
  - (i) directly or through an agent or another representative accede to the Intercreditor Agreement as a Super Senior RCF Creditor; and
  - (ii) have the same right to the Transaction Security and any Guarantees and the proceeds pertaining thereto as the previous Super Senior RCF Creditor; and
- (f) the new creditor(s) of the Replacement Senior Debt shall:
  - (i) directly or through an agent or another representative accede to the Intercreditor Agreement as a Senior Creditor; and
  - (ii) have the same right to the Transaction Security and any Guarantees and the proceeds pertaining thereto as the previous Senior Creditors.

Provided that the terms set out above are complied with, the Security Agent may from time to time, at the request of the Issuer, amend vary and/or restate the Security Documents and the Guarantee and Adherence Agreement on behalf of itself and the Secured Parties in order to release Transaction Security and/or any Guarantee provided to an existing Secured Party (with the prior consent of such existing Secured Party) and/or to create Transaction Security and/or Guarantees in favour of a new creditor(s).

Following any replacement of debt in accordance with this paragraph any reference to Bonds and any reference to related

finance documents (including the Finance Documents) shall instead refer to the debt incurred under the Replacement Senior Debt and related finance documents.

**Cancellation of Super Senior RCF:** If the Super Senior Headroom at any time is less than the total commitments under the Super Senior RCF the Issuer shall, within thirty (30) days, ensure that commitments under the Super Senior RCF is cancelled and, if relevant, repayment under the Super Senior RCF is made to ensure that the total commitments under the Super Senior RCF is not higher than the Super Senior Headroom.

**Super Senior Headroom:** The principal amount under the Super Senior RCF (excluding, for the avoidance of doubt, any hedging liabilities related thereto) may if agreed between the Issuer and the Super Senior Creditor, without the prior consent of the Senior Creditors, be increased up to an aggregate amount equaling five (5) per cent. of the aggregate amount of the Senior Debt.

**Limitation on Secured Obligations:** All Transaction Security, Guarantees and subordination shall be subject to applicable customary limitation language.

**Appointment of Security Agent and power of attorney:** The Secured Parties will appoint and authorise the Security Agent to hold and to act as its agent with respect to the Security Documents, to the extent permitted by applicable law.

Any change of Security Agent shall require the consent of the Bond Agent, the Super Senior Creditors and any New Debt Creditor. The Bond Agent shall be authorised (in its sole discretion) to grant such consent without any approval or consent from the Bondholders.

**New Security:** Any new Security created (and guarantees and indemnities granted) in respect of any Secured Obligation shall be extended to and shared between the Secured Parties on a *pro rata* basis and in accordance with the ranking and priority set forth above in this ICA Term Sheet.

**Enforcement:** The Intercreditor Agreement will contain provisions regulating the Secured Parties' respective rights to take Enforcement Actions and to vote and instruct the Security Agent to enforce the Transaction Security, according to the following principles:

**(a) Enforcement Actions and Enforcement Instructions**

- (i) Other than as expressly permitted by the terms of the Intercreditor Agreement, no Secured Party may independently accelerate, seek payment and exercise other

rights and powers to take Enforcement Actions under the Senior Finance Documents.

- (ii) The Security Agent may refrain from enforcing the Transaction Security and/or Guarantees or take other Enforcement Actions unless instructed otherwise by the Instructing Party in accordance with paragraph (b) below but always subject to paragraph (a)(iv) below.
- (iii) Subject to the Transaction Security or the Guarantees having become enforceable in accordance with its terms and subject to paragraph (b) below, the Representatives may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit, provided that the instructions are consistent with the Security Enforcement Objective.
- (iv) Notwithstanding anything to the contrary in paragraphs (a) and (b), the Senior Representative may only give an Enforcement Instruction if the proceeds to be received from the proposed Enforcement Actions is expected to amount to or exceed the amount of the Super Senior Debt.
- (v) The Security Agent is entitled to rely on and comply with instructions given in accordance with this paragraph (a).
- (vi) In relation to any Hedging Obligation only, the Security Agent may not designate an Early Termination Date (as defined in the relevant Hedging Agreement) under any Hedging Agreement, or terminate, or close out any transaction under, any Hedging Agreements, prior to its stated maturity, or demand payment of any amount which would become payable on or following an Early Termination Date (as defined in the relevant Hedging Agreement) or any such termination or close-out, unless voluntary or in accordance with a partial termination not prohibited by the Senior Finance Documents and not related to any default.

**(b) Consultation**

- (i) If either the Super Senior Representative or the Senior Representative wishes to issue Enforcement Instructions in accordance with paragraph (a)(iii) above, such

Representative shall deliver a copy of those proposed Enforcement Instructions (an "Enforcement Proposal") to the Security Agent and the Security Agent shall promptly forward such Enforcement Proposal to the other Representative.

