

## Appendix 2A

# TERMS AND CONDITIONS FOR CONVERTIBLE DEBENTURES ISSUED BY RATOS AB (PUBL)

## § 1 Definitions

In these terms and conditions, the following terms shall have the meanings stated below.

<b>"Banking Day"</b>	any day in Sweden which is not a Sunday or other public holiday, or which, with respect to payment of notes, is not equated with a public holiday in Sweden;
<b>"Central Securities Depository Account"</b>	an account with Euroclear for registering such financial instruments as referred to in the Financial Instruments Accounting Act (1998:1479);
<b>"Central Securities Depository Company"</b>	a company whose articles of association contain an article stating that the company's shares must be registered in a central securities depository register and whose shares are registered through Euroclear;
<b>"Company"</b>	Ratos AB (publ), reg. no. 556008-3585;
<b>"Conversion"</b>	exchange of Convertible Debentures for new Shares;
<b>"Conversion Price"</b>	the price at which Conversion may take place, in accordance with these terms and conditions which initially amounts to the amount stated in section 4 and that may be recalculated in accordance with section 8;
<b>"Convertible Debenture"</b>	claim with a right of Conversion for new Shares;
<b>"Convertible Debenture Certificate"</b>	a certificate which is linked to a certain number of Convertible Debentures;
<b>"Euroclear"</b>	Euroclear Sweden AB;
<b>"Holder"</b>	any person who is a holder of a Convertible Debenture with a right of Conversion of the claim for new Shares;
<b>"Marketplace"</b>	Nasdaq Stockholm or another equivalent regulated or non-regulated market;
<b>"Share"</b>	a share of class B in the Company;
<b>"STIBOR 3M"</b>	means the interest rate corresponding to the average (in applicable cases with the exception of the highest and lowest quotation or the two highest and the two lowest quotations) of the interest rates quoted

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daily by selected banks in Sweden for loans in Swedish kronor for a period of 90 days. The compilation is done daily by Nasdaq Stockholm at 11.00 a.m.; and

**“STIBOR 6M”** means the interest rate corresponding to the average (in applicable cases with the exception of the highest and lowest quotation or the two highest and the two lowest quotations) of the rates quoted daily by selected banks in Sweden for loans in Swedish kronor for a period of 180 days. The compilation is done daily by Nasdaq Stockholm at 11.00 a.m.

## **§ 2 Loan, payment undertaking and subordination**

The loan amount excluding interest amounts to not more than SEK 60,000,000. The nominal amount of the Convertible Debentures is the Conversion Price. The Convertible Debentures are represented by Convertible Debenture Certificates. The Convertible Debenture Certificates may be issued on multiples of the Convertible Debentures. Convertible Debenture Certificates are issued to a certain person or to order.

In the event the Company is a Central Securities Depository Company, the board of directors of the Company shall be entitled to resolve that the Convertible Debentures be registered on a Central Securities Depository Account. In the event such resolution is adopted, no Convertible Debenture Certificates or other securities shall be issued. At the request of the Company, Holders shall be obliged to surrender immediately to the Company or Euroclear all Convertible Debenture Certificates representing Convertible Debentures and to provide the Company with the requisite details of the securities account on which the Holder's Convertible Debentures are to be registered.

In the event the board of directors of the Company adopts a resolution in accordance with the second paragraph above, subject to any applicable statutory or regulatory limitations, the board of directors shall thereafter be at liberty to resolve that the Convertible Debentures are no longer to be registered on a Central Securities Depository Account.

The Company undertakes liability to make payment to Holders pursuant to these terms and conditions.

In the event of bankruptcy or liquidation of the Company, the Convertible Debentures will entitle to payment from the Company's assets after the Company's unsubordinated obligations and pari passu with other subordinated obligations, which are not expressly subordinated to this loan.

## **§ 3 Term, interest and payments**

The loan is due for payment on 30 June 2022 to the extent that Conversion has not taken place by then.

