



**RE IV Limited**

relating to the listing of

SEK 600,000,000 Senior Secured Fixed Rate Bonds due 2022

ISIN: SE0012741064

**Joint Bookrunners**



Prospectus dated 6 May 2020

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by RE IV Limited (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Hong Kong, having its headquarters located at the address, 2602 Universal Trade CTR 3-5A, Arbuthnot RD Central, Hong Kong, with reg. no. 2765216, in relation to the application for the listing of the senior secured fixed rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Skandinaviska Enskilda Banken AB (publ) and Pareto Securities AB have acted as joint bookrunners in connection with the issue of the Bonds (the "**Joint Bookrunners**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004 (the "**Delegated Regulation**"). The Regulation and the Delegated Regulation are jointly referred to as the "**Prospectus Regulations**".

The Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") as the competent authority under the Regulation. The SFA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the bonds.

This Prospectus has been prepared in English only and 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 is available at the SFSA's website (fi.se) and the Issuer's website (wpri.com).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 34 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**CNY**" refers to Renminbi (the lawful currency of the People's Republic of China) and references to "**SEK**" refer to Swedish krona (the lawful currency of Sweden).

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;
- (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

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 the corporate bond list on Nasdaq Stockholm. This Prospectus may not be distributed in or into any country where such distribution or disposal would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. 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 US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts 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 Group's operations. Such factors of a significant nature are mentioned in the section "**Risk factors**" below.

This Prospectus shall be read together with all documents that are incorporated by reference, see subsection "**Documents incorporated by reference**" under section "**Other information**" below, and possible supplements to this Prospectus.

**TABLE OF CONTENTS**

<b>RISK FACTORS</b>	<b>4</b>
<b>THE BONDS IN BRIEF</b>	<b>17</b>
<b>STATEMENT OF RESPONSIBILITY</b>	<b>23</b>
<b>DESCRIPTION OF MATERIAL AGREEMENTS</b>	<b>24</b>
<b>DESCRIPTION OF THE GROUP</b>	<b>25</b>
<b>MANAGEMENT</b>	<b>27</b>
<b>HISTORICAL FINANCIAL INFORMATION</b>	<b>31</b>
<b>OTHER INFORMATION</b>	<b>32</b>
<b>TERMS AND CONDITIONS OF THE BONDS</b>	<b>34</b>
<b>ADDRESSES</b>	<b>92</b>

## RISK FACTORS

*Risk factors deemed to be of importance for the Group's business, future development and ability to meet its obligations under the terms and conditions of the Bonds (the "Terms and Conditions") and risks relating to the Bonds are described below. The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" and "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group and not as risk factors pertaining to the Issuer, as the major part of the business operations in the Group are conducted by the Issuer's subsidiaries. The materiality of the risk factors are disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on the probability of their occurrence and the expected magnitude of their negative impact.*

### RISKS RELATING TO THE GROUP

#### THE GROUP'S FINANCIAL SITUATION

*Medium level Risk*

##### **Funding of Project Companies and related risk**

Property developments require substantial capital investment for land acquisitions and construction and it may take months or even years before positive cash flow can be generated. The Group covers its costs for land and finances property development on a stage-by-stage basis through shareholder loans, bank loans, intra group borrowings, third party loans and pre-sale income. If the Group, and ultimately the project companies Yan tai Jinghui Property Co., Ltd. (Ch. 烟台景晖置业有限公司, "Jinghui"), Yantai Zhuji Hammarby Ruiming Property Co., Ltd. (Ch. 烟台珠玑哈马碧瑞铭置业有限公司, "Ruiming"), Yantai Zhuji Hammarby Ruituo Property Co., Ltd. (Ch. 烟台珠玑哈马碧瑞拓置业有限公司, "Ruituo"), Chengde Changruida real estate Co., Ltd. (Ch. 承德昌瑞达房地产开发有限公司), Qingdao Junshi Property Co., Ltd. (Ch. 青岛君实置业有限公司) and Shenyang White Peak Ruizhi real estate Co., Ltd (Ch. 沈阳鼎峰瑞置房地产开发有限公司) (the "**Project Companies**") do not obtain sufficient funds, in a timely manner, for acquisition of land and/or property development by way of bank loans, intra group borrowings, third party loans, pre-sale income or otherwise it could lead to a breach under the land transfer agreements with the local governments and/or pre-sale contracts with the customers, as well as that property development operations are obstructed. This would, in turn, result in the Group incurring loss and additional costs, leading to the Group's business and profitability being materially and adversely affected.

*Medium level risk*

##### **Limitations imposed by the PRC regulations and monetary policies**

As the Project Companies may fund property development by bank loans, the Group is subject to the limitations in regulations and monetary policies in the People's Republic of China ("**PRC**"). For example, PRC banks are prohibited from extending loans to real estate companies for the purpose of funding the purchase of land use rights. Furthermore, PRC banks are not allowed to provide loans for property development projects if the developer's own capital is less than 35 per cent. of the total investment amount of the project, or if the land use right certificate, the construction land planning permit, the construction works planning permit and the construction permit are not in place. In addition to such

regulations limiting the Group's ability to use bank loans to finance their property development projects, the PRC government could take other initiatives further limiting the Project Companies' access to bank loan financing. Existing and future limitations in PRC regulations and PRC monetary policies could impede the Group in obtaining sufficient financing in a timely manner, or at all, whereby the property development project in question may be delayed or even cancelled. This could ultimately lead to that pre-sale income cannot be ensured, or that the price cap on pre-sales result in lack of liquidity and even greater needs for other sources of financing. If necessary bank financing is not available on favorable terms or at all, the Group's business, results of operation and financial condition could be materially and adversely affected.

*Medium level risk*

### **Property sales and changes in interest rates**

The Project Companies may rely on bank loans to finance their property developments. Furthermore, many customers in mainland China finance their purchases of the properties developed by the Project Companies through mortgage loans.

The Group's costs for financing as well as the customers' ability to obtain mortgage loans, along with the associated finance costs, are affected by benchmark lending rates and bank reserve requirement ratios set by the People's Bank of China ("**PBOC**"). Increases in such benchmark leading rates will increase the interest costs for the property development business. Such an increase may also affect customers' ability to obtain mortgages on acceptable terms, which in turn may affect their ability to purchase the properties from the Group. Should the benchmark lending rates increase to such extent that the Group cannot offset increased financing costs against sufficient income from property sale, especially where customers cannot access mortgage loans to finance their purchase of property, the Group may suffer material loss.

## **THE GROUP'S BUSINESS ACTIVITIES AND INDUSTRY**

*High level risk*

### **Coronavirus disease (COVID-19) risk**

The 2019 novel coronavirus ("**COVID-19**") outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was reportedly first discovered in Wuhan, Hubei Province, China, in 2019, and the World Health Organization declared COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has become a widespread health crisis, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, in February and March 2020 the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. The trading price of the Bonds may therefore be adversely affected by the economic uncertainty caused by COVID-19. As a response to the COVID-19 outbreak, the PRC government imposed a lockdown of certain regions of China. The Group's ongoing projects are currently located in Yantai city, Shandong Province; Qingdao City, Shandong Province; Chengde City, Hebei Province and Shenyang City, Liaoning Province and although the lockdown did not affect the aforementioned cities or provinces, the regions have been subject to certain restrictions, including e.g. travel bans and quarantine of overseas arrivals. These types of measures and other measures to limit the transmission of COVID-19 implemented by governments around the world may adversely impact the Group's operations. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

*Medium level risk***Dependence on the property market in mid-tier cities in mainland China**

All of the Group's past, current and planned property development projects are located in mid-tier cities in mainland China. The property market in these cities is mainly driven by private customer demand, most customers being first time or upgrade buyers. The demand for residential properties in such cities is determined by, *inter alia*, the customers' financial condition and eligibility for mortgage financing. This may be affected by various factors, including the regional economic environment and any macroeconomic control measures or other regulatory initiatives implemented by the provincial or the central governments. Adverse movements in relation to such macroeconomic factors in these cities may interrupt the increase, or even cause a decrease, in demand for new property, and correspondingly, result in reduced profits, diminished expansion possibilities and ultimately loss, which would adversely affect the Group's business in mainland China.

The Group's current and ongoing projects are located in Yantai city, Shandong Province; Qingdao City, Shandong Province; Chengde City, Hebei Province and Shenyang City, Liaoning Province. Accordingly, fluctuations in the performance of the real estate market in the aforementioned areas will greatly influence the business and prospects of the Group. The fluctuations of supply and demand in the aforementioned real estate markets can be caused by economic, social, political, regulatory and other factors, all of which are beyond the Group's control. Any local abundance in respect of real property, or local economic downturn in the aforementioned cities, will have direct effect on the residential housing price levels as well as the customers' ability to purchase and sell residential housing. A decrease in demand due to geographic area specific factors would have a material effect on the Group's prospects of maintaining profitability and a decrease in demand from the Group's main customer group would result in reduced income and loss which will negatively impact the business, financial condition and results of operations of the Group.

*Medium level risk***Competition in the primary markets**

Due to stringent market control in first and second tier cities, an increasing number of property developers have begun property development in mid-tier cities. The Group's major competitors comprise of large national and regional property developers, some of which may have longer track records, greater financial and marketing etc. To some extent, the Group also competes with other foreign investors. During the past few years, several foreign-related registration/approval procedures in the real estate industry have been cancelled and the new Foreign Investment Law (which came into force 1 January 2020) treats foreign investments in the property sector equally to domestic equivalents. As PRC public policy thereby facilitates foreign investors' investments in the Chinese property development market, it is highly likely that foreign capital will contribute to a greater share of the Chinese real estate market in the future, leading to increased competition for the Group. Increased competition in relation to the Group's products and customer segments could lead to the Group losing market shares to its competitors resulting in that the Group's ability to maintain profitability is impaired. The Group may also be forced to change its business model to some, or even material, extent which could be costly and time-consuming. Adverse changes to the competitive landscape in which the group operates may therefore have material negative impact on the Group's profitability and future prospects.

**LEGAL AND REGULATORY RISK**

*Medium level risk*

#### **Contractual and legal risk related to the pre sales**

The Group derives nearly all of its income from the pre sale of residential housing. If the Project Companies fail to complete the development where units are pre-sold, they will incur contractual liability for breach under the pre-sale contract in relation to the purchaser of the pre-sold unit. Such breach might also occur during the property development process. If the PRC authorities would impose a ban on pre-sales of development property or implement further restrictions, such as requiring the fulfilment of additional conditions for a pre-sale permit or further restrictions on the use of pre-sale proceeds, this would extend the time period required for recovery of the capital outlay and the Project Companies may have to seek alternative means to finance various stages of the property development, which, in turn, will have an adverse effect on the business, results of operations and future prospects of the Group. Furthermore, a total ban on pre-sales could have a material adverse effect on the Group's operations and business prerequisites.

