

**PROSPECTUS FOR
ROTTNEROS AB (PUBL)**



**UP TO SEK 600,000,000
SENIOR UNSECURED FLOATING RATE NOTES**

10 October 2017

**Arranger:
Swedbank AB (publ)**

Important Information

This prospectus (the "**Prospectus**") has been prepared by Rottneros AB (publ), Reg. No. 556013-5872 (the "**Company**" or "**Rottneros**"), in relation to the application for listing of the up to SEK 600,000,000 senior unsecured floating notes (the "**Notes**") on the Corporate Bond List on NASDAQ Stockholm AB ("**Nasdaq Stockholm**"). Swedbank AB (publ) has acted as financial advisor to the Company in relation to the listing of the Notes on Nasdaq Stockholm.

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

This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus shall be read together with all documents which have been incorporated by reference (see "*Documents incorporated by reference*") and any supplements to this Prospectus.

This Prospectus will be available at the Swedish Financial Supervisory Authority's website (www.fi.se) and the Company's website (www.rottneros.com). Paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors. Certain financial and other information set forth in this Prospectus has been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

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

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

THIS PROSPECTUS HAS BEEN PRODUCED IN AN ENGLISH LANGUAGE VERSION ONLY.

Forward-looking statements

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

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Risk Factors

Investments in notes always entail a certain degree of risk and this is also the case for an investment in the Notes. A number of factors, both within the Company's control but also factors not controllable by the Company, affect, or could affect, the Company's profit, financial position and the Notes. Described below, in no particular order of importance and without claim to be exhaustive, are the risk factors and significant circumstances considered to be material to the Company's business and future development. The risk factors currently applicable, both general risks attributable to the Company's operations and risks linked directly to the Notes in their capacity of financial instruments, are described below. The intention is to describe risks that are linked to the Company's business and thus also the Company's ability to fulfil its obligations in accordance with the Terms and Conditions and the market risks associated with the Notes.

Before making a decision about acquisition of the Notes, any potential Noteholder should carefully consider the risk factors described below, as well as any other provided information about the Company and the Notes. In addition, a Noteholder must, alone or together with its financial and other advisers, engage in a general evaluation of external facts, other provided information and general information about the paper pulp business from its own perspective. A Noteholder should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to bear these risks.

Additional risk factors that are not currently known or not currently considered to be material may also affect the Company's future operations, performance, result and financial position, and thus the Company's ability to fulfill its obligations in accordance with the Terms and Conditions.

All risk factors described below may potentially adversely affect the Company's operations, financial position and result. In turn this would affect the Company's ability to fulfill its obligations in accordance with the Terms and Conditions.

Risks relating to the Company and the Group

Macroeconomic factors

The operations of the Company and the Group may be adversely affected by a downturn in the general economy in Sweden and the rest of the world. An economic downturn could put pressure on the price for pulp, which could affect the price for the Group's products which is depended on the global demand in relation to the production volume of the industry as a whole. A high price may negatively affect the potential sales volume. The development of the economy, especially the European economy, which accounts for 84 per cent of the sales of the Group, is a factor for supply and demand on the paper pulp market and accordingly affects the profit of paper pulp products.

Expectations regarding the inflation affect the interest rate and therefore affect the Group's net financial income. Changes in the interest rate and inflation may have a negative effect on the Group's result, cash flow and costs.

Geographical risks

The supply and demand for paper pulp varies between different geographical markets and may develop differently within various geographical markets. The Group has a diversified customer

portfolio with customers in different geographical markets, such as Europe, the USA and certain Asian markets. The demand differs greatly between the markets and certain markets may be more sensitive to fluctuations in demand. If the demand for paper pulp declines in any or all of the geographical markets, it could adversely affect the Group's operations, result and financial position.

Technical risks

Paper pulp manufacturing involves technical risks. A technical risk can be described as the risk related to the technical operations of the paper pulp manufacturing, such as the risk of defects relating to the machines used in the process, other latent shortcomings or deficiencies, damages (for instance due to fire), industrial injuries and environmental hazards. If any technical problems should occur, such occurrence may result in long production stops, damages to the properties and delays in delivery which in turn may adversely affect the Company's financial position and results.

Environmental risks

The operations of the Group include environmental risks. According to the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*), anyone who has conducted a business operation that has contributed to pollution also has a responsibility for remediation of the property. This means that claims may be raised against the Group for soil remediation or for remediation concerning presence or suspicion of pollution in soil, water areas or ground water, in order to put the property in a condition pursuant to the Swedish Environmental Code. Such claims may adversely affect the Group's business, financial position and earnings. There is a risk that future environmental risks may affect the Group's business or financial position adversely.

Risks relating to permits and legislation

The paper pulp industry is subject to permits and decisions from authorities regarding the environmental risks associated with the Group's operational area which must be renewed periodically. The Group's business is regulated by and must be conducted in accordance with several laws and regulations, (*inter alia* the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*)), security regulations, etcetera. There is a risk that the Group's interpretation of applicable laws and regulations may be incorrect or may change in the future and there is also a risk that the Group will not be granted necessary permits or other decisions for its business activities or that such permits or decisions are appealed. If any of these risks were to realize, this could result in increased costs for investments and delay in planned development of projects or otherwise have negative impact on the conduct and development of the Group's business. Furthermore, if necessary permits or approvals are not obtained, it may jeopardize the Group's business as a whole, which could have an adverse negative effect on the Company's operations, financial position and results.

Risks relating to insurances

The Group has insured its operations against usual losses and/or potential liability in relation to third party claims. Certain types of losses and/or damages are generally not covered by insurance policies due to such losses being considered as impossible to insure, for example losses resulting from the act of war, terrorism, professional liability or personal liability (the latter two when damages are caused by negligence, willful misconduct or criminal acts). Further, most of the

Group's insurances (i.e. the insured amounts) are limited by specified maximum amounts per claim, series of injuries and the specified insurance periods. Should the insurance coverage maintained by the Group not be sufficient to cover all losses or potential claims, this could adversely affect the Group's business, financial position and results.

Customer dependencies and customer structure development

The Group's proceeds are mainly attributable to the European market, where Germany, Italy and Sweden constitute the biggest local markets. The Company has approximately 150 customers where the ten biggest account for approximately 50 per cent of the total turnover.

Decreased demand for certain kinds of paper pulp due to digitalization, globalization and increased trade are considered driving forces behind the industry's structural changes. Underlying demand for pulp is robust in the emerging markets, but stagnant or weakly declining within the mature economies, for instance printing paper customers represent 25 per cent of the Group's proceeds. Structural changes on the markets may adversely affect the Group's financial position and results.

Furthermore, the Group has a relatively new development area – packaging – and as such, the Group has to improve the process and quality control within this area. A negative response with respect to this new product may adversely affect the Company's growth potential, financial position and results.

Operating and production costs

The Group's main operating and production costs comprise of costs for raw material, energy and personnel. Energy costs represent a substantial part of the Group's manufacturing costs as the production of paper pulp, especially mechanical pulp, is very energy intense. Increased operating and production costs, for instance increased energy prices, may therefore adversely affect the Group's financial position, results, earnings and cash flow.

Access to raw material

The access to pulp wood is central for a paper pulp producer. The Group owns no forest and is thereby dependent on an optimal inflow of pulp wood to its sites. The Group has entered into agreements relating to the acquisition of pulp wood with suppliers in the local surroundings of the sites. In the event that the access to pulp wood is limited or the prices increase, the Group's business, financial position and results may be adversely affected.

Organisational risk

The Group's future development is to some extent dependent on the knowledge, experience and commitment of the management and other key personnel. The Group could be adversely affected should one or several of such key personnel terminate their employment. There is also a risk that the Group over time will not be able to recruit new skilled personnel to the extent necessary for, or desired by, the Group. An imbalance in the organization, for example due to employment terminations of key personnel, could for example result in an impaired ability for the Group to handle risks in its operations, which could adversely affect the Group's operations, financial position and results.

Counterparty risk

The Group's current and potential suppliers of pulp wood may find themselves in situations where they cannot supply the agreed amount or otherwise abstain from fulfilling their obligations. Further, as the Group is planning new developments and investments, these projects may be delayed due to for instance suppliers not being able to deliver on time or contractors being unable to finish projects as planned. Furthermore, the Group's customers may be unable or unwilling to fulfill their payment obligations towards the Group. If the Group's counterparties are unable or unwilling to fulfill their obligations towards the Group, this could for example result in production stops, which could adversely affect the Group's financial position and results.

In addition, counterparty risks within the Group's financial operations arise, *inter alia*, in the event of investment of excess liquidity, if derivatives are entered into and upon obtaining long-term and short-term credit agreements. If any counterparty risk arises it may have a negative effect on the Company's financial position and results.