The loan carries an annual interest rate as from and including 8 June 2018 in accordance with the following:

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The interest shall amount to STIBOR 6M or STIBOR 3M as well as an interest margin of 1.9 percentage points. When calculating the interest rate, STIBOR 6M and STIBOR 3M shall never fall below 0 percent. STIBOR 6M and STIBOR 3M respectively shall be determined two Banking Days before the first day of each period in accordance with the following: STIBOR 6M for a period from 8 June 2018 until and including 30 Mars 2019; STIBOR 6M for a period of six months regarding the time from 30 Mars 2019 until and including 30 September 2019; STIBOR 6M for a period of six months regarding the time from 30 September 2019 until and including 30 Mars 2020; STIBOR 6M for a period of six months regarding the time from 30 Mars 2020 until and including 30 September 2020; STIBOR 6M for a period of six months regarding the time from 30 September 2020 until and including 30 Mars 2021; STIBOR 6M for a period of six months regarding the time from 30 Mars 2021 until and including 30 September 2021; STIBOR 6M for a period of six months regarding the time from 30 September 2021 until and including 30 Mars 2022; STIBOR 3M for a period of three months regarding the time 30 Mars 2022 until and including 30 June 2022.

The interest on the Convertible Debentures is set by using a maximum of two decimals which are rounded upwards (if necessary).

The interest is calculated on the basis of a year of 360 days consisting of 12 months with each month consisting of 30 days, except in an incomplete month when the actual number of days elapsed shall count.

The interest is paid in arrears and each interest period comprises interest for a year with 360 days with exception for the first interest payment for the period from 8 June 2018 until and including 30 Mars 2019 and the last interest payment for the period from 30 Mars 2022 until and including the maturity date of the loan. The interest is due for payment on 30 March each year, the first time on 30 Mars 2019, and at the maturity date of the loan.

For such time as the Convertible Debentures are registered on Central Securities Depository Accounts, principal and interest shall be paid by the Company via Euroclear in accordance with Euroclear's rules applicable at the time. The principal and interest shall be paid by Euroclear to the person who, on the fifth Banking Day prior to the respective due date or on a Banking Day closer to the due date that generally may be applicable on the Swedish securities market (=record date for payment) is registered on the Companies Central Securities Depository Account as Holder or such persons who are otherwise entitled to receive principal and/or interest.

For such time as the Convertible Debentures are not registered on Central Securities Depository Accounts, the principal and interest shall be paid by the Company on the due date or, if the due date is not a Banking Day, on the Banking Day immediately after such date, to Holders or such persons who are otherwise entitled to receive interest and principal, respectively.

Where a Holder has specified that the principal and/or interest is to be deposited on a particular bank account, deposits shall be made on such account. In other cases, principal and/or interest shall be sent on the last-mentioned date to the Holder's last known address.

In the event principal or interest cannot be paid in accordance with the above due to an impediment beyond the Company's control, the principal and/or interest shall be paid to the Holder as soon as the impediment has been removed.

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#### **§ 4 Conversion**

The Conversion Price per Share shall correspond to a certain percentage (the “**Percentage**”) of the volume weighted average share price according to Nasdaq Stockholm’s official price list for the shares of class B during the period from and including 8 May 2018 until and including 18 May 2018 but not lower than the current quotient value of the shares of class B (the “**Conversion Price**”). The Percentage shall be determined in accordance with the calculation methodology set forth in Appendix 1. The Conversion Price shall be rounded off to two decimals.

Subject to section 8 below, Holders shall during the period from and including 8 June 2021 until and including 8 June 2022, or until and including such earlier or later date as may follow from section 8 below, be entitled to, on one single occasion, request Conversion of their entire claim into new Shares in the Company at the Conversion Price. Such right is however limited to a period of 10 Banking Days as from the first Banking Day immediately following the publishing of an interim report/year-end report as well as during the period from and including 9 May 2022 until and including 8 June 2022.

In the event Conversion fails to take place by the stipulated date, all rights to convert the Convertible Debenture shall lapse. Conversion is binding and may not be revoked by the Holder.

Accordingly, one new Share in the Company shall be received for each full amount corresponding to the applicable Conversion Price of the total nominal amount of the Convertible Debentures that the Holder wishes to convert at any one time. If this amount is not equally divisible by the Conversion Price, the excess amount shall be paid in cash on the maturity date of the loan. The Conversion Price may be recalculated in the cases set forth in section 8 below.

#### **§ 5 Demand for Conversion**

The following shall apply for such time as the Company is a Central Securities Depository Company and the Convertible Debenture is registered on a Central Securities Depository Account. Upon Conversion, a completed application form in the established form must be submitted to the Company or an account operator designated by the Company in respect of registration measures.