*Medium level risk*

#### **Purchase restriction and price-curbing policies in PRC**

As a general rule in mainland China, local government in cities with high housing price levels may implement purchase restrictions and/or price-curbing policies for a specified period. The Group's current and currently planned target cities are not subject to such policies and have a lower degree of restrictions in place, but the Group may in the future invest in cities where stricter policies and restrictions are in place. Furthermore, there are nationwide lending restrictions in relation to the Group's potential customers which require 30 per cent. down payment for the first house of a family, and 40 per cent. down payment for the second house of a family. In case of abundance in the property market, increased competition, or where generally lower residential housing price levels drive demand for ownership of multiple properties, such lending restrictions may impede the Group's expansion as customer's access to mortgage financing may decrease. Should any purchase restriction and/or price-curbing policies be applied at all or to a greater extent, or should the Group's customers to a greater extent be hindered to invest in residential property due to decreased access to financing, the sales and business performance of the Group as well as the Group's future prospects would be adversely affected.

*Medium level risk*

#### **The PRC government may adopt further measures to slow down growth in the property sector**

Along with general economic growth in China, domestic and foreign investments in the property sectors have increased significantly in the past few years. In response to concerns over the rapid increase in property investment, PRC government has introduced certain measures, for instance by way of policy, to curtail property developments. Such policies and measures are primarily applied in first and second tier cities, but also several third and fourth tier cities have now adopted their own policies to pre-regulate the potential increase of housing prices. If this trend expands to other cities where the Group currently operate and if the Group fails in its adaption to new policies, regulations and measures that may come into effect from time to time, or if changes to such new policies occur, it would cause business disruption. This would, in turn, lead to increased costs, whereby the Group's future prospects and results of operations would be adversely affected.

*Medium level risk*

**Restrictions on foreign exchange regulations may decrease the flexibility on fund transferring**

The PRC government currently implements a foreign exchange control system. Particular foreign exchange policies are in place for the real estate sector, the policies of which constitute a part of the government restrictions on foreign investment in the property sector in order to curtail the overheating of the property sector. At present, and according to articles 3 and 5 of The Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China and the State Administration for Industry and Commerce of the People's Republic of China about the Interim Provisions on the Domestic Investment of Foreign-funded Enterprises (Ch. 商务部、国家工商行政管理局关于外商投资企业境内投资的暂行规定), the Project Companies can make investments through its subsidiaries operating in encouraged and approved industries in China when such subsidiaries raise profits. Future restrictions imposed by PRC government may however affect the Group's ability to make further investments through its subsidiaries in China as capital contributions made to the Group's subsidiaries in China are subject to the foreign exchange regulations in the PRC. The restrictions imposed by such regulations may decrease the flexibility on fund transferring, including repatriation of funds to the Group, and adversely affect the Group's ability to fund and expand its business in China.

*Medium level risk*

**Extensive governmental regulations**

As real estate developers incorporated in China, the Project Companies must comply with various laws and regulations established by national and local authorities. The overall policy in China is to adopt stringent policies on the residential house purchases in order to control the growth of the market, including, but not limited to, limiting availability of housing loans, raising the minimum down payment requirements and limiting the maximum amount of residential housing units that can be owned by one individual. Such restrictive policies have primarily been applied to first and second tier cities. Yantai city, Shandong Province; Qingdao City, Shandong Province; Chengde City, Hebei Province and Shenyang City, Liaoning Province have not been regarded as first-tier cities and are, therefore, not subject to such strict policies, but if stricter policies on residential house purchases would be adapted, combined with the Project Companies' potential failure to adapt their respective operations to the new policies, it would result in the business, financial conditions and earning results of the Group being adversely affected.

**INTERNAL CONTROL RISK**

*Medium level risk*

**There is a need to obtain land use right certificate and other relevant certificates with respect to the acquired land through bidding**

The acquisition of land where the Group operates is carried out by way of public bidding and the relevant local government signs Letter of Acceptance and a Land Use Right Transfer Agreement with the winning bidder after such auction in order to transfer the use right of the land to the bidder. Bidders that participate in such land auctions compete with the highest price, and it is, therefore, not certain that the Group will be able to compete with highest price in such auctions.



In order to carry out property development operations, the relevant company that is to carry out the operations must obtain a Real Estate Developer Certificate, a Land-use-right Certificate, an Approval/filing of the Environment Impact Assessment, a certificate of project filing, a Construction Land Planning Permit, a Construction Planning Permit, a Construction Permit and a Pre-sale Permit. The relevant Group Companies apply gradually for such certificates, permits and approvals. Till 19 March 2020, the Project Companies have signed six land transfer agreements with the Land and Resource Bureau after public bidding. As of 19 March 2020, Yan tai Jinghui Property Co., Ltd., has received the Construction Land Planning Permits, Filing of the Environment Impact Assessment, Certificates of Project Filing, Land-use-right Certificates, Real Estate Developer Certificates, Construction Planning Permits, Construction Permits and Pre-sale Permit. Yantai Zhuji Hammarby Ruiming Property Co., Ltd., has received the Construction Land Planning Permits, Filing of the Environment Impact Assessment, Certificates of Project Filing, Land-use-right Certificates, Real Estate Developer Certificates, Construction Planning Permits, Construction Permits and Pre-sale Permit. Yantai Zhuji Hammarby Ruituo Property Co., Ltd., has received the Construction Land Planning Permits, Filing of the Environment Impact Assessment and Certificates of Project Filing, Land-use-right Certificates, Real Estate Developer Certificates, Construction Planning Permits and Construction Permits. Qingdao Junshi Property Co., Ltd., has received the Construction Land Planning Permits, Filing of the Environment Impact Assessment and Certificates of Project Filing, Land-use-right Certificates, Real Estate Developer Certificates, Construction Planning Permits. If such permits and approvals are not obtained in relation to the Group's future operations following an expansion of the Group's business activities it could have a materially adverse effect on the business, financial condition and results of the Group.

If the Project Companies or any future Group Company carrying out property development operations fail to win public land auctions or fail to obtain, or experience material delay in obtaining the above-mentioned certificates, permits or approvals, the signing and/or performance of certain necessary business agreements, the project construction, and consequently the pre-sales may be delayed, leading to severe business interruptions and losses and even breach of contract. Should such risks materialise, the business, financial condition and results of operations of the Group would be materially adversely affected.

*Medium level risk*

**The local government may impose fines on the Project Companies or take back the land if the development is not in accordance with the terms set out in the land transfer contract**

The acquisition of land where the Group operates is carried out by way of public bidding. Subject to meeting certain regulatory requirements and upon payment of a deposit, bidders are entitled to bid online and the winner is the bidder offering the highest auction price. Once the public auction is finished, the relevant government will sign a Letter of Acceptance and a Land Use Right Transfer Agreement with the final bidder to transfer the use right of the land to the bidder. Such agreement may impose a certain price increase if the purchase price is not paid in a timely manner. Furthermore, if the purchase price is not paid within a certain stipulated time period, the government is entitled to take back the land whereby the purchase price is repaid. If the Group fails to compete with the highest price in such auctions It could materially and adversely affect the Group's business, results of operations and financial condition.

Where the Group acquires land successfully, the relevant Group Company enters into a Land Use Right Transfer Agreement with the local government that stipulates certain terms regarding, *inter alia*, payment of the purchase price. The Project Companies have purchased land from the local government and thereby entered into a Land Use Right Transfer Agreement. If the Project Companies

fail to perform under such agreements, including the failure to pay the land purchase price within a certain stipulated time period, the failure to adhere to the specified use of the land and the time for commencement as well as failure to complete the development, the government may impose penalties, liquidated damages and/or take back the land. If the Project Companies do not comply with the contract terms, the land may be taken back by the government and the project companies would lose the opportunity to develop the property, which would materially and adversely affect the Group's business, results of operations and financial condition.

*Medium level risk*

### **The Group may not be able to effectively manage expansion and growth**

The Group has historically focused on developing properties in mid-tier cities in China, and has expanded progressively in such cities and plans to further explore such markets. The Group also seeks new opportunities domestically in the Shandong, Hebei and Liaoning provinces, where the Group currently obtains more market experience.

Any Group expansion is primarily based on the Group's forward-looking assessment of market prospects, including the probable rate of urbanisation. Such expansion is dependent on the uniqueness and effectiveness of the assessment of the market prospects as well as the assessment methodology concluded by experience. In relation to the cities where the Group is already established, the Group may rely on its expertise and market knowledge. As the Group however enters into new markets, it may lack the same level of familiarity with contractors, business practices and customs and may encounter unexpected or increased competition from developers with an established presence in such areas. If the Group's assessments would turn out to be inaccurate it could lead to expansions failing and financial development being inhibited which would cause business disruption. Furthermore, such expansion may place a substantial strain on the Group's financial resources. Should the Group's expansion efforts prove to be unsuccessful, it could lead to increased costs and divert the management's focus from the day-to-day business operations of the Group. Failure of such expansion efforts may materially and adversely affect the business, results of operations future prospects of the Group.

*Medium level risk*

### **Dependence on independent contractors**

The Group engages, most often through a formal bidding process, independent contractors to provide services, including but not limited to construction, piling and foundation, engineering, interior decoration, mechanical and electrical installation and utilities installation. Completion of the Group's development projects is therefore dependent on such individual contractors' provision of services that meet the Group's standards in terms of quality, safety and project timelines. If the services rendered by such independent contractors or their subcontractors, as the case may be, does not meet the Group's requirements and needs in a timely manner or at all the Group may need to replace the contractor or take other actions to mitigate risk of loss, which could inflate project costs and delay the completion, and correspondingly, adversely affect the business, prospects, financial condition and results of operations of the Group.

The construction law of PRC provides that a project owner shall apply for construction permit from the local government before commencing the construction work. There is a risk that the contractor commences the construction work without such a permit, whereby both the project owner and the contractor would be subject to administrative fines. For the project owner, the fine could range from

one up to two per cent of the total contract value of the construction. Such violation would also be made public, thus affecting the reputation of the project owner. If the Group cannot take sufficient measures to prevent a contractor from violating the said law and related regulations, and fails to take such measures it would subject Project Companies to administrative penalty, which, if materialised, would adversely affect the business results of operation and financial condition of the Group.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK**

*Medium level risk*

### **Potential liability for environmental damages**

The Project Companies are subject to a variety of laws and regulations concerning the protection of the environment in mainland China, the compliance with which may significantly delay certain development projects. Moreover, each property development project is required by law and regulations to undergo an environmental assessment with a subsequent submission of an environmental impact assessment report or form, as the case may be, to the relevant government authorities for approval before commencement of construction. Failure to obtain such approval before construction starts will result in penalties. If the Group, when expanding its operations, faces the same or similar requirements for a certain project and its efforts to complete such assessments are insufficient it could cause delay or increased costs. Furthermore, if stricter or materially different regulations are adopted in the future, the Group or any future company of the Group may fail to comply with such regulations or that the costs of compliance can be offset against income from the relevant property development project. Should any future development projects be delayed or strained with additional costs due to that the environmental impact assessment cannot be carried out in an adequate manner, it would result in administrative fines, increased cost, delay of projects and breach of contract, which would adversely affect the Group's business, results of operations and financial condition.