Competition

The Group operates in a competitive industry. The Group's competitiveness is, among other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. The Group may have to make significant investments, restructuring operations or price reductions in order to adapt to changes in demand and changes in competition. If the Group has to make significant investments, restructurings or price reductions due to increased competition, it may have a negative effect on the Group's financial position and results.

Currency risk

The Group is dependent on currency exchange rates as the Group's most common invoice currencies are USD, EUR and SEK. The underlying exposure regarding USD is substantial and the direct inflow of USD corresponded to approximately 40 per cent and the inflow of EUR corresponded to approximately 45 per cent. for the year ended 31 December 2016. Currency rate changes may have a negative impact on the Group's future results, cash flows and values of assets and liabilities.

Liquidity risk

The Group is dependent on available liquidity in order to fulfill its obligations, make investments and pay interest and amortization costs related to its financing. Liquidity risk is the risk that the liquid assets of the Group are not sufficient to meet its payment obligations at the maturity date or that the Group cannot dispose of securities at a fair price. As of 30 June 2017, the Group's net debt amounted to SEK 67 million. If the Group does not have sufficient liquidity to fulfill its obligations this could have a negative effect on the Group's business, results of operations and financial position.

Interest-rate risk

The Group's total interest costs for the half year of 2017 amounted to SEK 2 million and as of 30 June 2017, the Group's average interest rate level was 2 per cent. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Company's strategy regarding interest rate fixation periods. The

Swedish market for interest rates is mainly affected by the expected inflation rate and the Swedish National Bank's (Sw. *Riksbanken*) repurchase rate (Sw. *repöräntan*). The interest rate risk may lead to changes in cash flow as well as fluctuations in the Group's result.

Refinancing could be associated with increased costs

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Group falls due and needs to be refinanced.

The Group's business is partly financed by externally provided capital. The bulk of the required capital for financing of its operations and future acquisitions is and will be provided by banks, credit institutions or other lenders. As of 30 June 2017, the Group's net indebtedness amounted to SEK 67 million which will be due within four years.

During the financial crisis, the volatility and the disruptions on the financial and credit markets were great, with reduction in liquidity and higher credit risk premiums for many credit institutions. However, the turmoil in the market has ceased due to central banks' quantitative easing programs and amended regulations from agencies but there is still a great uncertainty and volatility. If the Group cannot refinance itself in the future or may only refinance itself at much higher costs, this could have a negative effect on the Company's and the Group's financial position.

Covenants in credit agreements and the Terms and Conditions

The Group has entered into certain financing arrangements with banks and other lenders. If the Group is in breach of any of its covenants (e.g. financial covenants) in its loan agreements or the Terms and Conditions, it could lead to loans being accelerated, leading to immediate repayment or the creditor taking possession of security. Further, certain loan agreements and the Terms and Conditions contain cross-default provisions, which could trigger the acceleration of other payment obligations, and change of control provisions, which could be triggered by a change of control and/or ownership of the Company or another Group Company whereby the creditor may have the right to accelerate the loan. In addition, there are certain restrictions on the Group's business such as on the Company's ability to distribute dividends as well as on the ability of Group Companies to freely dispose of their assets and incur further financial indebtedness. Breach of any covenant could adversely affect the Group's business, results of operations and financial position and in turn the performance of the Company under the Notes.

Should a Change of Control Event occur (as defined in the Terms and Conditions), the Noteholders will have the right to request prepayment of their Notes. There is a risk that the Company will be exposed to an increased liquidity risk, i.e. the risk that the Company cannot fulfill its financial obligations due to a shortage of available cash or cash equivalent assets and that such financial obligations can only be fulfilled at a high financing cost or, in a worst case scenario, not at all. Should change of control provisions in the Group's credit agreements and/or the Terms and Conditions be triggered, it could have a material adverse effect on the Group's business, financial position and result.

Reputational risk

The Group is dependent on its good reputation. The Group's reputation is particularly important in relation to new and current customers. As an example, operative problems could damage the Group's reputation, which could lead to difficulties obtaining new or keeping current customers. Of greater importance is sustainable development, where the Group's actions may adversely affect the credibility of the Group as a responsible actor. The Group may further be negatively exposed in public media, with a limited ability to anticipate or respond to such publications. Damage to the Group's reputation could lead to loss of income or loss of growth potential, which may have a negative effect on the Group's business, results of operations and financial position.

Tax risks

In the event that the Group's interpretation of tax laws, treaties and regulations or their applicability is incorrect, if one or more governmental authorities successfully make negative tax adjustments with regard to the Group or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Group's past or current tax positions may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could have a negative impact on the Group's business, financial position and earnings.

Since the laws, treaties and other regulations on taxation, as well as other fiscal charges, have historically been subject to frequent changes, further changes are expected in the future in the jurisdictions where the Group operates, possibly with a retroactive effect. Any such changes could have a significant impact on the Company's tax burden, as well as a negative impact on the Company's business, financial position and earnings.

Accounting risks

The Group is affected by current applicable accounting legislation and accounting principles. This means that the Group's accounting, financial reporting and internal control, in the future, may be affected and in need of adaption to new accounting principles and or changed application of such legislation. This could entail uncertainty regarding the Group's accounting, financial reporting and internal control and could also affect the Group's reported earnings, balance sheet and equity, which could adversely affect the Group's business, financial position and earnings.

Disputes and litigation

The Group faces the risk of litigation and other proceedings in relation to its business. The outcome of any litigation may expose the Group to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Group's reputation may be impacted in a way which adversely affects its results of operations and financial position.

Risks relating to the Notes

Credit risks

Noteholders of the Notes are exposed to credit risk in relation to the Company. A Noteholder's possibility to obtain payment in accordance with the Terms and Conditions is dependent on the Company's ability to meet its payment obligations, which in turn is dependent on the operations and financial situation of the Group. The Group's operations and financial position is affected by a number of factors described in these risk factors, such as suppliers of raw material being unable to deliver pulp wood or customers being unable to fulfill their obligations to pay for the paper pulp products.

An increased credit risk may cause the Notes to be attached with a higher risk premium by the market, which would affect the Notes value and price in the secondary market negatively. Another aspect of the credit risk is that a deteriorating financial position may cause the Company's credit rating to decrease, which could negatively affect the possibility for the Company to refinance the Notes at maturity.

Currency risks

The Company will pay interest and the principal amount of the Notes in SEK (the lawful currency in Sweden). This will incur currency exchange risks if the Noteholder's operations are mainly conducted in a different currency. A currency exchange risk involves a risk for significant currency exchange rate movements, including devaluation and revaluation, as well as the risk for implementation or amendments to existing currency regulations. A strengthening of the Noteholder's base currency compared to the currency in which the placement is denominated decreases the value of the placement for the Noteholder. Governments and authorities can implement currency controls or currency regulations that will have an impact on the currency exchange rate. The result could be that a Noteholder receives a lower rate of return, final payment or nominal amount than expected.

Refinancing risk

The Group may eventually be required to refinance certain or all of its outstanding debt, including the Notes. The ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. The Group's access to financing sources may not be available on favorable terms, or at all. The Group's inability to refinance its debt obligations on favorable terms, or at all, could have a negative impact on the Group's business, financial condition and earnings results and on the Noteholder's recovery under the Notes.

Interest-rate risks

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

Bankruptcy, structural subordination and similar events and risk of priority

The Group has, as part of its financing, incurred debts to credit institutions and other lenders. Certain real estate corporate mortgages and shares in the Company's subsidiaries have in connection therewith been pledged as security. Secured loans normally constitute a preferential claim on the Group. The Terms and Conditions of the Notes allow for the Group to incur additional financial indebtedness and to grant security over any of its assets under certain circumstances. Further, the Terms and Conditions do not include a so called "negative pledge" undertaking (other than in relation to Market Loans) and hence the Group may grant security to other lenders. Such security would not secure the Notes.

The Group may thus retain, provide or renew security over certain of its current or future assets to secure, *inter alia*, bank loans, either via the Company itself or any other Group Company, with security interests normally constituting a preferential claim on the relevant borrower. In addition, certain of the Group's subsidiaries have, and may in the future, enter into financing arrangements which are guaranteed by the Company. No present or future subsidiary of the Company will guarantee the Company's obligations under the Notes.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among them and *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Company, except those obligations which are mandatorily preferred by law. This means that a Noteholder will normally receive payment after any prioritised creditors' receipt of payment in full in the event of the Company's liquidation, company reorganization or bankruptcy. Every Noteholder should be aware that by investing in the Notes, it risks losing the entire, or parts of, its investment in the event of the Company's liquidation, bankruptcy or company reorganisation.