In the event the Company is not a Central Securities Depository Company or the Convertible Debenture is not registered on a Central Securities Depository Account, Conversion may be exercised through a written application for Conversion to the Company, stating the amount to be Converted. Upon Conversion, the Holder shall, where applicable, surrender corresponding Convertible Debenture Certificates to the Company.

#### **§ 6 Entry in the share register, etc.**

In the event the Company is a Central Securities Depository Company at the time of Conversion, Conversion shall be effected through the Company ensuring the interim registration of the new Shares on a Central Securities Depository Account. Following registration at the Swedish Companies Registration Office, the registration on a Central Securities Depository Account shall become final. As stated in section 8 below, in certain cases the date of such final registration on a Central Securities Depository Account may be postponed.

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In the event the Company is not a Central Securities Depository Company at the time of Conversion, Conversion shall be effected by the new Shares being entered as Shares in the Company's share register and subsequently being registered at the Swedish Companies Registration Office.

## **§ 7 Interest and dividends in connection with Conversion**

Upon Conversion, the right to interest expires for the period from the previous interest maturity date.

In the event the Company is a Central Securities Depository Company, Shares which are issued through Conversion shall carry a right to dividends for the first time on the next record date for dividends which occurs after Conversion is effected. New Shares issued through Conversion as from the day after the record date for interest payment (the record date for interest payment according to Euroclear's, at the time, applicable rules) for a certain year does not entitle to dividends on the record date for dividends resolved upon by the Annual General Meeting the same year.

In the event the Company is not a Central Securities Depository Company, Shares which are issued through Conversion shall, where relevant, entitle the holder to dividend at the first general meeting following the date which occurs after Conversion is effected. New Shares issued through Conversion as from the day after interest payment has been made for a certain year, does not entitle to dividends resolved upon by the Annual General Meeting the same year. In the event of deferred payment, the Company shall pay interest at the interest rate applicable on the maturity date.

## **§ 8 Recalculation of Conversion Price, etc.**

In the following situations, the following shall apply with respect to the rights which shall vest in Holders.

Recalculation according to the provisions in this section 8 shall under no circumstances cause the Conversion Price to be less than the quotient value of the Company's Shares.

### **A. Bonus issue**

In the event the Company carries out a bonus issue, where Conversion takes place at such time that it cannot be effected by at least three weeks prior to the general meeting at which a bonus issue resolution is to be adopted, Conversion may be effected only after such a general meeting has adopted a resolution thereon. Shares which vest as a consequence of Conversion effected following the bonus issue resolution shall be the subject of interim registration on the central securities depository account, and accordingly shall not be entitled to participate in the bonus issue. Conclusive registration on the central securities depository account shall take place only after the record date for the bonus issue.

In the event the Company is not a Central Securities Depository Company at the time a bonus issue resolution is adopted by the general meeting, Shares which vest as a consequence of Conversion effected through the new Shares being entered in the Company's share register as interim shares on the date of the general meeting's resolution, shall be entitled to participate in the bonus issue.

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In the case of Conversion which is effected following a bonus issue resolution, a recalculated Conversion Price shall be applied.

The recalculation shall be made by the Company based on the following formula:

$$\text{recalculated Conversion Price} = \frac{\text{previous Conversion Price} \times \text{number of Shares prior to the bonus issue}}{\text{number of Shares after the bonus issue}}$$

A recalculated Conversion Price in accordance with the provisions above shall be determined as soon as possible after the general meeting has adopted a bonus issue resolution but, where applicable, shall be applied only after the record date for the bonus issue.

### ***B. Reverse share split or share split***

In the case of a reverse share split or share split in respect of existing Shares in the Company, the provisions of subsection A shall apply mutatis mutandis whereupon, where appropriate, the record date shall be deemed to be the day on which a reverse share split or share split takes place at Euroclear, upon request by the Company.

### ***C. New issue of Shares***

In the case of a new issue with pre-emption rights for the shareholders to subscribe for new Shares in exchange for cash payment or payment by way of set-off, the following shall apply with respect to the right to participate in the new issue by virtue of Shares which have vested as a consequence of Conversion:

1. Where a new issue resolution is adopted by the Company's board of directors subject to approval by the general meeting or pursuant to authorisation granted by the general meeting, the resolution and, where applicable, the notice to the shareholders referred to in Chapter 13, section 12 of the Companies Act, shall state the latest date by which Conversion must be effected in order that Shares which vest as a consequence of Conversion shall carry an entitlement to participate in the new issue.
2. Where the general meeting adopts a new issue resolution, in the event a demand for Conversion is made at such a time that the Conversion cannot be effected by at least three weeks prior to the general meeting which adopts the new issue resolution, Conversion shall only be effected after the Company has carried out a recalculation. Shares which vest as a consequence of such Conversion shall be the subject of interim registration on the central security depository account, and consequently shall not be entitled to participate in the new issue. Conclusive registration on the central securities depository account shall take place only after the record date for the new issue.