*Low level risk*

### **The Project Companies maintain a certain amount of indebtedness and may be subject to risk of inadequate fund in the land development financing**

The Project Companies have incurred certain levels of debt in relation to early stage project expenses, such as deed tax, fees of planning and design. In order to meet its payment obligations as they fall due, the Project Companies are dependent on sufficient levels of cash-flow. Should the Project Companies lack sufficient cash to service its debt in a due and timely manner, there is a risk that the Project Companies are in default and need to obtain additional short-term financing for such obligations and also additional long-term financing for the subsequent development. Should the Project Companies be in default under their payment obligations additional costs will be incurred and the Group's access to financing be impaired, all of which would have negative impact on the financial condition, results of operations and future prospects of the Group.

*Low level risk*

### **Potential losses not covered by insurance**

The Group normally requires that its independent contractors procure all necessary insurance coverage for construction works and installation, as well as procure third party liability insurance. If any independent contractor fails to procure such insurance coverage in a timely manner or at all, and

any risks remain uninsured due to that the Project Companies has not insured such risks, there is a risk that uninsured risks, if they materialise, lead to claims for damages, whether from contractual counterparties, third parties or otherwise, which could result in direct loss, damaged reputation and liability in relation to the Group's projects. This would, in turn, adversely affect the business, financial conditions and results of operations of the Group.

## **RISKS RELATING TO THE BONDS**

### **RISK RELATED TO THE NATURE OF THE BONDS**

*Medium level risk*

#### **Change of general partner**

Following any potential change in the general partner, White Peak IV Limited, of the fund, White Peak Real Estate IV L.P., to such effect that White Peak IV Limited ceases to be the sole general partner of the fund, the fund may be managed by general partners whose interest may conflict with those of the bondholders. The general partner sets the strategy for the fund and will thus control its policies and operational course. Should a change in the composition of the general partner occur, there is a risk that *inter alia* the fund will not be as profitable as otherwise anticipated due to e.g. changes in the fund's strategies. If such an event were to arise, it could have a negative impact on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change in the general partner occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use its right of prepayment, see further under Section "Put options" below.

*Medium level risk*

#### **Put Options**

According to the Terms and Conditions, the Bonds will be subject to mandatory repurchase (put options) if, *inter alia* (i) there is a change of control event being an event whereby the General Partner ceases to be the sole general partner of the Fund or (ii) certain key persons, being Gerard De Geer, Jesper Jos Olsson, Peter Leimdörfer and Eric Hao, ceases to be investors in and/or actively involved in the White Peak Group (as defined below) to such extent that less than two key persons continues to be investors and actively involved in the White Peak Group. There is a risk 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

*Medium level risk*

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

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

will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

*Medium level risk*

### **Green bonds**

The Net Proceeds from the Initial Bond Issue, and any Subsequent Bond Issue, will be used for general corporate purposes, including acquisitions of land, building rights and property development, in each case in accordance with the Issuer's green bond framework (the "**Green Bond Framework**") applicable from time to time. As such, Bonds have been issued to comply with the Green Bond Framework as it appeared on the Issue Date for the relevant Bonds and any changes made to the Green Bond Framework after the initial issuance of the Bonds will not influence the Bonds issued in the Initial Bond Issue. However, the Issuer's Green Bond Framework as well as the prevailing market practices and market standards for green bonds may develop or change after the issuance of the Bonds, which may entail changes to the Green Bond Framework applicable in relation to any Subsequent Bonds and may also entail changed conditions for the Issuer.

There is currently no clear definition, whether legal or otherwise, or market consensus as to what constitutes a "green" or an equivalently-labelled project or what is precisely required for that a particular project may be defined as "green" or equivalently labelled. Accordingly, there is a risk that any projects, asset or uses defined in the Green Bond Framework will not meet current or future investor expectations regarding such "green" or other equivalently-labelled performance objectives. There is also a risk that future developments in the definitions of "green" projects, towards which proceeds may be applied in accordance with the Green Bond Framework, render the eligible projects for the Bond Issue, as described in the Green Bond Framework, obsolete.

The proceeds from each Bond Issue are to be applied, *inter alia*, in accordance with the Green Bond Framework. There is a risk that such use of proceeds cannot satisfy present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor is required to comply, whether according to applicable law or regulations or by such investor's own by-laws, other governing rules or investment portfolio mandates. Furthermore, the Bonds categorise as a different type of bond investment than such debt instruments that a presumptive bond investor may have invested in historically. There is a risk that the Bonds issued in accordance with the Green Bond Framework do not correspond to, or otherwise meet, the expectations of investors, the current request for such investments on the market for bonds in general or green bonds in particular or that investors may lack the mandate to invest in green bonds.

A failure by the Issuer to meet the Green Bond Framework does not constitute an Event of Default under the Terms and Conditions. Bondholders do not either have a put option or any other right to prepayment in case of the Issuer's failure to comply with the Green Bond Framework. Hence, there is a risk that the expectations of investors, insofar such expectations are related to the compliance with the Green Bond Framework, are not met.

*Low level risk*

### **Risk relating to third party certification**

The Issuer has appointed the Center for International Climate and Environmental Research ("**CICERO**") for an independent, research-based evaluation of the Green Bond Framework to determine its environmental robustness. The evaluation resulted in a second opinion dated on 20 June 2019 (the

"**Second Opinion**") according to which the Green Bond Framework has obtained a Medium Green shading. CICERO is neither responsible for how the Green Bond Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is CICERO responsible for the outcome of investments in projects described as eligible projects in the Green Bond Framework. There is a risk that the suitability or reliability of any opinions issued by CICERO or any other third party, relied on in connection with any issue of Subsequent Bonds or for post-issuance review of any kind, may be questioned by the Issuer, a potential investor, the bondholders or any third party. As any such opinion or certification is current only as of the date of its initial issuance, there is a risk that such opinion or certification is deemed irrelevant at a later stage or by any investors in the Bonds. Furthermore, the providers of such opinions and certifications are currently not subject to any specific regulatory or other regime or oversight, and there is a risk, upon such requirements becoming mandatory, that such providers will be deemed as not being reliable or objective in the future.

## **RISK RELATING TO SECURITY**

*Low level risk*

### **Enforcement of transaction security**

The Issuer's obligations towards the bondholders is secured by a first priority pledge over the shares in the Issuer which is governed by Hong Kong law, and any enforcement of such security would need to be enforced in accordance with the procedures prescribed by the laws of Hong Kong. Further, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the bondholders or that such enforcement sale may be carried out without substantial delay. 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.

*Low level risk*

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

Subject to certain limitations from time to time, the Issuer or any Group Company may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third party debt provider, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group were to enforce such security due to a default by any Group Company under the relevant finance documents, such enforcement could have a significant negative effect on the Group's assets, operations and, ultimately, the financial position of the bondholders.

*Low level risk*

### **Risks relating to sharing the security**

The Transaction Security may be shared with other parties. If the Issuer issues a new market loan or incurs new financial indebtedness ("**New Debt**"), the Issuer may under certain circumstances request

that the Issuer, the Security Agent (being as at the date of this Prospectus Nordic Trustee & Agency AB (publ)), the Agent and the creditor, or its representative, in respect of such New Debt enter into an intercreditor agreement (the "**Intercreditor Agreement**") providing for, amongst other things, pro rata sharing of the Transaction Security between the Bonds and the New Debt.

It is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the bondholders and the providers under the New Debt. 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.

## **RISK RELATED TO SUBSIDIARIES**

*Medium level risk*

### **The Issuer is dependent on its subsidiaries**

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient distributions and cash flow related to the operation of and its ownership in the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent on the subsidiaries' results of operations, availability of cash and their legal ability to make dividends or other value transfers which may from time to time be limited by corporate restrictions and law. Should the Issuer not receive sufficient cash distributions from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under the relevant parent company's financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group which would have a negative effect on the Issuer's business, financial position, earnings and results.

## **RISK RELATING TO THE BONDHOLDERS' RIGHTS AND REPRESENTATION**

*Low level risk*

### **The rights of bondholders depend on the Agent's actions and financial standing**

By subscribing for, or accepting the assignment of, any Bond, each bondholder will accept the appointment of the Agent to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions will be governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the resigned Agent. It may be

difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have a material adverse effect on the enforcement of the rights of the bondholders and the rights of the bondholders to receive payments under the Bonds.

*Low level risk*

#### **No action against the Issuer and bondholders' representation**

In accordance with the Terms and Conditions, the Agent represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. 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 negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions in a manner that is undesirable for some of the bondholders. There is also risk that a Swedish court will not recognise the Agent's right to represent bondholders in court, solely with reference to the Terms and Conditions. Thus, if such a written power of attorney may not be obtained from the bondholders, there is a risk that the Agent will not be able to represent the bondholders in court, which would have a negative impact on the bondholders' possibility to have a legal matter regarding the bonds tried by a court.

*Low level risk*

#### **Bondholders' meetings and written procedures**

The Terms and Conditions allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting or written procedure and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting or written procedure. A bondholder may, for instance, be bound by a majority decision to accept changes to the core aspects of the bond terms, such as changes to the interest payment dates, changes to the interest rate, extension of the final maturity date or a changes of the transaction security. Consequently, there is a risk that the actions of the majority in such matters will impact a bondholder's rights in a manner that is undesirable for some of the bondholders.



## THE BONDS IN BRIEF

The following summary contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.

<b>Issuer</b> .....	RE IV Limited, a limited liability company incorporated in Hong Kong, with company number 2765216.
<b>Bonds Offered</b> .....	The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 1,000,000,000. The Issuer may choose not to issue the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an aggregate amount of Bonds of SEK 600,000,000 had been issued on the First Issue Date.
<b>Number of Bonds</b> .....	Maximum 800.
<b>ISIN</b> .....	SE0012741064.
<b>First Issue Date</b> .....	5 July 2019.
<b>Issue Price</b> .....	All bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount. The issue price of the Subsequent Bonds may be at a discount or at a premium compared to the Nominal Amount.
<b>Interest Rates</b> .....	Interest on the Bonds will be paid at a fixed rate of: a) prior to the occurrence of a Cornerstone LP Event, nine (9.00) per cent. <i>per annum</i> ; and b) after the occurrence of a Cornerstone LP Event, twelve (12.00) per cent. <i>per annum</i> from, but excluding, the first Interest Payment Date following the Cornerstone LP Event.
<b>Corner Stone LP Event</b>	The occurrence of an event whereby the aggregate commitment in the Fund by Första AP-fonden, Fjärde AP-fonden, Kåpan Pensioner Försäkringsförening and SEB-Stiftelsen Skandinaviska Enskilda Bankens Pensionsstiftelse or any of their respective Affiliates is less than the lower of (i) CNY 996,500,000 (or the equivalent in any other currency) and (ii) 50 per cent. of the total commitments in the Fund.

**Interest Payment Dates** ..... 5 January and 5 July of each year commencing on 5 January 2020. Interest will accrue from (but excluding) the First Issue Date.