The Company will rely upon receiving dividends or other forms of profit distribution from its subsidiaries, and is thus to a certain extent dependent upon receipt of sufficient income deriving from the operations of such subsidiaries. If such subsidiaries are incapable of distributing sufficient profits to the Company, this could adversely affect the Company's ability to fulfil its obligations under the Terms and Conditions.

The Notes will constitute structurally subordinated liabilities of the Company's subsidiaries, meaning that creditors of claims against a subsidiary will be entitled to payment out of the assets of such subsidiary before the Company. The subsidiaries are legally separate entities and distinct from the Company, and have no obligation to settle or fulfill the Company's obligations, other than to the extent that follows from security agreements to which the subsidiaries are parties. In the event of insolvency of a subsidiary, there is a risk that the Company and its assets are affected by actions of the creditors of a subsidiary. The insolvency of the subsidiaries may affect the financial position of the Company negatively, and have effects for the Company's ability to make payments under the Notes.

Voluntary early redemption

In certain cases, the Company has pursuant to the Terms and Conditions a right to redeem the Notes prior to the Final Maturity Date. Such a right for the Issuer could affect the market value of the Notes. During a period when the Company is entitled to voluntarily redeem the Notes, the market value of the Notes will most likely not be significantly higher than the redemption price set

out in the Terms and Conditions. Such effects could also arise prior to the actual redemption period.

The Company could exercise its right to early redemption of the Notes when the market value of the Notes is higher than the relevant redemption price, which could affect a Noteholder's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Notes. The investor should thus contemplate the risks involved in a voluntary early redemption or for that matter, the absence of an expected voluntary redemption, in light of alternative investment options available.

Noteholder's put options

According to the Terms and Conditions, the Noteholders have the right to request prepayment of their Notes should certain events occur, such as a Listing Failure, Change of Control Event and a De-listing Event (each as defined in the Terms and Conditions). If a Noteholder wishes to exercise its put option following the occurrence of such an event, there is a risk that the Company will be exposed to an increased liquidity risk, i.e. the risk that the Company cannot fulfill its financial obligations due to a shortage of available cash or cash equivalent assets and that such financial obligations can only be fulfilled at a high financing cost or, in a worst case scenario, not at all.

Secondary market and liquidity risk

The Company cannot assure that a liquid trading of the Notes will occur and be maintained. The Company will apply for listing of the Notes at Nasdaq Stockholm, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market after the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) approves a prospectus for this purpose. However, there is a risk that the Notes will not be approved for trading. Even if the Notes are admitted to trading on the regulated market there is a risk that a demand for and trading in the Notes will not develop or, if developed, is not sustained. This may result in a Noteholder being unable to re-sell its Note(s) and liquidate its investment. This means that a Noteholder may be exposed to the risks related to the Group until the Notes reach the maturity date.

In addition, following a listing of the Notes, the liquidity and trading price of the Notes may vary as a result of numerous factors, including general market movements and irrespective of the Company's performance. This may entail that a Noteholder cannot sell its Notes at the desired time or at a yield which is comparable to similar investments that have an existing and functioning secondary market. A lack of liquidity in the market may have a negative impact on the market value of the Notes. An investment in the Notes should only be made by a Noteholder that is capable of bearing the risks associated with a lack of liquidity of the Notes and that is prepared to hold the Note until its maturity.

Euroclear Sweden

The Notes are connected to Euroclear Sweden's account-based system, which means that no physical Notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of the principal amount of the Notes, will be performed within Euroclear Sweden's account-based system. The Noteholders are therefore dependent on the functionality of Euroclear Sweden's account-based system. If, due to any obstacle for Euroclear Sweden, the Company cannot make a payment or repayment, such payment or repayment may be

postponed until the obstacle has been removed. Consequently, there is a risk that Noteholders receive payment under the Notes later than expected.

Meeting of Noteholders

The Terms and Conditions include certain conditions regarding the meeting of Noteholders. Such meetings may be held in order to resolve matters *inter alia* relating to the Noteholders' interests under the Notes. The Terms and Conditions allow for stated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting in question or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' meeting. Consequently, there is a risk that a Noteholder is bound by resolutions which negatively affect the value of the Notes even if the certain Noteholder did not vote in favour of such resolutions or did not participate in the meeting of Noteholders.

Noteholder representation

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. Thus, a Noteholder is not entitled to bring any actions against the Company relating to the Notes, unless such actions are supported by the required majority pursuant to the Terms and Conditions. However, this does not rule out the possibility that a Noteholder, in certain situations, could bring their own action against the Company, which may affect an acceleration of the Notes or other actions against the Company negatively. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit a written power of attorney for legal proceedings. Should such power of attorney not be submitted by all Noteholders, could the enforcement of the Notes could be adversely affected. Under the Terms and Conditions, the Agent has the right in some cases to make decisions and take measures that bind all Noteholders.

Ability to comply with the Terms and Conditions

The Company is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Notes. Events beyond the Company's control, including changes in the economic and business conditions in which the Company operates, may affect the Company's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Notes, resulting in that the Company has to repay the Noteholders. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of Notes.

Possible material interests

Swedbank AB (publ) (the "**Arranger**") has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and/or the Group in the ordinary course of business. In particular, it should be noted that the Arranger could in the future be a lender under credit facilities with the Company or with a company within the Group as borrower. Therefore, conflicts of interest may exist or may arise as a result of the Arranger having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Changes in legislation

The Terms and Conditions are based on Swedish law applicable at the date hereof. There is a risk that future amendments of legislation or new legislation or administrative practice, for example as described above in the risk factor “Legal risks”, could adversely affect the Company’s operations, result and financial position. This may in turn affect the Company’s ability to make payments under the Notes.

Statement of Responsibility

The Company issued the Initial Notes on 1 September 2017, as resolved on the meeting of the Board of Directors held on 24 August 2017. This Prospectus has been prepared in connection to the Company applying for admission of trading of the Notes on Nasdaq Stockholm and in accordance with the Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act.

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

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

Söderhamn, 10 October 2017

Rottneros AB (publ)

The Board of Directors

The Notes in Brief

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

<i>The Company:</i>	Rottneros AB (publ), a public limited liability company with company registration number 556013-5872.
<i>The Notes:</i>	Up to SEK 600,000,000 with ISIN: SE0010297804.
<i>Initial Note Issue:</i>	SEK 400,000,000.
<i>Type of securities:</i>	Senior unsecured floating rate notes.
<i>Type and rank of debt:</i>	The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
<i>Listing:</i>	The Issuer intends to list the Initial Notes on the corporate bond list of Nasdaq Stockholm within thirty (30) days from the First Issue Date, and shall ensure (i) that the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date, (ii) that the Notes, once admitted to trading on the relevant market, continue being listed thereon (however, taking into account the rules and regulations of the relevant market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes and taking into account that if the Notes are listed on another market place than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm) and (iii) ensure that, upon any Subsequent Notes issue, the volume of Notes listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

<i>Nominal Amount and Denomination:</i>	The initial nominal amount of each Note is SEK 1,000,000 (the “ Nominal Amount ”, and the total aggregate Nominal Amount of the Notes outstanding at the relevant time shall hereinafter be referred to as the “ Total Nominal Amount ”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent of the Nominal Amount. The Notes are denominated in SEK.
<i>Central Securities Depository (the “CSD”):</i>	The Notes will be connected with the account-based system of Euroclear Sweden AB, for the purpose of having the payment of interest and principal managed by Euroclear Sweden AB. The Notes have been registered for the Noteholders on their respective Securities Accounts and no physical notes have or will be issued. The Issuer’s central securities depository and registrar in respect of the Notes, from time to time, is initially, Euroclear P.O. Box 191, SE-101 23 Stockholm, Sweden.
<i>First Issue Date:</i>	1 September 2017.
<i>Agent:</i>	Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions. 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 (Sw. <i>skuldbok</i>) kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
<i>Transferability:</i>	The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable from time to time, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
<i>Interest on the Notes:</i>	The Notes carry interest at a floating interest rate, amounting to 3-months STIBOR plus 4.15 per cent. <i>per annum</i> , from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
<i>Interest Payment Date:</i>	Interest on the Notes shall be paid on the Interest Payment Dates, being 1 March, 1 June, 1 September and 1 December of each year

or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 1 December 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

Redemption (call option): The Issuer may redeem all, but not some only, of the outstanding Notes on any Business Day falling before the Final Maturity Date. The Notes shall be redeemed at the Make Whole Amount or at the Call Option Amount (as applicable) together with accrued but unpaid Interest.