- (ii) Unless all Super Senior Debt has been irrevocably discharged in full and all commitments of any Super Senior RCF Creditor under any Super Senior RCF Document have expired, been cancelled or terminated and subject to paragraph (b)(iii) below, if the Security Agent has received Conflicting Enforcement Instructions, the Security Agent shall promptly notify the Representatives and the Representatives shall consult with each other and the Security Agent (as the case may be) in good faith for a period of not more than thirty (30) calendar days (or such shorter period as the Representatives may agree) (the "Consultation Period") from the earlier of (A) the date of the latest of such Conflicting Enforcement Instructions and (B) the date falling ten (10) Business Days after the date on which the first Enforcement Instruction was delivered in accordance with paragraph (b)(i) above, with a view to agreeing instructions as to enforcement.
- (iii) The Representatives shall not be obliged to consult (or, in the case of (B) below, shall be obliged to consult for such shorter period as the Instructing Party may determine) in accordance with paragraph (b)(ii) above if:
  - (A) the Transaction Security and/or the Guarantees have become enforceable as a result of an Insolvency Event; or
  - (B) each of the Super Senior Representative and the Senior Representative agree that no Consultation Period is required.
- (iv) Following the Consultation Period there shall be no further obligation for the Representatives to consult and the Security Agent shall, provided that no joint Enforcement Instructions have been agreed during the Consultation Period, act in accordance with the Enforcement Instructions then received from the Instructing Party and the Instructing Party may issue

Enforcement Instructions to the Security Agent at any time thereafter.

- (v) If (A) no Enforcement Action has been taken by the Security Agent within three (3) months from the end of the Consultation Period, or (B) no proceeds from an Enforcement Action in respect of the Transaction Security or the Guarantees have been received by the Security Agent within six (6) months from the end of the Consultation Period, then, unless all Super Senior Debt has been irrevocably discharged in full and all commitments of any Super Senior RCF Creditor under any Super Senior RCF Documents have expired, been cancelled or terminated, the Super Senior Representative shall become the Instructing Party and be entitled to give Enforcement Instructions.
- (vi) If a Secured Party (acting reasonably) considers that the Security Agent is enforcing the Security in a manner which is not consistent with the Security Enforcement Objective, such Secured Party shall give notice to the other Secured Parties after which the Representatives and the Security Agent shall consult, prior to taking any further enforcement action, for a period of twenty (20) calendar days (or such lesser period that the Secured Parties may agree) with a view to agreeing on the manner of enforcement.
- (vii) Notwithstanding the foregoing, following an Insolvency Event in respect of an Obligor or a Group Company, the Facility Agent may take the same Enforcement Action as the Bondholder Agent and/or the Bondholders in respect of that Obligor or a Group Company in order to prove its debt in such insolvency.

**(c) Miscellaneous**

- (i) Upon Enforcement Actions in respect of the Transaction Security, the proceeds shall be distributed in accordance with the Section titled "Application of Enforcement Proceeds" set out below.
- (ii) Any Enforcement Action required to be taken by the Representative in accordance with agreed Enforcement

Instructions pursuant to (b) above, shall be taken by such Representative at the request of the Security Agent.

- (iii) All Security and/or Guarantees or other arrangement(s) having similar effects may be released by the Security Agent, without the need for any further referral to or authority from anyone, upon any Enforcement Action provided that the proceeds are distributed in accordance with the provisions set out in the Intercreditor Agreement.
- (iv) Funds that the Security Agent receives (directly or indirectly) in connection with an Enforcement Action in respect of the Transaction Security shall constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate account on behalf of the Secured Parties or the Issuer as the case may be. The Security Agent shall promptly arrange for payments to be made in accordance with the application of proceeds set forth in the Intercreditor Agreement.
- (v) Nothing herein shall preclude the rights of the Facility Agent or the Bond Agent to join or intervene in or otherwise support any proceedings arising from insolvency proceedings or do such other things as may be necessary to maintain a claim or Security, always as long as such action does not adversely affect the rights of the other Secured Creditors or the Security Agent and is not inconsistent with its obligations contained in the Intercreditor Agreement and each of the Facility Agent and the Bond Agent shall give prompt notice to the other of any action taken by it to join, intervene or otherwise support any such proceedings.
- (vi) For avoidance of doubt, customary provisions regarding permitted (or required) actions once an Insolvency Event has occurred will be included in the Intercreditor Agreement.

**Voting provisions for Senior Creditors:**

The Intercreditor Agreement will contain voting provisions for the Senior Creditors and appointment of representative for the Senior Creditors to be applied when the New Debt is larger than the debt outstanding under the Bonds, according to the following:

- (a) If, and for as long as, the New Debt is larger than the debt outstanding under the Bonds, the Bond Agent and any representative of any New Debt Creditors shall conduct the respective voting procedures under the respective debt instruments and any representative of any New Debt Creditors shall share its result from such procedure with the Bond Agent. The Bond Agent shall, based on such results, determine the decision of the Collective Majority Senior Creditors and act as the Senior Representative if not replaced with another representative appointed by the Collective Majority Senior Creditors.
- (b) If, and for as long as, the New Debt is larger than the debt outstanding under the Bonds, each of the Senior Creditors hereby irrevocably appoints the Bond Agent to act as Senior Representative. The Collective Majority Senior Creditors may, if requested by more than 10 per cent. of the Collective Majority Senior Creditors, replace the Bond Agent as Senior Representative with a new representative. Such resolution shall be taken with a more than 50 per cent. majority requirement of all Senior Debt and a quorum of at least 20 per cent. of all Senior Debt. The Bond Agent and the representatives of any New Debt shall conduct the respective voting procedures under the respective debt instruments and any representative of any New Debt Creditors shall share its result from such procedure with the Bond Agent.