**Nominal Amount** ..... The Bonds have a nominal amount of SEK 1,250,000 and the minimum permissible investment in the Bonds is SEK 1,250,000.

**Status of the Bonds** ..... 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, at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law;
- b) are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and
- c) are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer, including obligations to trade creditors.

**Security** ..... The Bonds, are secured by security interests granted on an equal and rateable first-priority basis over the share capital of the Issuer.

**Call Option**..... The Issuer has the right to redeem all, but not only some, of the 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:

- a) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 104.50 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 24 months after the First Issue Date at an amount per Bond equal to 104.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest,
- c) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 102.70 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- d) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.90 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- e) notwithstanding paragraph (d) above, provided that the redemption is financed by way of an issue of Debt Instruments at any time from and including the date falling three (3) months prior to the Final Maturity Date to, but not including, the Final Maturity Date at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

**First Call Date**..... Means the date falling eighteen (18) months after the First Issue Date.

**Final Maturity Date** ..... Means 5 July 2022.

**Mandatory repurchase due to a Change of Control Event, Key Man Event or Listing Failure Event (put option)....** Upon the occurrence of a Change of Control Event, Key Man 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, Key Man Event or Listing Failure Event pursuant to Clause 11.1(e) of the Terms and Conditions (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Key Man Event or Listing Failure Event.

<b>Change of Control Event</b>	Means the occurrence of an event whereby the General Partner ceases to be the sole general partner of the Fund.
<b>Key Man</b>	Means each of Gerard De Geer, Peter Leimdörfer, Jesper Jos Olsson and Eric Hao.
<b>Key Man Event</b>	<p>Means an event that has been continuing for 60 consecutive days whereby:</p> <ul style="list-style-type: none"> <li>a) Gerard De Geer or Peter Leimdörfer ceases to be actively involved in the White Peak Group; or</li> <li>b) Jesper Jos Olsson or Eric Hao ceases to be investors of, or devote substantially all of their business time and effort, in each case aside from permissible activities, to the business of, the White Peak Group;</li> </ul> <p>and any such cessation leads to the number of Key Men falls below two (2).</p>
<b>Listing Failure Event</b>	The Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq First North, Frankfurt Stock Exchange Open Market or another MTF within sixty (60) days from the First Issue Date (although the Issuer intends to have the Bonds issued in the Initial Bond Issue admitted to trading on such exchange within thirty (30) days from the First Issue Date).
<b>Certain Covenants.....</b>	<p>The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• restrictions on making any changes to the nature of their business;</li> <li>• a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);</li> <li>• restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and</li> <li>• limitations on the making of distributions and disposal of assets.</li> </ul> <p>The Terms and Conditions contain incurrence covenants, which govern the ability of the Issuer and the other Group Companies to incur additional debt.</p>

The Terms and Conditions contain maintenance covenants, according to which the Issuer shall ensure that:

- a) the Minimum Cash at all times is at least:
  - (i) an aggregate amount equal to the lower of (1) one (1) year's scheduled Interest Payments under the Bonds and (2) Interest Payments under the Bonds until Final Maturity Date; or
  - (ii) following the occurrence of a Cornerstone LP Event, an aggregate amount equal to eighteen (18) months' scheduled Interest Payments under the Bonds,
- b) the Loan to Value on each Reference Date is not greater than 55 per cent.

Following the occurrence of a Cornerstone LP Event, Cash and Cash Equivalents will only count towards Minimum Cash to the extent standing to the credit of the Minimum Cash Account

Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.

<b>Use of Proceeds .....</b>	The proceeds from the Initial Bond Issue and any Subsequent Bond Issue shall be used to finance (i) Investments (including, for the avoidance of doubt, property development) in accordance with the Green Bond Framework, and (ii) Transaction Costs.
<b>Transfer Restrictions .....</b>	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.
<b>Listing.....</b>	The Bonds are listed on the Frankfurt Stock Exchange Open Market. An application has been made to list the Bonds on Nasdaq Stockholm.
<b>White Peak Group</b>	Means the Fund, the Prior Partnerships and any other entity or investment managed by the General Partner, its Affiliates or any entity primarily controlled by the Founders.
<b>Agent.....</b>	Nordic Trustee & Agency AB (publ.), reg. no. 556882-1879, or another party replacing it as Agent, in accordance with the Terms and Conditions.

<b>Security Agent .....</b>	Nordic Trustee & Agency AB (publ.), reg. no. 556882-1879, or another party replacing it as Security Agent, in accordance with the Terms and Conditions.
<b>Issuing Agent .....</b>	Skandinaviska Enskilda Banken AB (publ.), or another party replacing it as Issuing Agent, in accordance with the Terms and Conditions.
<b>Governing Law of the Bonds</b>	Swedish law.
<b>Governing Law of the Subordination Agreement ...</b>	Swedish law.
<b>Risk Factors.....</b>	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 20 June 2019, and was subsequently issued by the Issuer on 5 July 2019. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

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

After the expiration date of this Prospectus, being 6 May 2021, the obligation to provide additional information regarding new material circumstances, factual errors or material inaccuracies in this Prospectus ceases to apply.

The board of directors of the Issuer is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

6 May 2020

RE IV Limited

The board of directors

## DESCRIPTION OF MATERIAL AGREEMENTS

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

### **Subordination Agreement**

The Issuer as issuer, the Security Agent as security agent, and the Issuer's parent company, White Peak Holdings IV Limited, as subordinated shareholder (the "**Subordinated Shareholder**") have entered into a subordination agreement dated 5 July 2019 (the "**Subordination Agreement**"). The Subordinated Shareholder has granted shareholder loans to the Issuer and may grant further shareholder loans to the Issuer in the future.

In accordance with the Subordination Agreement, the Bondholders, the Agent, the Security Agent, any Eligible New Debt Creditors and any hedge counterparties (each as defined in the Terms and Conditions) and the Subordinated Shareholder agree that their respective claims against the Issuer shall rank in the following order of priority:

- first, the Senior Debt; and
- secondly, the Shareholder Debt (each as defined in the Subordination Agreement).

For the purpose of this section "*Subordination Agreement*", the below listed terms shall have the following meaning:

<b>Senior Debt</b>	means all present and future obligations and liabilities of the Issuer to the Senior Creditors under the Finance Documents (including for the avoidance of doubt, all obligations and liabilities under the Bonds), any document evidencing Eligible New Debt and any hedging agreement (each as defined in the Terms and Conditions).
<b>Shareholder Debt</b>	means all present and future payment obligations of the Issuer to the Subordinated Shareholder.



## DESCRIPTION OF THE GROUP

### History and development

The Issuer was incorporated in 2018 and is a public limited liability company operating under the laws of Hong Kong with company number. 2765216. The Issuer's LEI code is 875500JK1EF2Z7ZVNM81.

The registered office of the Issuer is 2602 Universal Trade CTR 3-5A, Arbuthnot RD Central, Hong Kong and the Company's headquarters is located at 2602 Universal Trade CTR 3-5A, Arbuthnot RD Central, Hong Kong, with telephone number +86 10 8571 2688. The website of the Issuer is wprei.com. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

### Business, operations and market overview

The business and operations of the Group revolves around residential property development in Tier-Two and Tier-Three cities in mainland China and the Group is responsible for the whole development process from acquiring land use rights, constructing buildings to selling the apartments. The Group develops sustainable and environmentally friendly green projects by leveraging Swedish technology and expertise in China's rapidly growing urban areas. The Group applies Swedish management principles to the city selection, product design and project selection and, therefore, offers a unique Scandinavian approach to investments in China's underserved residential property market.

The Group has a main focus on residential development in the Shandong, Liaoning and Hebei Provinces of mainland China and, currently, the Group has six ongoing projects in four cities across the Shandong, Liaoning and Hebei Provinces, in which the Issuer will aim to integrate the Swedish innovation, lifestyle and sustainability with eco-living zones through collaboration with market-leading Swedish companies.

The Group applies a prudent business model due to its data-driven approach. Further, the Group focuses on customers with low leverage and all land use rights that the Group acquires are already planned and 100 per cent. owned by the local government. The apartments are then pre-sold within 9-12 months from the acquisition of the land use rights, primarily against 100 per cent. upfront cash payment.

### Share capital and ownership structure

The shares of the Issuer are denominated in HKD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of HKD 100,000 divided into 100,000 of shares.

All the shares in the Issuer are owned by White Peak Holdings IV LTD, a company incorporated under the laws of Jersey with registration number 126282 (the "**Parent**").

The following table sets forth the ownership structure in the Issuer as per the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
White Peak Holdings IV Limited	100,000	100.00%	100.00%
<b>Total</b>	<b>100,000</b>	<b>100.00%</b>	<b>100.00%</b>

The following table sets forth the ownership structure in the Parent as per the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
White Peak Real Estate IV L.P.	1,546,287,717.82	100.00 %	100.00 %
<b>Total</b>	<b>1,546,287,717.82</b>	<b>100.00 %</b>	<b>100.00 %</b>

White Peak Real Estate IV L.P. is a Jersey limited partnership (the "**Fund**") that is controlled and managed by its general partner, being White Peak IV Limited (the "**General Partner**"). Hence, the Issuer is also indirectly controlled by the General Partner. The General Partner is subject to the control of the Key Men. The control is based on, indirect, ownership and a co-operation arrangement between the Key Men.

### **Limited partnership agreements**

The Issuer is not aware of the details of any provision in the arrangement between the limited partners and the General Partner the operation of which may at a subsequent date result in a change in control of the Issuer.

### **Overview of Group structure**

On the date of this Prospectus, the Issuer has, directly and indirectly, 21 wholly-owned subsidiaries.

Operations are conducted by the subsidiaries and the Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

### **Recent events**

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency.

### **Significant change and trend information**

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

### **Legal and arbitration proceedings**

Neither the Issuer nor the Group is, or has been over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

### **Credit rating**

No credit rating has been assigned to the Issuer, or its debt securities.

## MANAGEMENT

On the date of this Prospectus the board of directors of the Issuer consisted of two members which have been elected by the sole shareholder. The board of directors and the senior management can be contacted through the Issuer at its headquarters at 2602 Universal Trade CTR 3-5A, Arbuthnot RD Central, Hong Kong. Further information on the members of the board of directors and the senior management is set forth below.

### **Board of directors**

**Jesper Jos Olsson**, member of the board since 2018.

**Education:** High School (Economics)

**Current commitments:** Group CEO of White Peak, member of White Peak's investment committee and Co-founder of CPH Ltd.

**Xuetao Hao**, member of the board since 2018.

**Education:** MBA from the University of Peking and Bachelor of architecture from Tsinghua University

**Current commitments:** CEO of the China Development Platform.

## Management

All management representatives are employed and / or engaged by WP Group Limited or one of its subsidiaries, as applicable. WP Group Limited acts as adviser to the Fund pursuant to the terms and conditions of the LPA and is not part of the Group. Each management representative carries out the function described below on behalf of the Issuer pursuant to the advisor arrangement established by the LPA.