The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

Make Whole Amount: Means, from the First Issue Date to, but not including, the First Call Date, a price equivalent to the sum of:

- (a) the present value on the relevant record date of 102.075 per cent. of the Total Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining coupon payments (assuming that the interest rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date), less any accrued but unpaid interest, through and including the First Call Date,

each calculated by using a discount rate of 50 basis points over the comparable Swedish government bond rate (i.e. comparable to the remaining duration of the Notes until the First Call Date) and where “**relevant record date**” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

Call Option Amount: Means:

- (a) 102.075 per cent. of the Total Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling thirty-six (36) months after the First Issue Date to, but not including, the date falling fifty-seven (57) months after the First Issue Date; and
 - (b) if the Notes are refinanced to at least 100 per cent. with
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Market Loans issued by the Issuer and which the Noteholders may subscribe for, 100.00 per cent. (and otherwise 101.0375 per cent.) of the Total Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling fifty-seven (57) months after the First Issue Date to, but not including, the Final Maturity Date.

Redemption (put option): Upon the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of a Change of Control Event, Listing Failure or De-listing Event pursuant to Clause 10.1.2 of the Terms and Conditions (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure, or De-listing Event (as applicable).

Redemption Date: The Final Maturity Date is 1 September 2022.

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

Prescription: The right to receive repayment of the principal of the Notes 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.

Rights: A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

Applicable law: The Terms and Conditions, the Notes 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.

The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. Stockholms tingsrätt).

Information about Rottneros

Company description

The Company, Rottneros AB (publ) (being the Company's firm and trade name (Sw. *handelsbeteckning*), with Reg. No. 556013-5872, was founded on 25 August 1916 in Sweden in accordance with Swedish law. The Company is a Swedish public limited liability company and the Company's operations are regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Company's registered address is Box 144, SE-826 23 Söderhamn, Sweden and its registered seat is in the county of Värmland, municipality of Sunne. The Company's shares have been listed on Nasdaq Stockholm since November 1987.

According to the Company's articles of association, the Company's business shall be to directly and indirectly conduct timber industry operations, especially comprising paper pulp and similar products, and refinement of forest raw materials together with other operations compatible therewith and also to own and manage real and personal property.

Operations

The Company produces and sells chemical and mechanical pulp and, since September 2016, also certain end products made of pulp. The product offer consists of pulp for board, filters, electrical applications, printing paper, tissue, customized solutions made of special pulp and end products such as food trays. The focus of the Group's sales is on Europe, the US and smaller volumes to some Asian markets. The Group sells its products in the Nordics through its own sales organisation located in Sweden and sales to the rest of Europe and the world is managed through agents and partners.

The Company's business concept is to be an independent and flexible supplier of customized and high-quality market pulp. The Company aims to meet the needs of its customers by actively developing its products and providing an attractive service offering.

The Company's overall objective is to achieve sustainable profitability and yield a good return for the shareholders and has a vision to be perceived as a market leader that is able to meet the needs and high expectations of pulp customers. In February 2015, the Company decided on a new long-term industrial plan called Agenda 500. The purpose of the plan is to expand the capacity to produce pulp and to offer products and services of the highest quality in order to achieve robust and sustained profitability. This goal shall be achieved through focus on selected niches, increased productivity, increased capacity, consumer focus and high safety. The aim to expand the capacity to increase production of pulp up to 460 000-500 000 tonnes per year, will be achieved by e.g. eliminating bottlenecks in the production lines and by increasing availability at the plant by minimizing disruptions. The pace of the investments will be determined by the Company's ability to sell the additional volumes on the market with good profitability, as well as the continued stability of the financial situation. Approximately SEK 460 million of the total planned investments of SEK 800 million have been carried out in 2015-2016 and the first half-year of 2017.

The Rottneros Mill was established as a groundwood mill in 1887 and is located in the western part of Sweden (county of Värmland) and is connected to the railway. The mill employs 114 people and manufactures two categories of mechanical pulp: chemi-thermomechanical and groundwood pulp.

These pulps stands for approximately 40% of Rottneros' total production. The facilities for the Group's new development area packaging are also located here.

The Vallvik Mill was built in 1907 and is located in the eastern part of Sweden (county of Hälsingland) and employs 190 people. It stands for approximately 60% of Rottneros' pulp production and is connected to a port and the railway for easy distribution.

The majority of the Group's pulp wood supply is within a radius of 150 kilometres from the mills, and having the wood supply close to the mills reduces emissions from transportation. The Vallvik Mill is nearly self-sufficient in electricity and produces c. 90-95% of its own energy consumption and the majority of the chemicals used are recovered through an integrated recovery process. The Rottneros Mill's production is highly power-intensive and therefore there is continuous work to reduce energy consumption per tonne of pulp produced. Since 2010, the Rottneros Mill has been able to reduce electricity consumption by 14% per produced tonne. Additionally, the Rottneros Mill is currently commissioning a new energy and emission-efficient biofuel boiler, making energy consumption at both mills for all practical purposes fossil-free.

Trends

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial statement.

Material changes

On 1 September 2017 the Issuer issued the Initial Notes for the purpose of, *inter alia*, investing in the Group's long-term industrial plan, the Agenda 500 programme (as further described above under the section titled "Operations"). The relevant terms of the Notes are summarised under the section "The Notes in Brief" and the complete Terms and Conditions are set out on pages 28-67 of this Prospectus.

Aside from the issue of the Notes under the Terms and Conditions, there have been no material changes in the Company's financial position or market position since 30 June 2017 and there are no other recent events which are to material extent relevant to the evaluation of the Issuer's solvency.

Legal structure and ownership structure

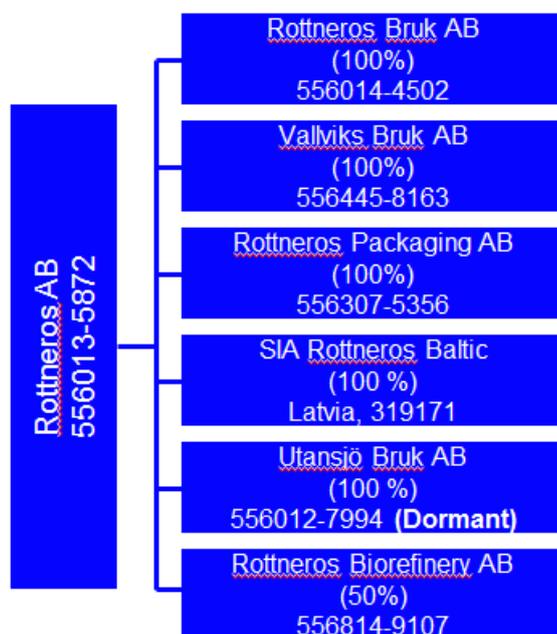
As of 30 June 2017 the Company's ten largest shareholders represented a total of 65.1% of the Company's outstanding shares. However, a majority of the shares, 51%, are held by Arctic Paper S.A., a public limited liability company incorporated under the laws of Poland and listed on the Warsaw and the Nasdaq Stockholm stock exchanges.

As per 30 June 2017 the Company holds six subsidiaries through which various parts of the Company's operations are conducted. As a consequence of the operations being conducted through the Company's subsidiaries, the Company is, to a varying extent, dependent on its subsidiaries in order to generate profit and cash flow and, thus, to be able to meet its obligations under the Notes. As the Group's two pulp producing mills, the Rottneros Mill and the Vallvik Mill, are owned by wholly owned direct subsidiaries of the Company, i.e. Rottneros Bruk AB and Vallviks Bruk AB, the Company is especially dependent on the two aforementioned companies in order to maintain

the Group's pulp production profit and cash flow and, thus, to be able to meet its obligations under the Notes.

Set out below is a structural overview of the Group and a summary table of the Company's majority shareholders.

Structural overview of the Group



Majority shareholders per 30 June 2017

Majority shareholder(s)	Shares (=votes)	Per cent. (%) of capital
Arctic Paper S.A.	78,230,883	51.0
PROAD AB	8,190,000	5.3
Försäkringsbolaget Avanza Pension	3,870,022	2.5
Clearstream Bankings S.A., W8IMY	2,082,862	1.3
Försäkrings AB Skandia	1,526,103	1.0
Nordnet Pensionsförsäkring AB	1,414,007	0.9
SSB Client Omnibus AC OM07 (15 PCT)	1,330,131	0.9
SEB Investment Management	1,169,784	0.8
Prior & Nilsson Fond- och	1,148,667	0.7

Majority shareholder(s)	Shares (=votes)	Per cent. (%) of capital
Kapitalförvaltning AB		
S3/IICS Clients	990,788	0.6
Sum:	99,899,247	65.1

Board of Directors

The Company's Board of Directors consists of seven ordinary board members, including the chairman. The members of the Board of Directors, their position and other relevant assignments are set forth below. All board members can be contacted through the Company's registered address, Rottneros AB (publ), Box 144, 826 23 Söderhamn, Sweden.