**Application of**

**Enforcement Proceeds:**

The proceeds of any Enforcement Action shall be paid to the Security Agent for application in the following order:

- (a) *first*, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Obligors to the Security Agent (or its delegate);
- (b) *secondly*, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Issuing Agent, the Facility Agent, the Bond Agent and any agent representing creditors of any New Debt;
- (c) *thirdly*, towards payment pro rata of accrued interest unpaid under the Super Senior RCF Documents;
- (d) *fourthly*, towards payment pro rata of principal under the Super Senior RCF and any other costs or outstanding amounts under the Super Senior RCF Documents, and any close out

amount and any other outstanding amounts under the Hedging Obligations;

- (e) *fifthly*, towards payment pro rata of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (f) *sixthly*, towards payment pro rata of principal under the Senior Debt;
- (g) *seventhly*, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents and any New Debt Documents;
- (h) *eighthly*, after the Final Discharge Date, towards payment pro rata of accrued interest unpaid and principal under the Intercompany Debt;
- (i) *ninthly*, after the Final Discharge Date, towards payment pro rata of accrued interest unpaid and principal under the Subordinated Debt; and
- (j) *tenthly*, after the Final Discharge Date, in payment of the surplus (if any) to the relevant ICA Group Company or other Person entitled to it.

**Turnover:**

The Intercreditor Agreement shall include provisions for turnover of funds in the event of any creditor receiving payment in conflict with this ICA Term Sheet which will be set out in the full Intercreditor Agreement, after action has been initiated to enforce the Transaction Security, any Guarantees or other Enforcement Action. The payment waterfall provisions shall apply regardless of any Transaction Security or Guarantees not being (for whatever reason) valid or enforceable in respect of the relevant Secured Party (to the extent permitted by applicable law). Any funds payable to the Security Agent under the turnover provisions that have not been paid to the Security Agent shall be considered in the waterfall provisions.

**Exercise of voting rights:**

- (a) Each Secured Party agrees with the Security Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any Group Company as instructed by the Security Agent.



(b) The Security Agent shall give instructions for the purposes of paragraph (a) above as directed by the Instructing Party.

**Modifications:**

Each Secured Party may amend or waive the terms of the finance documents for the Secured Obligations owed to such Secured Party (other than the Intercreditor Agreement or any Security Document) in accordance with their terms at any time.

No amendment or waiver may be made or given to the extent it has the effect of amending any material term of the Intercreditor Agreement (including to the order of priority or subordination under the Intercreditor Agreement) without the prior written consent of the Bond Agent, the Senior Representative, the Super Senior Representative and the Security Agent.

The prior consent of the Secured Parties is required to authorise any amendment or waiver of, or consent under, any Transaction Security which would negatively affect the nature or scope of the Security assets or the manner in which the proceeds of an Enforcement Action in respect of the Transaction Security are distributed.

**Miscellaneous:**

The Bond Agent and the Facility Agent shall have a duty to inform the other classes of creditors of any default which is continuing, event of default or acceleration. The ICA Group Companies shall use all reasonable endeavours to facilitate any necessary establishment of new Security or change of the Transaction Security pursuant to the Intercreditor Agreement.

**Governing law:**

The Intercreditor Agreement shall be governed by Swedish law.

---

## 7 Addresses

### **Issuer**

Baseload Capital Sweden AB (publ)  
C/O Gullspång Invest AB,  
Ingmar Bergmans gata 2,  
SE-114 34 Stockholm,  
Sweden  
Tel: + 46 (0) 764 666 921  
www.baseloadcap.com

### **Agent**

Nordic Trustee & Agency AB (publ)  
Norrlandsgatan 23,  
P.O. Box 7329,  
SE-111 43 Stockholm,  
Sweden  
Tel: + 46 (0) 8 783 7900  
www.nordictrustee.com

### **Legal Advisor to the Issuer**

Advokatfirman Vinge KB  
Stureplan 8,  
P.O. Box 1703,  
SE-111 87 Stockholm,  
Sweden  
Tel: +46 (0)10-614 30 00  
www.vinge.se

### **Central Securities Depository**

Euroclear Sweden AB  
Klarabergsviadukten 63,  
P.O. Box 191,  
SE-101 23 Stockholm,  
Sweden  
Tel: +46 (0)8-402 90 00  
www.euroclear.com

### **Issuing Agent**

DNB Bank ASA, Filial Sverige  
Regeringsgatan 59,  
SE-111 56 Stockholm,  
Sweden  
Tel: +46 (0)8 473 41 00  
www.dnb.se