**Jesper Jos Olsson**, Group CEO since 2007.

See information above.

**Xuetao Hao**, CEO of the China Development Platform since 2010.

See information above.

**Ivy Wang**, Group Legal Director since 2011.

**Education:** LLM from China University of Political Science and Law.

**Xiaomei Yin**, CFO of the China Development Platform since 2020 (previously Finance Director since 2017).

**Education:** Master's degree from the University of Peking.

**Iky Mao**, Vice President of Investment and Business Development since 2015.

**Education:** Fudan–MIT International MBA; Bachelor of Electrical Engineering from Shanghai University of Engineering Science.

**Karen Xu**, Head of Investor Relations since 2016.

**Education:** Master degree from Cornell University; Dual Bachelors' degrees from Peking University.

**Andy Zheng**, Sales and Marketing Director since 2014.

**Education:** Bachelor's degree from the University of Peking.

**Evan Li**, Operations Director since 2012.

**Education:** Master's degree from the Harbin Institute of Technology.

**James Liu**, Project Management Director since 2011.

**Education:** Bachelor's degree in Civil Engineering from China University of Mining and Technology.

**Bo Pan**, Cost & Contract Director since 2018.

**Education:** Bachelor's degree in heating and ventilating from Yanshan University.

**Xiaolong Ren**, Design Director since 2017.

**Education:** Bachelor's degree in Urban Planning from the Suzhou Urban Construction and Environmental Protection Institute.

**Vicky Yang**, Human Resources Director since 2018.

**Education:** Bachelor's degree in administration management from Inner Mongolia University.

**Conflicts of interest within administrative, management and control bodies**

To the extent that can be reasonably verified by the Issuer, no conflict of interest exists regarding the private affairs, family relations, or any other kind, between members of the administrative and senior management bodies that might conflict with the Issuer's interests or prevent the aforementioned to faithfully execute their duties to the Issuer.

The board of directors and some of the management have private interests in the Issuer by their holding of interests in the Issuer's indirect parent company White Peak Real Estate IV LP. The members of the board of directors and the management may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the members of the board of directors or the management may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a board meeting of the Issuer, a board member which has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. The members of the board of directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. Other than the aforementioned, none of the board members or the management has any private interests which may conflict with the interests of the Issuer.

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

Each Joint Bookrunner 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 the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## HISTORICAL FINANCIAL INFORMATION

### Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2019 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's website [wprei.com](http://wprei.com).

The Group's consolidated financial statements for the financial year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU. Furthermore, the Group also applies the Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The Issuer was incorporated in 2018 and thus no earlier financial statements are available.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2019, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2019 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 48;
- consolidated balance sheet, page 46-47;
- consolidated cash flow statement, page 51;
- consolidated statement of changes in equity, page 50; and
- the audit report, page 40-51.

### Auditing of the annual historical financial information

The Company's consolidated financial statement as at present and for the year 2019 have been audited, as applicable, by PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong. PricewaterhouseCoopers has been the Company's auditor since 2018, and was re-elected for an additional year on the latest annual general meeting. Chow Yam Kwok, Damien is the auditor who is responsible for the Company. Chow Yam Kwok, Damien is an authorised auditor and is a member of the professional body Hong Kong Institution of Professional Auditors, the professional institute for the accountancy sector in Hong Kong.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

### Age of the most recent financial information

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2019, which was published on 31 March 2020 on the Issuer's website [wprei.com](http://wprei.com).

## OTHER INFORMATION

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 600,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 1,000,000,000. Each Bond has a nominal amount of SEK 1,250,000. The ISIN for the Bonds is SE0012741064.

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.

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website [wprei.com](http://wprei.com).

### Material contracts

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Group has not entered into any material contracts not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

### Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at [wprei.com](http://wprei.com):

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019.

### Documents available for inspection

The following documents are available at the Issuer's headquarters at 2602 Universal Trade CTR 3-5A, Arbuthnot RD Central, Hong Kong, on weekdays during the Issuer's regular office hours throughout the period of validity of this Prospectus.

- the Issuer's articles of association;
- the Issuer's certificate of incorporation;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019;
- this Prospectus; and
- the Subordination Agreement.

The following documents are also available in electronic form on the Issuer's website [wprei.com](http://wprei.com):



- the Issuer's articles of association;
- the Issuer's certificate of incorporation;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019; and
- this Prospectus.

**Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 550,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

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

"**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.

"**Administrator**" means Sanne Fund Administration Limited, or any other administrator appointed for the Fund.

"**Advance Purchase Agreements**" means (a) 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 no longer than 90 days after the supply of assets or services, or (b) any other trade credit incurred in the ordinary course of business where payment is due no more than 90 days after the date of trade.

"**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 (in its capacity as Agent and Security Agent), or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent and/or security 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 on which the deposit banks are generally open for business in Stockholm and Hong Kong.

**"Call Option Amount"** mean 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 a Group Company or with a reputable bank credited to an account in the name of that Group Company and in each case to which that Group Company 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 e.g. any 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 whereby the General Partner ceases to be the sole general partner of the Fund.

**"CNY"** means Renminbi, the lawful currency of the People's Republic of China (which solely for the purposes of the Finance Documents, excludes Hong Kong, the Macau Special Administrative Region and Taiwan).

**"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 Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); and
- (c) if the Compliance Certificate is provided in connection with that a Financial Report is made available, that the Maintenance Covenants are met (including figures in respect of the relevant financial tests and the basis on which they have been calculated).

**"Cornerstone LP Event"** means the occurrence of an event whereby the aggregate commitment in the Fund by Första AP-fonden, Fjärde AP-fonden, Kåpan Pensioner Försäkringsförening and SEB-Stiftelsen Skandinaviska Enskilda Bankens Pensionsstiftelse or any of their respective Affiliates is less than the lower of (i) CNY 996,500,000 (or the equivalent in any other currency) and (ii) 50 per cent. of the total commitments in the Fund.

**"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 Business Day"** means a day on which the book-entry securities system is open in accordance with the regulations of the CSD.

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

"**Debt Instruments**" means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or an MTF.

"**Eligible New Debt**" means:

- (a) any Market Loan issued by the Issuer after the First Issue Date, other than Subsequent Bonds; or
- (b) any other Financial Indebtedness which ranks *pari passu* with the obligations of the Issuer under the Finance Documents but has a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date,

in each case provided that the relevant Eligible New Debt Creditor or any representative of such Eligible New Debt Creditor has entered into or acceded to the Intercreditor Agreement.

"**Eligible New Debt Creditor**" means any creditor in respect of New Eligible Debt.

"**Equity Listing Event**" means an initial public offering of shares in either:

- (a) a company directly or indirectly holding 100 per cent. of the issued share capital of the Issuer (excluding any part of that issued share capital or equivalent that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (b) the Issuer,

after which such shares shall be admitted to trading on a Regulated Market or an MTF (each such company upon completion of an Equity Listing Event, a "**Listed Company**").

"**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*).

"**Final Maturity Date**" means 5 July 2022.

"**Finance Documents**" means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement;
- (d) the Security Documents;
- (e) the Subordination 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 31 December 2018 (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 31 December 2018 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 (*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 the date falling eighteen (18) months after the First Issue Date.

**"First Issue Date"** means 5 July 2019.

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

**"Founders"** means Gerard De Geer, Peter Leimdörfer, Jesper Jos Olsson and Eric Hao.

"**Fund**" means White Peak Real Estate IV L.P, a limited partnership incorporated in Jersey with reg. no. 2719.

"**General Partner**" means White Peak IV Limited, a limited company incorporated under the laws of Jersey with reg. no. 126219.

"**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.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**IFRS**" means the International Financial Reporting Standards, as amended and applicable from time to time, issued by the IFRS Foundation and the International Accounting Standards Board (IASB).

"**Incurrence Test**" means the incurrence test set out in Clause 12.4 (*Incurrence Test*).

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

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

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

"**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 (*konkurslagen (1987:672)*) (or its equivalent in any other 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 (*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 upon the incurrence of any Eligible New Debt, between, amongst other, the Issuer, the Agent (representing the Bondholders), the Security Agent and any representative of Eligible New Debt Creditors and any hedging counterparty, on substantially such principle terms as set out in the Intercreditor Principles.

"**Intercreditor Principles**" means the principle terms upon which the Intercreditor Agreement shall be entered into, as set out in the principles appended hereto as Schedule 1 (*Intercreditor Principles*).

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

"**Interest Payment**" means the Interest that shall be payable semi-annually in arrears on the Interest Payment Dates each year.

**"Interest Payment Date"** means 5 January and 5 July each year. The first Interest Payment Date shall be 5 January 2020. 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 CSD Business Day, the Interest Payment Date shall be the CSD Business Day following from an application of the CSD 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). Any Subsequent Bonds will carry interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to the issuance to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted due to an application of the CSD Business Day Convention.

**"Interest Rate"** means:

- (a) prior to the occurrence of a Cornerstone LP Event, 9.00 per cent. *per annum*; and
- (b) after the occurrence of a Cornerstone LP Event, 12.00 per cent. *per annum* from, but excluding, the first Interest Payment Date following the Cornerstone LP Event.

**"Investment"** means any investment made by the Fund pursuant to the terms of the LPA in, or relating to, directly or indirectly, any type of Real Estate including, for the avoidance of doubt, any supplementary project investment, by way of equity or equity related instruments, loans and/or other financing facilities and/or arrangements, and any other investment permitted by the LPA.

**"Investment Certificate"** means a certificate in relation to an Investment signed by the Administrator where the Issuer has confirmed:

- (a) the purpose of the use of proceeds to be disbursed from the Proceeds Account;
- (b) the amount to be disbursed from the Proceeds Account; and
- (c) that the proceeds will be used in accordance with these Terms and Conditions, the LPA and the Green Bond Framework.

**"Issuer"** means RE IV Limited, a limited liability company incorporated under the laws of Hong Kong with company number 2765216.

**"Issuing Agent"** means Skandinaviska Enskilda Banken AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Joint Bookrunners"** means Skandinaviska Enskilda Banken AB (publ) and Pareto Securities AB.

**"Key Man"** means each of Gerard De Geer, Peter Leimdörfer, Jesper Jos Olsson and Eric Hao.

**"Key Man Event"** means an event that has been continuing for 60 consecutive days whereby:

- (a) Gerard De Geer or Peter Leimdörfer ceases to be actively involved in the White Peak Group; or
- (b) Jesper Jos Olsson or Eric Hao ceases to be investors of, or devote substantially all of their business time and effort, in each case aside from permissible activities, to the business of, the White Peak Group;

and any such cessation leads to the number of Key Men falls below two (2).

**"Listed Company"** shall have the meaning given thereto in the definition of "Equity Listing Event".

**"Listing Failure Event"** means that the Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq First North, Frankfurt Stock Exchange Open Market or another MTF within sixty (60) days from the First Issue Date (although the Issuer intends to have the Bonds issued in the Initial Bond Issue admitted to trading on such exchange within thirty (30) days from the First Issue Date).