Per Lundeen (born 1955) – Chairman of the Board of Directors

Other relevant assignments: Mr. Lundeen is chairman of the board of directors of Arctic Paper S.A., Nilsbyn Invest AB and Strand Packaging AB. He is also member of the board of directors of Fiskeby Board AB and Packbridge AB. Mr. Lundeen holds 250,000 shares in the Company.

Roger Mattsson (born 1973) – Member of the Board of Directors

Other relevant assignments: Mr. Mattsson is chief financial officer of Nemus Holding AB and member of the board of directors of Arctic Paper S.A. Mr. Mattsson holds no shares in the Company.

Marie S. Arwidson (born 1951) – Member of the Board of Directors

Other relevant assignments: Mrs. S. Arwidson is chairman of the board of directors of Andra AP-fonden and board member of IVA, Kungliga Ingenjörsvetenskapsakademien. Mrs. S. Arwidson holds no shares in the Company.

Ulf Carlsson (born 1950) – Member of the Board of Directors

Other relevant assignments: Mr. Carlsson is deputy chairman of Troedssonstiftelsen and of IVA, Kungliga Ingenjörsvetenskapsakademien, in the network Nyskaparna. Mr. Carlsson holds 1,070 shares in the Company.

Per Skoglund (born 1960) – Member of the Board of Directors

Other relevant assignments: Mr. Skoglund is chief executive officer and member of the management team of Arctic Paper S.A. Mr. Skoglund holds 10,000 shares in the Company.

Dan Karlsson (born 1967) – Member of the Board of Directors (employee representative)

Other relevant assignments: Mr. Karlsson is operator at the Rottneros Mill and chairman of Pappers Local 89. Mr. Karlsson holds no shares in the Company.

Thomas Wasberg (born 1962) – Member of the Board of Directors (employee representative)

Other relevant assignments: Mr. Wasberg is operator at the Vallvik Mill. Mr. Wasberg holds no shares in the Company.

Management

The members of the Company's management, their position and other relevant assignments outside the Company (if any) are set forth below. All members of the Company's management can be contacted through the Company's registered address, Rottneros AB (publ), Box 144, 826 23 Söderhamn, Sweden.

Lennart Eberleh – Chief Executive Officer

Mr. Eberleh holds 15,000 shares in the Company.

Monica Pasanen – Chief Financial Officer

Mrs. Pasanen holds 10,000 shares in the Company.

Ingemar Eliasson – Purchasing Director

Other relevant assignments: Mr. Eliasson is deputy board member of VMF Qbera Economic Association. Mr. Eliasson holds no shares in the Company.

Ragnar Lundberg – Technical Director

Mr. Lundberg holds 16,000 shares in the Company.

Kasper Skuthälla – Managing Director Rottneros Packaging AB

Mr. Skuthälla holds no shares in the Company.

Olle Dahlin – Managing Director Rottneros Bruk AB

Other relevant assignments: Mr. Dahlin is chairman of the board of directors of the Swedish Biathlon Association. Mr. Dahlin holds 125,576 shares in the Company.

Ida Mörtzell – Human Resources Director

Mrs. Mörtzell holds no shares in the Company.

The Board of Directors and management

There are no conflicts of interest or potential conflicts of interest between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties. However, several members of the Board of Directors and company management have certain financial interests in the Company as a consequence of their holdings of shares in the Company. It should be noted that Per Lundeen, Roger Mattsson and Per Skoglund hold positions in either the board of directors or the management team of Arctic Paper S.A., the Company's largest shareholder.

Auditor

The Company's auditor is presently Ernst & Young AB with authorised auditor Erik Sandström as the auditor in charge. Ernst & Young AB was re-elected as auditor of the Company at the annual general meeting held 16 May 2017 for the time until the end of the annual general meeting 2018. For the avoidance of doubt, Erik Sandström has been the Company's auditor in charge for the entire time period from 2015 to present day. Erik Sandström can be contacted at Ernst & Young AB, Box 7850, SE-103 99 Stockholm, Sweden. Erik Sandström is a member of FAR SRS.

Financial reports

The Company's annual reports for 2015 and 2016 have been audited, and the Company's interim report for the second quarter of the financial year 2017 has been reviewed, by Erik Sandström at the Company's current auditor Ernst & Young AB. He can be contacted at Ernst & Young AB, Box 7850, SE-103 99 Stockholm, Sweden. The Company's annual report for 2016 was published on 20 March 2017 and the Company's interim report for the second quarter of the financial year 2017 was published on 16 August 2017.

The consolidated annual accounts of the Group have been prepared in accordance with the Swedish Annual Reports Act (*Sw. årsredovisningslagen (1995:1554)*), International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Further, the consolidated annual accounts of the Group have been prepared in accordance the Swedish Financial Reporting Board's RFR1 Supplementary Accounting Rules for Groups. The Company applies the same accounting principles as the Group unless otherwise is stated in the Company's annual report.

The interim report of the Company and the Group for the period 1 January 2017 – 30 June 2017 has been prepared in accordance with IAS 34, Interim Financial Reporting, which corresponds with Swedish law by way of applying the Swedish Financial Reporting Board's RFR1 Supplementary Accounting Rules for Groups and RFR2 Accounting for Legal Entities (as regards the Company).

Material agreements and transactions with related parties

The Company is not a party to any material agreements outside of the ordinary course of business which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Notes to the Noteholders.

During the first half of the financial year of 2017 the Company has sold pulp for an amount equivalent of SEK 71 million to various companies within the group of its majority shareholder, Arctic Paper S.A. The transactions have been carried out on customary market terms.

During the financial years of 2015 and 2016 the Company sold pulp for amounts equivalent of SEK 140 million (2015) and 109 million (2016) to various companies within the group of its majority shareholder, Arctic Paper S.A. The transactions have been carried out on customary market terms.

Other than as set out above there are no significant transactions with any related parties.

Disputes and litigation

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

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

The Notes will be admitted to trading on Nasdaq Stockholm on or around 25 October 2017, for which listing this Prospectus has been prepared. The accrued costs relating to the listing are approximately SEK 260 000.

Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's visiting address at Rottneros AB (publ), 820 21, Vallvik, Sweden, during ordinary weekday office hours:

- the Company's articles of association as of the date of this Prospectus;
- the certificate of registration of the Company;
- the agency agreement entered into by and between the Company and the Agent;
- the audited financial statements of each company in the Group, and the audited consolidated financial statements of the Group, including the auditor's report, for the financial years 2015 and 2016; and
- the documents listed below, which are incorporated by reference.

Documents incorporated by reference

This Prospectus, in addition to this document, comprises of the following financial information which is incorporated by reference and available in electronic format on the Company's website, <http://rottneros.com/se/investerare/finansiella-rapporter/>, during the period of validity of this Prospectus:

- the following sections of the interim report of the Company, with financial information regarding the Group for the period 1 January 2017 – 30 June 2017:
 - the auditor's review report on page 12;
 - the balance sheet on page 14 (including a summary of changes made to the Group's equity capital);
 - the income statement on page 13;
 - the cash flow analysis on page 15; and
 - the notes on pages 17, including the description of the accounting principles applied on page 17.

- The following sections of the audited consolidated financial statements of the Company, with financial information regarding the Group for the financial year 2016:
 - the auditor's report on page 73;
 - the balance sheet on page 51;
 - a summary of the changes made to the Group's equity capital on page 52;
 - the income statement on page 50;
 - the cash flow analysis on page 53; and
 - the notes on pages 58-72, including the description of the accounting principles applied on pages 58-61.

- The following sections of the audited consolidated financial statements of the Company, with financial information regarding the Group for the financial year 2015:
 - the auditor's report on pages 73;
 - the balance sheet on page 51;
 - a summary of the changes made to the Group's equity capital on page 52;
 - the income statement on page 50;
 - the cash flow analysis on page 53; and
 - the notes on pages 58-72, including the description of the accounting principles applied on pages 58-61.

The sections of the above documents that have not been incorporated by reference are not relevant for investors in the Notes. Further, unless otherwise explicitly stated herein, no information contained in this Prospectus has been audited or reviewed by the Company's auditor.

Complete Terms and Conditions

TERMS AND CONDITIONS FOR ROTTNEROS AB (PUBL)



**UP TO SEK 600,000,000
SENIOR UNSECURED FLOATING
RATE NOTES**

ISIN: SE0010297804

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

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1 Definitions and construction

1.1 Definitions

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

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

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

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

“**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 before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent, regarding, *inter alia*, the remuneration payable to the Agent.