In the case of Conversion which is effected at such time that there is no entitlement to participate in the new issue, a recalculated Conversion Price shall be applied.

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The recalculation shall be made by the Company based on the following formulae:

$$\begin{aligned} \text{recalculated} & & = & & \text{previous Conversion Price x the Share's average price during} \\ \text{Conversion Price} & & & & \text{the subscription period established in the resolution regarding} \\ & & & & \text{the issue (the Share's average price)} \\ & & & & \hline & & & & \text{the Share's average price increased by the theoretical value of} \\ & & & & \text{the subscription right calculated on the basis thereof} \end{aligned}$$

The Share's average price shall be deemed to correspond to the average of the calculated mean values, for each trading day during the subscription period, of the highest and lowest transaction prices listed during the day in accordance with the official quotations on the Marketplace. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall instead be included in the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included in the calculation.

The theoretical value of the subscription right shall be calculated based on the following formula:

$$\begin{aligned} \text{value of the} & & = & & \text{the maximum number of new Shares which may be issued} \\ \text{subscription right} & & & & \text{pursuant to the new issue resolution x the Share's average} \\ & & & & \text{price less the subscription price for the new Share} \\ & & & & \hline & & & & \text{the number of Shares prior to adoption of the new issue} \\ & & & & \text{resolution} \end{aligned}$$

In the event a negative value is thereupon obtained, the theoretical value of the subscription right shall be set at zero.

A recalculated Conversion Price in accordance with the provisions above shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Conversions effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Conversion Price shall be determined in accordance with this subsection C. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

During the period pending determination of a recalculated Conversion Price, Conversion shall be effected only on a preliminary basis, whereupon the number of Shares to which each Convertible Debenture carries an entitlement to Conversion prior to the recalculation shall be registered on an interim basis on the central securities depository account. In addition, it is specifically noted that, following recalculations, each Convertible Debenture may carry an entitlement to additional Shares and/or cash sums pursuant to section 4 above. Conclusive registration on the central securities depository account shall take place after the recalculation has been determined. In the event the Company is not a Central Securities Depository Company, Conversion shall be effected through the new Shares being entered in the share register as interim shares. After the recalculations have been determined, the new Shares shall be entered in the share register as shares.

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#### ***D. Issue of convertible debentures or warrants***

In the case of an issue of convertible debentures or warrants with pre-emption rights for the shareholders and in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment, the provisions of subsection C, first paragraph, subparagraphs 1 and 2 regarding the right to participate in a new issue by virtue of Shares which vest through Conversion shall apply mutatis mutandis.

In the case of Conversion which is effected at such time that there is no entitlement to participate in the new issue, a recalculated Conversion Price shall be applied.

The recalculation shall be made by the Company based on the following formula:

$$\begin{array}{l} \text{recalculated} \\ \text{Conversion Price} \end{array} = \begin{array}{l} \text{previous Conversion Price x the Share's average price during} \\ \text{the subscription period established in the resolution regarding} \\ \text{the issue (the Share's average price)} \end{array} \\ \hline \begin{array}{l} \text{The Share's average price increased by the value of the} \\ \text{subscription right} \end{array}$$

The Share's average price shall be calculated in accordance with subsection C above.

The value of the subscription right shall be deemed to correspond to the mathematically calculated value following an adjustment for a new issue and taking into account the market value in accordance with the provisions of subsection C above.

A recalculated Conversion Price in accordance with the provisions above shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Conversions effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Conversion Price shall be determined in accordance with this subsection D. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

The provisions of subsection C, final paragraph above shall apply mutatis mutandis in respect of demands for Conversion which are made during the period until the recalculated Conversion Price is determined.