**"LPA"** means the limited partnership agreement constituting the Fund and originally dated 18 June 2018, as amended from time to time.

**"Loan to Value"** means the ratio of Net Interest Bearing Debt to the Value.

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

**"Management Fee"** means the management fees payable in accordance with the LPA.

**"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 Market, MTF or any other 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 Issuer to comply with its payment obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

**"Minimum Cash"** means Cash and Cash Equivalents held by the Group.

**"Minimum Cash Account"** means a bank account held by a Group Company, which has been pledged in favour of the Secured Parties (represented by the Security Agent) and where the funds standing to the credit of such account is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest.

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



**"Net Interest Bearing Debt"** means the aggregate interest bearing Financial Indebtedness of the Group excluding:

- (a) Subordinated Debt;
- (b) interest bearing Financial Indebtedness borrowed from any Group Company;
- (c) any cash collateralized loans (being loans provided to any member of the Portfolio Group for which security has been granted over cash deposits in an amount equal to at least the full principal amount of the loan); and
- (d) for the avoidance of doubt, any advanced or deferred purchase agreement made in relation to Investments or other trade credit incurred in relation to an Investment,

less (without double counting with paragraphs (a) to (d) above), Cash and Cash Equivalents.

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

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

**"Parent"** means White Peak Holdings IV Limited, a limited company incorporated in Jersey with reg. no. 126282.

**"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 or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (d) of the Group incurred pursuant to any Finance Leases incurred in the ordinary course of the Group's business in a maximum amount of SEK 2,000,000 (or the equivalent thereof in any other currency);
- (e) of the Group under any guarantee or indemnity issued by a Group Company in the ordinary course of business;
- (f) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (g) incurred under any Subordinated Debt;
- (h) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence, and

- (i) is incurred as a result of a Subsequent Bond Issue or incurrence of Eligible New Debt; or
  - (ii) ranks *pari passu* with the obligations of the Issuer under the Finance Documents but has a final maturity date or, when applicable, early redemption dates or instalment dates which occur 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;
- (i) incurred as a result of any Group Company acquiring another entity after the First Issue Date which entity already had incurred Financial Indebtedness but not incurred or increased or having its maturity date extended in contemplation of, or since that acquisition, provided that:
- (i) the Incurrence Test is met on a pro forma basis if tested immediately after the making of that acquisition, and
  - (ii) such Financial Indebtedness is:
    - (A) repaid in full within six (6) months of completion of such acquisition; or
    - (B) refinanced in full within six (6) months of completion of such acquisition with the Issuer as the new borrower;
- (j) incurred under Advance Purchase Agreements;
- (k) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (l) incurred by a Portfolio Company under any Portfolio Facility;
- (m) 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;
- (n) 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 into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds; and
- (o) not covered under paragraphs (a)-(n) above in an aggregate maximum amount of SEK 5,000,000 (or the equivalent thereof in any other currency).

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

- (a) provided under the Finance Documents (including in respect of Eligible New Debt);

- (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) provided over any assets being subject to a Finance Lease, permitted pursuant to paragraph (d) of the definition of "Permitted Debt";
- (f) subsisting as a result of any Group Company acquiring another entity after the First Issue Date which entity already had provided security for Financial Indebtedness permitted under paragraph (i)(ii) of the definition of "Permitted Debt", provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;
- (g) affecting any asset acquired by any Group Company after the First Issue Date, provided that such security is discharged and released in full within 90 days of such acquisition;
- (h) 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);
- (i) provided for any guarantees or indemnities issued by a Group Company in the ordinary course of business;
- (j) any security provided by or over a Group Company to secure any Permitted Debt referred to in paragraphs (b), (c), (k) and (l) of the definition "Permitted Debt"; or
- (k) not covered under paragraphs (a)-(j) above securing an aggregate maximum amount of SEK 5,000,000 (or the equivalent thereof in any other currency).

"**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.

"**Portfolio Company**" means any Subsidiary, joint-venture company, associated company (Sw. *intressebolag*), housing co-operative (Sw. *bostadsrättsförening*), partnership company (Sw. *kommanditbolag*), trading company (Sw. *handelsbolag*), economic association (Sw. *ekonomisk förening*) or any other legal entity where a Group Company holds, or in case of a housing co-operative holds or have held, ownership or financial interest and which owns or manages Investments.

**"Portfolio Holdco"** means any entity which is directly or indirectly wholly-owned by the Issuer for the purpose of making Investments and which directly or indirectly owns all the shares in the Portfolio Company.

**"Portfolio Group"** means the Group except for the Issuer.

**"Portfolio Facility"** means any Financial Indebtedness incurred by a Portfolio Company for the purpose of financing or refinancing an Investment or part of an Investment.

**"Prior Partnerships"** means White Peak Real Estate I L.P., White Peak Real Estate II L.P and White Peak Real Estate III L.P.

**"Proceeds Account"** means a bank account of the Issuer, into which the Net Proceeds from the Initial Bond Issue will be transferred and which has been pledged in favour of the Agent and the Bondholders (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).

**"Properties"** means any Real Estate owned by a Portfolio Company and pertaining to an Investment.

**"Real Estate"** means any type of land, property, building or other real property.

**"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 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).

**"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 the Issuer 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 the security agent holding the Transaction Security on behalf of the Secured Parties, being the Agent on the First Issue Date.

**"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.

**"Subordinated Debt"** means any loan made to any Group Company as debtor, if such loan:

- (a) according to the 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 unless a Restricted Payment is permitted under the Finance Documents; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date unless a Restricted Payment is permitted under the Finance Documents.

**"Subordination Agreement"** means the Intercreditor Agreement (if any) or any other subordination agreement entered into between, amongst others, the Issuer, the Agent and any creditor providing Subordinated Debt.

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

**"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.

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

"**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 and (ii) the listing of the Bonds.

"**Transaction Security**" means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being a Hong Kong law governed pledge over all the shares in the Issuer granted by the Parent.

"**Valuation**" means a valuation of the Investments prepared and issued by an independent and reputable appraiser, specifying the Value of the Investments.

"**Value**" means the aggregate of the total appraised value of the Investments as per the most recent Valuation.

"**White Peak Group**" means the Fund, the Prior Partnerships and any other entity or investment managed by the General Partner, its Affiliates or any entity primarily controlled by the Founders.

"**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 initial nominal amount of each Initial Bond is SEK 1,250,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 600,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is SEK 1,250,000.
- (e) Provided that the Incurrence Test is met 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 1,000,000,000 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, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- (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 finance (i) Investments (including, for the avoidance of doubt, property development) in accordance with the Green Bond Framework, and (ii) Transaction Costs.

### **4. Conditions Precedent**

#### **4.1 Conditions Precedent Initial Disbursement**

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Security Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:
- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and the Parent, together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed;
  - (iii) evidence that the Transaction Security either has been or will immediately following the initial disbursement from the Proceeds Account be perfected in accordance with the terms of the Finance Documents;
  - (iv) an agreed form Compliance Certificate;
  - (v) a duly executed Investment Certificate (as per Clause 4.2 (*Conditions Precedent each Disbursement*) below);
  - (vi) legal opinion(s) on the capacity and due execution, in respect of any non-Swedish entity being party to a Finance Document issued by a reputable law firm; and
  - (vii) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law issued by a reputable law firm.
- (c) If the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within ninety (90) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Initial Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid



by the Issuer for the redemption under this Clause 4.1(c). 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 ninety (90) Business Days period referred to above.

#### **4.2 Conditions Precedent each Disbursement**

- (a) The Security Agent's approval of any disbursement of the Net Proceeds from the Proceeds Account is subject to receipt by the Agent of an Investment Certificate duly signed by the Administrator.
- (b) The Security Agent shall upon receipt of a duly executed Investment Certificate instruct the account bank to transfer the amount for the Investment from the Proceeds Account for payment in accordance with the Investment Certificate (which, for the avoidance of doubt, may be transferred directly (i) to the Portfolio Holdco for immediate disbursement by the Portfolio Holdco to the relevant Portfolio Company or (ii) to the relevant Portfolio Company in accordance with the Investment Certificate).
- (c) The Issuer may submit several Investment Certificates in relation to a Portfolio Holdco and/or Portfolio Company.

#### **4.3 Agent's and Security Agent's Review of Conditions Precedent**

The Agent and the Security Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) and Clause 4.2 are accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent and the Security Agent (as applicable) do not have to verify or assess the contents of any such documentation. The Agent and the Security Agent (as applicable) do not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) and Clause 4.2 above from a legal or commercial perspective of the Bondholders.

#### **4.4 Release of pledge Proceeds Account**

When all funds standing to the credit of the Proceeds Account have been transferred in accordance with Clause 4.2 above the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.

### **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 CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by

the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

- (d) For the purpose of or in connection with any Bondholders' Meeting 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 proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney 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 proof of 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.

## **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 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 a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-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) percentage 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 CSD Business Day, then the redemption shall occur on the first following CSD 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, save for in connection with a redemption of the Bonds in full.

### **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 104.50 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 24 months after the First Issue Date at an amount per Bond equal to 104.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 102.70 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.90 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (v) notwithstanding paragraph (iv) above, provided that the redemption is financed by way of an issue of Debt Instruments at any time from and including the date falling three (3) months prior to the Final Maturity Date to, but not including, the Final Maturity Date at an amount per Bond 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, Key Man Event or Listing Failure Event (put option)**

- (a) Upon the occurrence of a Change of Control Event, Key Man 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, Key Man 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, Key Man 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, or a Person designated by 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) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained or sold, but not cancelled.

## 10. Transaction Security

- (a) Subject to the Intercreditor Agreement (if any), as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and each pledgor under any Security Document grants the Transaction Security to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents.
- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents and, if applicable, the Intercreditor Agreement (as applicable). The Issuer shall, and shall procure that each person party to any Security Document will, enter into the Security Documents and perfect the Transaction Security in accordance with 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 has been entered into, from the Bondholders 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 Eligible New Debt Creditors', the relevant hedge counterparties' 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 to the Security Agent in accordance with the Intercreditor Agreement (if any).

## 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 Group:
  - (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, whereby the first Financial Report pursuant to this paragraph (ii) shall be delivered on the date falling no more than two (2) months after the third quarter of 2019.
- (b) Any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) once the Bonds have been admitted to trading on a Regulated Market and the rules and regulations of the MTF on which the Bonds are traded.
- (c) When the Bonds have been admitted to trading 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)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements 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, Key Man Event or 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 the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available; and
  - (iii) at the Agent's request, within 20 days from such request.
- (h) The Issuer shall once in every six-month period deliver a Valuation for the Investments. All costs for the Valuation shall be borne by the Issuer.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (f) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) 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 and Green Bond Framework**

- (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 Group and the Agent.