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

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

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

“**Call Option Amount**” means:

- (a) 102.075 per cent. of the Total Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling thirty-six (36) months after the First Issue Date to, but not including, the date falling fifty-seven (57) months after the First Issue Date; and

- (b) if the Notes are refinanced to at least 100 per cent. with Market Loans issued by the Issuer and which the Noteholders may subscribe for, 100.00 per cent. (and otherwise 101.0375 per cent.) of the Total Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling fifty-seven (57) months after the First Issue Date to, but not including, the Final Maturity Date.

“**Call Option**” means such redemption of the Notes as set out in Clause 9.3.1.

“**Cash and Cash Equivalents**” means cash and cash equivalents in accordance with the Accounting Principles.

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

“**Change of Control Event**” means the occurrence of an event or series of events following the First Issue Date whereby any Person or group of Persons, other than the Existing Majority Shareholder, acting in concert, (i) becomes the owner, directly or indirectly, and has the right to vote as it sees fit for, more than fifty (50) per cent. of the total number of shares or votes in the Issuer, or (ii) has the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer certifying (a) that, as far as the Issuer is aware, no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and (b) that the Incurrence Test (or any relevant part thereof) is met and including calculations and figures in respect thereof.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it as CSD in accordance with these Terms and Conditions.

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

“**De-listing Event**” means the occurrence of an event or series of events whereby (i) the shares of the Issuer listed on Nasdaq Stockholm cease to be listed on Nasdaq Stockholm or (ii) trading in the shares in the Issuer on the relevant market is suspended for a period of fifteen (15) consecutive Business Days.

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;

- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business, and non-recurring items, provided that such items are not in excess of an amount equal to ten (10) per cent. of EBITDA in the Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any company;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests; and
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

“Event of Default” means an event or circumstance specified in Clause 13 (*Events of Default*).

“Equity” means by reference to the consolidated balance sheet of the Group the sum of (i) restricted equity and (ii) non-restricted equity, in each case according to the latest Financial Report(s) or per the relevant testing date and in each case in accordance with the Accounting Principles.

“Equity Ratio” means the ratio of Equity to Total Assets.

“Existing Majority Shareholder” means Arctic Paper S.A., Reg. No. KRS 0000306944 and its Affiliates.

“Final Maturity Date” the date falling five (5) years after the First Issue Date.

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

“**Finance Documents**” means these Terms and Conditions, the Agency Agreement, any Compliance Certificate and any other document designated by the Issuer and the Agent as a Finance Document.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument (including Market Loans);
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group, the quarterly interim unaudited unconsolidated reports of the Issuer or the Issuer’s year-end report (Sw. *bokslutskommuniké*) which shall be prepared and made available in accordance with items (a), (b) and (c) of Clause 10.1 (*Information from the Issuer*).

“**Financial Year**” means the annual accounting period of the Issuer.

“**First Call Date**” means the date falling thirty-six (36) months after the First Issue Date.

“**First Issue Date**” means 1 September 2017.

“**Force Majeure Event**” has the meaning set forth in Clause 26.1.

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

“**Incurrence Test**” means the test pursuant to Clause 12.1.

“**Initial Notes**” means the Notes issued on the First Issue Date in the nominal amount of SEK 400,000,000.

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

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Bearing Debt**” means the aggregate gross interest bearing debt of the Group on a consolidated basis.

“**Interest Payment Date**” means 1 March, 1 June, 1 September and 1 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 1 December 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the 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 Notes will carry Interest at the Interest Rate (i) from, but excluding the Interest Payment Date falling immediately prior to their issuance to, and including, the next succeeding Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means three (3) months STIBOR plus 4.15 per cent. *per annum*.

“**Issuer**” means Rottneros AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556013-5872.

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

“**Listing Failure**” means the situation where:

- (a) the Initial Notes have not been listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) within sixty (60) calendar days after the First Issue Date; or
- (b) at any time after such listing, the Notes cease to be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market), as applicable, save that if the Notes are listed on another market place than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm).

“**Make Whole Amount**” means, from the First Issue Date to, but not including, the First Call Date, a price equivalent to the sum of:

- (a) the present value on the relevant record date of 102.075 per cent. of the Total Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining coupon payments (assuming that the interest rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date), less any accrued but unpaid interest, through and including the First Call Date,

each calculated by using a discount rate of 50 basis points over the comparable Swedish government bond rate (i.e. comparable to the remaining duration of the Notes until the First Call Date) and where “**relevant record date**” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

“**Market Loan**” means any loan or other indebtedness where an entity issues convertibles, subordinated debentures, bonds, notes or other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes).

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other obligations under these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB (Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).

“**Net Finance Charges**” means, for the Reference Period, the Finance Charge according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group (including any one-off payments relating to repayment of existing debt) and any interest income relating to cash or cash equivalent instrument (and excluding any interest capitalised on shareholder loans).

“**Net Interest Bearing Debt**” means the aggregate Interest Bearing Debt less Cash and Cash Equivalents of the Group according to the latest Financial Report(s) or per the relevant testing date in each case in accordance with the Accounting Principles.

“**Net Proceeds**” means the proceeds from the Notes issue which, after deduction has been made for the Transaction Costs payable by the Issuer in connection with issuance of the Notes, shall be transferred to the Issuer and used in accordance with the purpose of the Notes issue.

“**Nominal Amount**” has the meaning set forth in Clause 2.3

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

“**Noteholder**” means the person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Note.

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

“**Permitted Debt**” means any Financial Indebtedness:

- (a) incurred under the Notes;
- (b) taken up from a Group Company;
- (c) incurred under any overdraft agreement existing as of the date hereof (including any conversion of such overdraft into term debt of an amount not exceeding SEK 28,000,000 or any extension of such overdraft), provided that such Financial Indebtedness does not exceed in aggregate SEK 182,000,000 (for the avoidance of doubt, the conversion of SEK 28,000,000 into term debt shall not be included in the SEK 182,000,000);
- (d) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (e) incurred under any Market Loans which comply with Clause 11.3 (*Market Loans*);
- (f) arising under financial leases, provided that such Financial Indebtedness does not exceed in aggregate SEK 15,000,000; and
- (g) not permitted by items (a) – (f) above, provided that such Financial Indebtedness does not at any time exceed SEK 15,000,000.

“**Permitted Security**” means any Security:

- (a) existing as of the date hereof but only to the extent provided under any debt documents entered into prior to the date hereof and which, for the avoidance of doubt, may not be extended;
- (b) provided pursuant to item (c) of the definition of Permitted Debt;

- (c) arising by operation of law or in the ordinary course of business;
- (d) provided in relation to financial lease agreements, entered into by a member of the Group, which constitute Permitted Debt; and
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements.

“**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.

“**Quarter Date**” means the last day of each quarter of the Issuer’s Financial Year.

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date), or (ii) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period (*i.e.*, the day that period commences, even if no interest accrues on such day).

“**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 Noteholders is to be made under Clause 15 (*Distribution of proceeds*) or (iv) 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 Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

“**Reference Period**” means each period of 12 consecutive months.

“**Regulated Market**” means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

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

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or

around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period;

- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four (4) decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four (4) decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subsequent Notes**” means any Notes issued after the First Issue Date on one or more occasions.

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

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

“**Total Assets**” means, in respect of the Group, the book value of the total consolidated assets according to the latest Financial Report(s) or per the relevant testing date in each case in accordance with the Accounting Principles.

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxies incurred by the Issuer or any other member of the Group in connection with the issuance of the Initial Notes or any Subsequent Notes.

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

1.2 Construction

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, 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;
- (d) an Event of Default is continuing if it has not been remedied or waived;
- (e) a provision of law is a reference to that provision as amended or re-enacted; and
- (f) a time of day is a reference to Stockholm time.

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

1.2.3 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.

1.2.4 No delay or omission of the Agent or of any Noteholder 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 Notes

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The initial nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.4 Provided that the Issuer meets the Incurrence Test (tested pro forma including such Subsequent Notes), the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes 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 applicable to the Initial Notes shall apply to Subsequent Notes. The price of the Subsequent Notes may be set to par, at a discount or at a premium compared to the

Nominal Amount. The maximum total nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 600,000,000 unless consent from the Noteholders is obtained in accordance with Clause 16.5(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.

- 2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable from time to time, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3 Use of proceeds

The Issuer shall use the Net Proceeds for general corporate purposes including, but not limited to, investing in the Group's long-term industrial plan, Agenda 500.

4 Conditions Precedent for Settlement of the Notes

- 4.1 The Issuer shall provide to the Agent no later than four (4) Business Days prior to the First Issue Date the documents and evidence as set out in Part I of Schedule 1 (*Conditions Precedent for Settlement of Initial Notes*).
- 4.2 The Issuer shall provide to the Agent no later than four (4) Business Days prior to the issuance of any Subsequent Notes the documents and evidence as set out in Part II of Schedule 1 (*Conditions Precedent for Settlement of Subsequent Notes*).
- 4.3 The Agent does not review the documentation delivered to it pursuant to Clause 4.1 or 4.2 from a legal or commercial perspective of the Noteholders and the Agent may assume that such documentation is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation.
- 4.4 The Agent shall notify the Issuing Agent when the conditions in Clause 4.1 or 4.2, as the case may be, have been satisfied, after which the Issuing Agent shall procure the disbursement of the Net Proceeds of the Initial Notes or Subsequent Notes (as applicable) to an account as instructed by the Issuer.

5 Notes in book-entry form

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 5.4 For the purpose of or in connection with any Noteholders' 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 Notes.
- 5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.6 The Issuer and the Agent may use the information referred to in Clause 5.3 and 5.5 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

6 Right to act on behalf of a Notholder

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it

has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

7 Payments in respect of the Notes

- 7.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder 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.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal and interest, or any other payment, 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 Noteholder 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 Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 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.
- 7.5 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

- 8.1 Each Initial Note carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note 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.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9 Redemption and Repurchase of the Notes

9.1 Redemption at maturity

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

9.2 Issuer's purchase of Notes

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

9.3 Voluntary total redemption (call option)

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes on any Business Day falling before the Final Maturity Date. The Notes shall be redeemed at the Make Whole Amount or at the Call Option Amount (as applicable) together with accrued but unpaid Interest.

- 9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders 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 fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

9.4 Early redemption due to illegality (call option)

- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

- 9.4.2 The Issuer shall give notice of any redemption pursuant to Clause 9.4 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

- 9.4.3 A notice of redemption in accordance with Clause 9.4 is irrevocable and shall specify the relevant Redemption Date and also the Record Date on which a Person shall be registered as a Noteholder to receive the amounts due on such Redemption Date, and,

on the Redemption Date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

9.5 Mandatory repurchase due to a Change of Control Event, a Listing Failure or a De-listing Event (put option)

- 9.5.1 Upon the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of a Change of Control Event, Listing Failure or De-listing Event pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure, or De-listing Event (as applicable).
- 9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The repurchase date must fall no later than sixty (60) Business Days following the lapse of such notice period referred to in Clause 0.
- 9.5.3 If Noteholders representing more than 90 per cent. of the Total Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 9.5, the Issuer shall send a notice to the remaining Noteholders giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of thirty (30) Business Days following such notice. Such notice shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to this Clause 9.5.3. The repurchase date must fall no later than sixty (60) Business Days after the end of the period of thirty (30) Business Days referred to in this Clause 9.5.3.
- 9.5.4 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- 9.5.5 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained or sold.

10 Information to the Noteholders

10.1 Information from the Issuer

10.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) 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 Issuer for that Financial Year, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each relevant interim period of its Financial Year, the quarterly interim unaudited unconsolidated financial reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, and the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period; and
- (c) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the market place on which the Notes are listed; and
- (d) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies.

10.1.2 The Issuer shall immediately notify the Agent (and in respect of a Change of Control Event, a Listing Failure or a De-listing Event, also the Noteholders) (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, a Change of Control Event, a Listing Failure, a De-listing Event 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 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.

10.1.3 A notice relating to 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.

10.1.4 The Issuer shall issue a Compliance Certificate to the Agent (i) in connection with the payment of any Distribution or the incurrence of Financial Indebtedness and (ii) at the Agent's request, within twenty (20) days after such request has been made.

10.2 Information from the Agent

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

10.3 Publication of Finance Documents

10.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

11 General Undertakings

11.1 Disposals

The Issuer shall not, and shall procure that no other Group Company, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any of its wholly-owned subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

11.2 Listing

The Issuer intends to list the Initial Notes on the corporate bond list of Nasdaq Stockholm within thirty (30) days from the First Issue Date, and shall ensure (i) that the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date, (ii) that the Notes, once admitted to trading on the relevant market, continue being listed thereon (however, taking into account the rules and regulations of the relevant market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes and taking into account that if the Notes are listed on another market place than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm) and (iii) ensure that, upon any Subsequent Notes issue, the volume of Notes listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

11.3 Market Loans

The Issuer shall not, and shall procure that no other Group Company will, (i) issue any Market Loan that has a final redemption date or, when applicable, early redemption dates or instalment dates which occur before the Final Maturity Date or (ii) create or allow to subsist, retain, provide, prolong or renew any Security (including guarantees) over any of its/their assets (present or future) to secure any Market Loan.

11.4 Compliance with Laws etc.

The Issuer shall, and shall procure that the Group Companies, (i) comply in all material respects with all laws and regulations applicable to them from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market or any recognised unregulated market place applicable to the Issuer from time to time, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

11.5 Mergers and demergers

The Issuer shall not, and shall procure that no Group Company will, enter into any amalgamation, demerger, merger, consolidation, unless (i) between the Issuer and any other company provided that the Issuer is the surviving entity, or (ii) between Group Companies (other than the Issuer).

11.6 Change of Business

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

11.7 Pari Passu Ranking

The Issuer shall ensure that at all times its obligations under these Terms and Conditions rank at least *pari passu* with the claims of all its other unsubordinated and unsecured creditors, except those whose claims are mandatorily preferred by laws of general application.

11.8 Dividends

11.8.1 The Issuer shall not, and shall procure that no Group Company will, declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (including, but not limited to, any transfer of value (Sw. *värdeöverföring*) in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) or make repurchases or redemptions of shares and/or share capital to its shareholders (a “**Distribution**”), provided however that any such Distribution may be made by the Issuer or any Group Company provided that (i) items (a) and (b) of the Incurrence Test are met (tested pro forma, including such Distribution), and (ii) such Distribution does not exceed 50 per cent. of the Issuer’s consolidated net profit after taxes based on the audited annual accounts of the Issuer for the previous financial year.

11.8.2 Notwithstanding the above, any Group Company (other than the Issuer) may make a Distribution provided that such Distribution is made to another Group Company.

11.9 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company shall, incur or extend any Financial Indebtedness, provided however that the Issuer and any other Group Company may incur Financial Indebtedness provided (i) that it constitutes Permitted Debt, and (ii) that the Incurrence Test is met (tested pro forma including such incurred or extended Financial Indebtedness).

11.10 Negative Pledge

The Issuer shall not, and shall procure that no other Group Company shall, provide, prolong or renew any Security over any of its assets (present or future) to secure Financial Indebtedness, other than Permitted Security.

11.11 Undertakings relating to the Agency Agreement

11.11.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay remuneration fees to the Agent;
- (b) indemnify the Agent for costs, losses or liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

11.11.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

12 Incurrence Test

12.1 The Incurrence Test

12.1.1 The Incurrence Test is met if:

- (a) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the relevant event;
- (b) the Equity Ratio is at least 50 per cent.; and
- (c) the ratio of Net Interest Bearing Debt to EBITDA is not greater than 3.5:1,

calculated in accordance with the calculation principles set out in Clauses 12.2 (*Calculation of Equity Ratio*), 12.3 (*Calculation of Net Interest Bearing Debt to EBITDA*) and 12.4 (*Adjustments to EBITDA*) below.

12.2 Calculation of Equity Ratio

Equity Ratio shall be calculated as follows:

- (a) the calculation of the Equity Ratio for the Incurrence Test shall be made as per a testing date determined by the Issuer, falling no more than one month prior to the event relevant for the application of the Incurrence Test; and
- (b) Equity Ratio shall be measured on the relevant testing date so determined, but shall take into account the relevant Distribution.

12.3 Calculation of Net Interest Bearing Debt to EBITDA

Net Interest Bearing Debt to EBITDA shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer (subject to the Adjustments to EBITDA as set out below), falling no more than one month prior to the event relevant for the application of the Incurrence Test; and
- (b) the Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but shall include the new or extended Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

12.4 Adjustments to EBITDA

The figures for EBITDA set out in the Financial Report(s) as of the most recent Quarter Date (including when necessary, Financial Reports published before the First Issue Date), shall be used, but adjusted so that entities acquired or disposed (i) during the Reference Period or (ii) after the end of the Reference Period but before the relevant testing date, will be included or excluded (as applicable) pro forma for the entire Reference Period.

13 Events of Default

Each of the events or circumstances set out in Clauses 13.1 to 13.9 is an Event of Default.

13.1 Non-payment

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error; and
- (b) is remedied within five (5) Business Days from the due date.

13.2 Other obligations

The Issuer or any other person (other than the Agent) does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in Clause 13.1 above), unless the non-compliance:

- (a) is capable of remedy; and
- (b) is remedied within ten (10) Business Days of the earlier of the Agent giving notice or the Issuer becoming aware of the non-compliance.