- (b) The latest version of the Green Bond Framework and any second opinion or rating in respect of the Green Bond Framework applicable from time to time (including any documents amending such documents) shall be available on the website of the Group.
- (c) 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**

- (a) The Issuer shall ensure that:
  - (i) the Minimum Cash at all times is at least:
    - (A) an aggregate amount equal to the lower of (1) one (1) year's scheduled Interest Payments under the Bonds and (2) Interest Payments under the Bonds until Final Maturity Date; or
    - (B) following the occurrence of a Cornerstone LP Event, an aggregate amount equal to eighteen (18) months' scheduled Interest Payments under the Bonds.
  - (ii) the Loan to Value on each Reference Date is not greater than 55 per cent.
- (b) Following the occurrence of a Cornerstone LP Event, Cash and Cash Equivalents will only count towards Minimum Cash to the extent standing to the credit of the Minimum Cash Account.

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

- (a) The Maintenance Covenants shall be calculated in accordance with the accounting principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 31 December 2019.
- (b) The Loan to Value shall be calculated based on the most recently delivered Financial Report and Valuation (as applicable).

### **12.3 Equity Cure**

- (a) If there is a breach of any of the Maintenance Covenants, 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 the Terms and Conditions, the Issuer has received equity injection in cash in the form of subscription moneys for ordinary shares of the Issuer or contribution from one or more of its shareholders for increase of its share capital, or Subordinated Debt in an amount sufficient to ensure compliance with the relevant Maintenance Covenant, as at the relevant Reference Date (the "**Cure Amount**").
- (b) The calculation of the Minimum Cash shall be adjusted so that the Minimum Cash on the relevant Reference Date is increased with an amount equal to the Cure Amount.



- (c) The calculation of Loan to Value shall be adjusted so that the Net Interest Bearing Debt as at the relevant Reference Date is reduced with an amount equal to the Cure Amount.
- (d) Any Equity Cure must be made in cash and no more than two (2) Equity Cures are to be made over the life of the Bonds. At least six (6) months must elapse between two Equity Cures.

#### **12.4 Incurrence Test**

The Incurrence Test is met if:

- (a) the Loan to Value is not greater than 50 per cent., taking into account the distribution or incurrence (as applicable) on a *pro forma* basis; and
- (b) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness or distribution (as applicable).

#### **12.5 Testing of the Incurrence Test**

- (a) The calculation of the Loan to Value for the purpose of the Incurrence Test shall be calculated as follows:
  - (i) the calculation of Loan shall be as per a testing date determined by the Issuer, falling no more than one month prior to the incurrence of the new Financial Indebtedness or the distribution (as applicable); and
  - (ii) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

### **13. General Undertakings**

#### **13.1 General**

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

#### **13.2 Restricted Payments**

- (a) The Issuer shall not, 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 debt ranking junior to or *pari passu* with the Bonds; or
  - (vi) make any other similar distribution or transfers of value to any Person,
- (paragraphs (i)-(vi) 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 direct or indirect Subsidiary of the Issuer;
  - (ii) for the purpose of paying Management Fees in an aggregate amount for each full twelve (12) month period not exceeding the higher of:
    - (A) CNY 40,000,000 (or the equivalent thereof in any other currency); and
    - (B) an amount equal to 1.50 per cent. of the Value.
  - (iii) for the purpose of paying any operating expenses of the Fund in an aggregate amount for each full twelve (12) month period not exceeding CNY 7,000,000 (or the equivalent amount thereof in any other currency);
  - (iv) for the purpose of paying any organizational expenses of the Fund in an aggregate amount not exceeding CNY 2,000,000 (or the equivalent amount thereof in any other currency);
  - (v) following an Equity Listing Event by the Listed Company if:
    - (A) the Incurrence Test is met (calculated on a pro forma basis including the relevant Restricted Payment); and
    - (B) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (a) above) in any fiscal year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit for the previous financial year.

### 13.3 Admission to Trading

- (a) The Issuer shall use its best efforts to ensure that:
  - (i) no later than one (1) year after the First Issue Date, the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain or if the Issuer determines in its reasonable discretion that a different Regulated Market should be preferred, admitted to trading on another Regulated Market;
  - (ii) any Subsequent Bonds are listed on the relevant MTF or, following admission to trading of the Bonds issued in the Initial Bond Issue on a Regulated Market, admitted to trading on the relevant Regulated Market within sixty (60) days

after the issuance of such Subsequent Bonds and with an intention to complete such listing within twenty (20) days (or any shorter period required by law, regulation or applicable stock exchange regulations) after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date falling sixty (60) days after the First Issue Date in which case such Subsequent Bonds shall be listed within sixty (60) days after the First Issue Date); and

- (iii) the Bonds, once admitted to trading on the relevant Regulated Market or MTF (as applicable), continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market or MTF (as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

- (b) Following admission to trading of the Bonds on a Regulated Market, the Issuer shall not be required to maintain listing of the Bonds on an MTF.

#### **13.4 Nature of Business**

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

#### **13.5 Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness, other than Permitted Debt.

#### **13.6 Disposal of Assets**

The Issuer shall not, and shall procure that no Subsidiary will, 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.

#### **13.7 Negative Pledge**

The Issuer shall not, 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**

The Issuer shall not, and shall procure that none of its Subsidiaries will, extend any loans in any form to any other party other than:

- (a) in connection with an Investment;
- (b) to a Group Company;

- (c) for the purpose of making the Restricted Payments referred to in paragraphs (ii)-(iv) of Clause 13.2(b); and
- (d) any other loans not covered under items (a) to (c) above in an amount not exceeding SEK 1,000,000.

### **13.9 Mergers and demergers**

The Issuer 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.

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

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

### **13.11 Compliance with laws and authorisations**

The Issuer shall, and shall procure 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.

### **13.12 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.

### **13.13 Insurance**

The Issuer shall, and shall procure that its Subsidiaries will, keep the Properties insured to an extent which is customary for similar properties on the relevant geographical market with one or more reputable insurers. The insurance cover shall *inter alia* include full value insurance and loss of rent insurance.

### **13.14 Environmental**

The Issuer 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.

### **13.15 Property specific undertakings**

The Issuer shall ensure that:

- (a) the Properties are managed properly and maintained in good condition; and
- (b) the Properties are not demolished or altered in a way that would have a Material Adverse Effect.

## **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 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 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 Clauses 14.1 (*Non-Payment*), 14.2 (*Maintenance Covenants*), 13.12 (*Green Bond Framework*) or in relation to any publication to be made in relation to the Green Bond Framework or any second opinion in relation thereto, provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer has remedied the failure within fifteen (15) Business Days from the Agent requesting the Issuer in writing to remedy such failure. For the avoidance of doubt, if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request.

### **14.4 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 14.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 or (ii) it is owed to a Group Company.

### **14.5 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 as they fall due 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.

#### **14.6 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries of the Issuer not being subject to Transaction Security, solvent liquidations) 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.

#### **14.7 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 SEK 10,000,000 and is not discharged within 60 days.

#### **14.8 Mergers and demergers**

A decision is made that the Issuer shall enter into a merger where it is not the surviving entity or that it shall enter into a demerger.

#### **14.9 Impossibility or Illegality**

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents 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 Permitted Merger, (ii) a solvent liquidation permitted pursuant to Clause 14.6 (*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 CSD 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 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), 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 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 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 and the Security Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent and the Security 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.

- (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 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 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 (*Distribution of Proceeds*) 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 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 1,000,000,000 (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 (*Decisions by Bondholders*);
  - (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, except in accordance with the terms of the Security Documents;
  - (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 Clause 19(a)(i) or 19(a)(ii)), an acceleration of the Bonds or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 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) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;

- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 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), 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 with the rules of the relevant CSD.
  - (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 and the Security 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
  - (ii) confirms, after the entering into of a 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 and the Security Documents, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security 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 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) Each of the Agent and the Security 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).

### **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.

## 22. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 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 and/or the Security 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, Key Man 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 Hong Kong Companies Registry 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 5.00 pm 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 Principles

THIS DOCUMENT IS FOR INFORMATION PURPOSES ONLY. IT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR INVEST IN SECURITIES AND MAY NOT BE DISTRIBUTED TO ANY INVESTOR OR REPRESENTATIVE OF INVESTOR LOCATED IN ANY JURISDICTION WHERE IT MAY BE IN BREACH OF LOCAL LAW OR REGULATION TO DO SO.

FURTHER, THIS DOCUMENT IS **NOT FOR DISTRIBUTION IN OR INTO UNITED STATES, CANADA, AUSTRALIA, HONG KONG, ITALY, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA, THE REPUBLIC OF CYPRUS, THE UNITED KINGDOM OR JAPAN.** THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NO PUBLIC OFFERING WILL BE MADE IN THE UNITED STATES AND THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN UNITED STATES, CANADA, AUSTRALIA, HONG KONG, ITALY, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA, THE REPUBLIC OF CYPRUS, THE UNITED KINGDOM OR JAPAN.

## INTERCREDITOR PRINCIPLES



ISIN: SE0012741064

Maximum SEK 1,000,000,000

**Senior Secured Callable Fixed Rate Bonds 2019/2022**

**(the "Bonds")**

*These intercreditor principles (these "**Intercreditor Principles**") should be read together with the term sheet for the Bonds (the "**Bond Term Sheet**").*

*Unless otherwise defined in these Intercreditor Principles, 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 meanings when used in these Intercreditor Principles.*

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

1. RE IV Limited, a limited liability company incorporated in Hong Kong with company number 2765216, (the "**Issuer**");
2. the relevant Super Senior Hedge Counterparty (if any);
3. [ ], acting as Bonds agent (on behalf of the Bondholders) (the "**Original Bonds Agent**");
4. [ ], acting as security agent (on behalf of the Secured Parties) (the "**Original Security Agent**"); and
5. the relevant Eligible New Debt Creditors (or any representative of the relevant Eligible New Debt Creditors for itself and in its capacity as agent for the Eligible New Debt Creditors).

**Background:** If the Issuer would incur any Super Senior Hedging Obligations or Eligible New Debt prior to the Final Maturity Date, the Issuer may request that the Issuer, the Security Agent, the Agent, the Super Senior Hedge Counterparty (if applicable), the Eligible New Debt Creditor(s) and/or the Eligible New Debt Agent (as defined below) (if applicable) enter into an intercreditor agreement (the "**Intercreditor Agreement**") in order to establish the relative rights between the relevant creditors.

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 relevant law and the Intercreditor Agreement. The Security Agent will be appointed as initial 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 Parent and the Issuer to the Secured Parties, as set out in these Intercreditor Principles.

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

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

"**Bonds Debt**" means all indebtedness outstanding under the Bonds Finance Documents.

**"Bonds Finance Documents"** means the Terms and Conditions, the Agency Agreement, the Proceeds Account Pledge Agreement, the Security Documents, the Subordination Agreement, the Intercreditor Agreement and any other document designated to be a Bonds Finance Document by the Issuer and the Bonds Agent.

**"Collective Majority Creditors"** means the Secured Parties whose aggregate Debt Participation represents a majority of the Debt under the Bonds, any Eligible New Debt and any Super Senior Hedging Obligations based on the Secured Parties under the Bonds, any Eligible New Debt and any Super Senior Hedging Obligations voting as one creditor class.