13.3 Misrepresentation

Any representation or statement made or deemed to be made by a Group Company in the Finance Documents or any other document delivered by or on behalf of any Group Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless such representation or statement has been corrected within ten (10) Business Days from the date thereof.

13.4 Impossibility or illegality

It is or becomes impossible or unlawful for the Issuer to perform any of its obligations under the Finance Documents or any Finance Documents is not, or ceases to be, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Noteholders under the Finance Documents.

13.5 Insolvency

Any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent.

13.6 Insolvency proceedings

13.6.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group, other than a solvent liquidation or reorganisation of any Group Company which is not the Issuer;
- (b) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any member of the Group or any of its assets, other than in connection with a solvent liquidation or reorganisation of any Group Company which is not the Issuer; or
- (c) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction, where the amount of such Security exceeds SEK 20,000,000 or the equivalent of any other currency.

- 13.6.2 The above shall not apply to any corporate action, legal proceedings or other procedure or step taken which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

13.7 Creditors' process

Any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any asset of a Group Company having an aggregate value of SEK 20,000,000 and is not discharged within thirty (30) calendar days.

13.8 Cross default and cross acceleration

Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or any commitment for a Financial Indebtedness of any Group Company is cancelled or suspended by a creditor as a result of an event of default however described, provided that no Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 20,000,000 (or its equivalent in any other currency).

13.9 Cessation of business

Any Group Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, except if due to a merger, demerger or disposal permitted under these Terms and Conditions and provided, in relation to a cessation of business of a Group Company other than the Issuer, that such cessation is likely to have a Material Adverse Effect.

14 Acceleration of the Notes

- 14.1 Upon the occurrence of an Event of Default, and for as long as it is continuing, the Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 14.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes 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.

- 14.2 The Agent may not accelerate the Notes in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

- 14.3 The Agent shall notify the Noteholders 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, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes 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 Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.5 If the right to accelerate the Notes 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.
- 14.6 In the event of an acceleration of the Notes in accordance with this Clause 14, the Issuer shall redeem all Notes at an amount per Note equal to 101 per cent. of the Nominal Amount Nominal Amount including accrued but unpaid Interest.

15 Distribution of Proceeds

- 15.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 14 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment of the Agent under the Agency Agreement or the other Finance Documents, including all costs and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights under the Finance Documents, costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2.5, and any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.13;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
 - (d) *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 (a) to (d) above shall be paid to the Issuer.

- 15.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1(a).
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Noteholders 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 7.1 shall apply.

16 Decisions by Noteholders

- 16.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' 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 Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 16.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders 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.
- 16.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 17.3, in respect of a Noteholders' Meeting, or

- (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,

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

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

- (a) the issue of any Subsequent Notes if the Total Nominal Amount of the Notes exceeds, or if such issue would cause the Total Nominal Amount of the Notes to at any time exceed, SEK 600,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16;
- (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (g) a mandatory exchange of the Notes for other securities; and
- (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 14 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

16.6 Any matter not covered by Clause 16.5 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a) or (b)) and an acceleration of the Notes.

16.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

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

17 Noteholders' Meeting

- 17.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 17.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 17.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice.
- 17.3 The notice pursuant to Clause 17.1 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 Noteholders), (iv) a form of power of attorney and (v) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 17.4 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 17.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

18 Written Procedure

- 18.1 The Agent shall instigate a Written Procedure no later than ten (10) Business Days after receipt of a request from the Issuer or the Noteholder(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 Noteholder on the Record Date prior to the date on which the communication is sent.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Noteholder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Noteholders, (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 Noteholder 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 Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 18.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19 Amendments and Waivers

- 19.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*) and the Agent is satisfied that it has received any conditions precedent specified for the effectiveness of the approval by the Noteholders.

- 19.2 The consent of the Noteholders 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.

- 19.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective. The Agent and the Issuer shall ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*) (as applicable). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

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

20 Appointment and Replacement of the Agent

20.1 Appointment of Agent

- 20.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder. By acquiring Notes, each

subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 20.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The 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

- 20.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the content, due execution, legal validity, perfection or enforceability of the Finance Documents.
- 20.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. However, any advice or opinion of the Agent does not bind the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 20.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders 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.
- 20.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the

Finance Documents or (iii) as otherwise agreed between the Issuer and the Agent. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).

- 20.2.6 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 20.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 20.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 20.2.9 The Agent shall give a notice to the Noteholders (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 under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2.8.
- 20.2.10 The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Noteholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person.
- 20.2.11 The Agent is not 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 Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred.

20.3 Limited liability for the Agent

- 20.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 16 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 14.1.
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

20.4 Replacement of the Agent

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders 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.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21 Appointment and Replacement of the Issuing Agent

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

22 Appointment and replacement of the CSD

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act.

23 No Direct Actions by Noteholders

- 23.1 A Noteholder may not take any steps whatsoever against the Issuer 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.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Noteholders 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 Noteholder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 20.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.9 before a Noteholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure or a De-listing Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

24 Prescription

- 24.1 The right to receive repayment of the principal of the Notes 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 Noteholders' right to receive payment has been prescribed and has become void.
- 24.2 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 Notes, 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.

25 Notices and Press releases

25.1 Notices

- 25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time;
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery (if practicably possible) or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

25.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.

25.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

25.2 Press releases

25.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality (call option)*), 10.1.2, 14.3, 16.15, 17.1, 18.1 and 19.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders 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 Noteholders 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 Noteholders, the Agent shall be entitled to issue such press release.

26 Force Majeure and Limitation of Liability

26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- 26.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 26.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

27 Governing Law and Jurisdiction

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

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

Place:

Date:

ROTTNEROS AB (PUBL)
as Issuer

Name:

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

Place:

Date:

NORDIC TRUSTEE & AGENCY AB (PUBL)
as Agent

Name:

Schedule 1 Conditions Precedent

Part I Conditions Precedent for Settlement of Initial Notes

Documents and agreements

- (a) A copy of the constitutional documents of Issuer;
- (b) a copy of a resolution of the board of directors of the Issuer, approving the transactions contemplated by the Notes issue and the Finance Documents and resolving that it execute, deliver and perform its obligations under the Finance Documents and all related documents to which it is or will become a party;
- (c) a copy of the executed Agency Agreement;
- (d) a copy of the executed Terms and Conditions; and
- (e) a copy of an executed Compliance Certificate.

Part II Conditions Precedent for Settlement of Subsequent Notes

Documents and agreements

- (a) A copy of the constitutional documents of Issuer;
- (b) a copy of an executed Compliance Certificate; and
- (c) a copy of a resolution of the board of directors of the Issuer, approving the issue of Subsequent Notes.

Definitions

<i>Agent</i>	means Nordic Trustee & Agency AB (publ), a public company with Reg. No. 556882-1879.
<i>Euroclear</i>	means Euroclear Sweden AB, a limited liability company with Reg. No. 556112-8074.
<i>Group</i>	means Rottneros AB (publ) and its subsidiaries, from time to time.
<i>Issuing Agent</i>	means Swedbank AB (publ), a public company with Reg. No. 502017-7753.
<i>Nasdaq Stockholm</i>	means Nasdaq Stockholm AB (Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).
<i>Noteholder</i>	means the person who is registered on a Securities Account as direct registered owner (Sw. <i>ägare</i>) or nominee (Sw. <i>förvaltare</i>) with respect to a Note.
<i>Notes</i>	means the senior unsecured floating rate notes with ISIN SE0010297804
<i>Prospectus</i>	means this prospectus, including any documents incorporated by reference.
<i>SEK</i>	means the lawful currency in Sweden.
<i>Rottneros or the Company</i>	means Rottneros AB (publ), a public limited liability company with Reg. No. 556013-5872.
<i>Swedish Companies Act</i>	means the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i>).
<i>Terms and Conditions</i>	means the terms and conditions for the Notes.

Addresses

Company

Rottneros AB (publ)
Box 144
SE-826 23 Söderhamn,
Sweden
Tel: + 46 (0)270 622 00
Fax: +46 (0)270 692 10
www.rottneros.com

Legal Advisor to the Company

Advokatfirman Vinge KB
Smålandsgatan 20,
P.O. Box 1703,
SE-111 87 Stockholm,
Sweden
Tel: +46 (0)10-614 30 00
www.vinge.se

Agent

Nordic Trustee & Agency AB
Kungsgatan 35,
P.O. Box 7329,
SE-111 43 Stockholm,
Sweden
Tel: + 46 (0) 8 783 7900
www.nordictrustee.com

Arranger

Swedbank AB (publ)
Large Corporates & Institutions
SE-105 34 Stockholm,
Sweden
Tel: + 46 (0)8-585 900 00
www.swedbank.se

Central Securities Depository

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