**"Conflicting Enforcement Instructions"** means instructions (or proposed instructions) as to enforcement of the Transaction Security or the taking of any Enforcement Action delivered to the Security Agent by a Representative that are inconsistent as to the manner of enforcement (including any inconsistency as to the timeframe for realising value from an Enforcement Action in respect of the Transaction Security or guarantees or a distressed disposal), it being understood that the failure to give instructions by a Representative will be deemed to be an instruction inconsistent with any other instructions given.

**"Debt"** means the Bonds Debt, any Super Senior Hedging Obligations and any Eligible New Debt.

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

**"Debt Participation"** means:

- (a) relation to a Senior Creditor, the aggregate of its outstanding Senior Debt; and
- (b) in respect of any hedging transaction of any Super Senior 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 the Intercreditor 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 Super Senior Hedge Counterparty) and as calculated in accordance with the relevant Hedging Agreement; and
- (c) in respect of any hedging transaction of any Super Senior Hedge Counterparty under any Hedging



Agreement 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 Super Senior Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

**"Eligible New Debt"** means:

- (a) any Market Loan issued by the Issuer after the First Issue Date, other than Subsequent Bonds; or
- (b) any other Financial Indebtedness which ranks *pari passu* with the obligations of the Issuer under the Bonds Finance Documents but has a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date,

in each case provided that the relevant Eligible New Debt Creditor or any representative of such Eligible New Debt Creditor has entered into or acceded to the Intercreditor Agreement.

**"Eligible New Debt Creditor"** means any creditor in respect of Eligible New Debt.

**"Eligible New Debt Document"** means each document or instrument entered into after the date hereof between a Group Company and an Eligible New Debt Creditor setting out the terms of any credit which creates or evidences Eligible New 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) (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 Debt 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 in respect of recovering any Debt; or
- (f) in relation to any Super Senior Hedging Obligation only, designate an Early Termination Date (as defined in the relevant Super Senior Hedging Agreement) under any Super Senior Hedging Agreement, or terminate, or close out any transaction under, any Super Senior 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 Super Senior 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 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".

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

**"Finance Documents"** means the Bonds Finance Documents and any Eligible New Debt Documents.

**"Insolvency Event"** means:

- (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 with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company.
- (c) any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (iii) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, dissolution, administration or reorganisation of any Group Company;
  - (iv) a composition, compromise, assignment or arrangement with any creditor of any Group Company; or
  - (v) the appointment of a liquidator, trustee in bankruptcy, 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 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 Group Companies' (other than the Issuer), solvent liquidations that are permitted under the Debt Documents.

**"Parent"** means White Peak Holdings IV Limited, a limited company incorporated in Jersey with reg. no. 126219.

**"Representative"** means:

- (a) in respect of the Bonds, the Bonds Agent;
- (b) in respect of any Eligible New Debt, if a decision has been taken in the relevant matter in accordance with the quorum and majority requirements of the relevant Eligible New Debt Document, the relevant representative/agent of the Eligible New Debt Creditors; and
- (c) in respect of any Hedging Obligations, the Super Senior Representative.

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

**"Secured Parties"** means the creditors under the Debt Documents, but only if such creditor (or, if applicable, its representative) is a Party or has acceded to the Intercreditor Agreement in the appropriate capacity pursuant to the terms of the Intercreditor Agreement, the Bonds 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 is consistent with prompt and expeditious realisation of value from enforcement of the Transaction Security, 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.

**"Senior Debt"** means the Bonds Debt and any Eligible New Debt.

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

- (a) those Secured Parties whose Debt Participation at that time aggregate more than 50 per cent. of the total Debt at that time; or
- (b) those Secured Parties voting for the relevant decision, whose Debt Participation at that time aggregate more than 50 per cent. of the total Debt at that time,

calculated based on the Secured Parties under any Bonds, any Eligible New Debt and any Super Senior Hedges voting as one creditor class with a representative of the majority of such creditor class being the senior representative. The Bonds Agent or another representative selected by the Collective Majority Creditors shall represent the Collective Majority Creditors and act on the instructions of and on behalf of the Collective Majority Creditors.

**"Super Senior Hedge Counterparty"** means any person who is or becomes a hedge counterparty pursuant to any Super Senior Hedging Agreement.

**"Super Senior 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 Super Senior Hedge Counterparty for the purpose of hedging any interest rate or foreign exchange rate risk arising under or in respect of the Finance Documents.

**"Super Senior 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 Super Senior Hedge Counterparty under or in connection with any Super Senior Hedging Agreement.

**"Super Senior Representative"** means the Super Senior Hedge Counterparty or another representative acting on the instructions of and on behalf of the Super Senior Hedge Counterparty/ies.

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

**Ranking and priority:**

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

- (a) first, the Super Senior Hedging Obligations; and
- (b) second, the Senior Debt (*pari passu* between all indebtedness under the Bonds and any Eligible New Debt).

The Security granted under the Proceeds Account Pledge Agreement shall not be subject to this Intercreditor Agreement and hence only secure the liabilities and obligations owed towards the creditors under the Bonds Finance Documents.

Any security granted under a proceeds account pledge agreement or similar arrangement whereby the proceeds

from the Eligible New Debt are paid pending satisfaction of certain conditions for its disbursement shall not be subject to this Intercreditor Agreement and hence only secure the liabilities and obligations owed towards the Eligible New Debt Creditors.

**Repayment of Debt**

If a default (however described) has occurred and is continuing under the Debt Documents, a redemption, repurchase or repayment of Senior Debt may only be made if the Senior Debt is repaid, redeemed or repurchased on a *pro rata* basis.

**Sharing of Transaction Security with Eligible New Debt and/or Super Senior Hedging Obligations:**

The Parent or a Group Company may grant Security and guarantees for Eligible New Debt and/or Super Senior Hedging Obligations provided that:

- (a) (i) the Eligible New Debt and/or Super Senior Hedging Obligations shares in the Transaction Security, and/or (ii) such Security and guarantees which are not Transaction Security are granted also to the Secured Parties (including any Eligible New Debt Creditor and/or Super Senior Hedge Counterparty), in each case to be shared between the Secured Parties as set forth in the Intercreditor Agreement; and
- (b) any relevant Eligible New Debt Creditor and/or Super Senior Hedge Counterparty shall accede to the Intercreditor Agreement as a Secured Party.

Any Security and guarantee granted shall constitute Transaction Security and any documents regarding such Security or guarantee shall constitute a Security Document.

**Release of Transaction Security:**

The Security Agent may at any time, acting in its sole discretion release the Transaction Security in accordance with the terms of the Security Documents and the Intercreditor Agreement. For the avoidance of doubt any Transaction Security will always be released in such way which does not affect the sharing between the Secured Parties of the remaining Transaction Security and/or the ranking and priority of the Secured Parties as specified by the Intercreditor Agreement.

**Limitation on Secured Obligations:**

All Transaction Security and guarantees 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 Bonds Agent, any Eligible New Debt Creditor and any Super Senior Hedge Counterparty. The Bonds 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.

**Collective Majority Creditors:** The relevant Representative shall conduct the respective voting procedures under the respective debt documents and share its result from such procedure with the other Representatives. The Senior Representative shall, based on such results, determine the decision of the Collective Majority Creditors.

**Appointment of Senior Representative:** The Collective Majority Creditors will appoint the relevant Representative to act as Senior Representative. The Collective Majority Creditors may, if requested by more than 10 per cent. of the Collective Majority Creditors, replace the Senior Representative with a new representative. Such resolution shall be taken by Secured Parties whose aggregate Debt Participation exceeds 50 per cent. of all Debt and a quorum requirement of at least 20 per cent. of all Debt shall apply. Each Representative shall conduct the respective voting procedures under the respective debt instruments and each Representative shall share its result from such procedure with the other Representatives.

**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 Debt Documents.
- (ii) The Security Agent may refrain from enforcing the Transaction Security or take other Enforcement Actions unless instructed otherwise by the Senior Representative.
- (iii) Subject to the Transaction Security having become enforceable in accordance with its terms below, a Representative may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction

Security as it see fit, provided that the instructions are consistent with the Security Enforcement Objective.

- (iv) Notwithstanding anything to the contrary in paragraphs (a) and (b), a 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 outstanding Super Senior Hedging Obligations.
- (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 Super Senior Hedging Obligation only, the Super Senior Hedge Counterparty may not designate an Early Termination Date (as defined in the relevant Super Senior Hedging Agreement) under any Super Senior Hedging Agreement, or terminate, or close out any transaction under, any Super Senior 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 Super Senior Hedging Agreement) or any such termination or close-out, unless voluntary or in accordance with a partial termination not prohibited by the Finance Documents and not related to any default.

**(b) Enforcement Proposal**

- (i) If a 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 Representatives.
- (ii) The Security Agent shall act in accordance with the Enforcement Instructions received if:
  - (A) the Transaction Security and/or the guarantees have become enforceable as a result of an Insolvency Event; or



(B) each of the Representatives agree with the Enforcement Instructions.

(iii) If the Security Agent has received Conflicting Enforcement Instructions, the Security Agent shall promptly notify the Representatives, and the Collective Majority Creditors shall appoint a Senior Representative who shall deliver Enforcement Instructions to the Security Agent. The Security Agent shall act in accordance with the Enforcement Instructions then received from the Senior Representative and the Senior Representative may issue Enforcement Instructions to the Security Agent at any time thereafter.

**(c) Miscellaneous**

(i) Upon Enforcement Actions in respect of the Transaction Security, the proceeds shall be distributed in accordance with the section "Application of Enforcement Proceeds" set out below.

(ii) Any Enforcement Action required to be taken by a Representative shall be taken by such Representative at the request of the Security Agent.

(iii) All Security and/or guarantees or arrangement 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 Representatives 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 Parties or the Security Agent and is not inconsistent with its obligations contained in the Intercreditor Agreement and each Representative 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 to be included in the Intercreditor Agreement.

**Application of Enforcement Proceeds:** The proceeds of any Enforcement Action (including proceeds received in connection with bankruptcy or other insolvency proceedings) 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 Issuer 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 and each Representative;
- (c) *thirdly*, towards payment *pro rata* of any close out amount and any other outstanding amounts under the Super Senior Hedging Agreements;
- (d) *fourthly*, towards payment *pro rata* of accrued interest unpaid under the Finance Documents (interest due on an earlier interest payment date to be paid before any interest due on a later interest payment date);
- (e) *fifthly*, towards payment *pro rata* of principal under the Finance Documents;
- (f) *sixthly*, towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents; and
- (g) *lastly*, after the Final Discharge Date, in payment of the surplus (if any) to the Issuer 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 these Intercreditor Principles 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. 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 Senior Representative.

**Modifications:** Each Secured Party may amend or waive the terms of the Debt 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 each 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 adversely 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:** Each Representative shall have a duty to inform the other creditor classes of any default which is continuing, event of default or acceleration. The Parent and the Issuer 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.

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