#### ***E. Offer to the shareholders in cases other than those referred to in A-D***

In the event the Company, in circumstances other than those set forth in subsections A-D above, extends an offer to the shareholders to acquire securities or rights of any kind from the Company, in the event of Conversion which is made at such time that the Shares thereby received do not carry an entitlement to participate in the offer, a recalculated Conversion Price shall be applied. The aforesaid shall also apply where the Company resolves, in accordance with the aforementioned principles, to allot securities or rights to the shareholders without consideration.



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The recalculation shall be made by the Company based on the following formula:

$$\begin{array}{l} \text{recalculated} \\ \text{Conversion Price} \end{array} = \frac{\text{previous Conversion Price x the Share's average listed price} \\ \text{during the application period established in the offer (the} \\ \text{Share's average price)}}{\text{the Share's average price increased by the value of the right to} \\ \text{participate in the offer (the purchase right value)}}$$

The Share's average price shall be calculated in accordance with subsection C above.

In the event the shareholders have received purchase rights and trading has taken place in such rights, the value of the right to participate in the offer shall be deemed to correspond to the Purchase Right Value. The Purchase Right Value shall, as far as possible, be determined based on the change in the market value of the Company's Shares which may be deemed to have arisen as a result of the offer.

In the event the shareholders have not received purchase rights, or trading in purchase rights has otherwise not taken place, the recalculation of the Conversion Price shall be made applying, as far as possible, the principles stated above, whereupon the value of the right to participate in the offer shall, as far as possible, be determined based on the change in the market value of the Company's Shares which may be deemed to have arisen as a result of the offer.

The recalculated Conversion Price shall be determined by the Company as soon as possible after the expiry of the offer period and applied in conjunction with Conversions effected after the recalculated price has been determined.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Conversion Price shall be determined. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

The provisions of subsection C, final paragraph above shall apply mutatis mutandis in respect of Conversion which are made during the period until the recalculated Conversion Price is determined.

#### ***F. New share issue or issue of convertible debentures or warrants***

In the case of a new share issue or an issue of convertible debentures or warrants with pre-emption rights for the shareholders, in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment, the Company may decide to grant all Holders the same pre-emption rights as vest in the shareholders pursuant to the resolution. Notwithstanding that Conversion has not been effected, each Holder shall thereupon be deemed to be the owner of the number of Shares which the Holder would have received had Conversion been effected at the Conversion Price as applicable on the date on which the resolution regarding the issue was adopted. The fact that in certain cases the Holder could also have received a cash sum pursuant to section 4 above shall not carry any entitlement as far as concerns this matter.

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In the event the Company resolves to extend to the shareholders such an offer as referred to in subsection E above, the provisions of the preceding paragraph shall apply mutatis mutandis. The number of Shares which the Holder shall be deemed to own shall thereupon be determined based on the Conversion Price as applicable on the date on which the resolution regarding the offer was adopted.

In the event the Company decides to grant the Holders pre-emption rights in accordance with the provisions of this subsection F, no recalculation of the Conversion Price shall be made pursuant to subsections C, D or E.

#### ***G. Cash dividend to the shareholders***

In the event of a cash dividend to the shareholders, entailing that the shareholders receive dividends which, together with other dividends paid out during same financial year, exceed 20 percent of the existing Share's average price during a period of 25 trading days immediately prior to the day on which the board of directors of the Company publishes its intention to submit a proposal to the general meeting regarding such dividend, which in the event Conversion is demanded at such time that the Shares thereby received do not carry an entitlement to receive such dividend, a recalculated Conversion Price shall be applied. The recalculation shall be based on the part of the total dividend which exceeds 20 percent of the Share's average price during the aforementioned period (extraordinary dividend).

The recalculation shall be carried out by the Company based on the following formula:

$$\begin{array}{l} \text{recalculated} \\ \text{Conversion Price} \end{array} = \frac{\text{previous Conversion Price} \times \text{the Share's average listed price} \\ \text{during a period of 25 trading days calculated commencing the} \\ \text{day on which the Share was listed without the right to} \\ \text{participate in the extraordinary dividend (the Share's average} \\ \text{price)}}{\text{the Share's average price increased by the extraordinary} \\ \text{dividend paid out per Share}}$$

The Share's average price shall be calculated in accordance with subsection C above.

A recalculated Conversion Price shall be determined by the Company two Banking Days after the expiry of the period referred to above (25 trading days) and shall be applied to Conversions effected thereafter.

In the event of the Company's Shares are not listed or traded on a Marketplace, and a resolution is adopted regarding a cash dividend to the shareholders entailing that the shareholders receive a dividend which, together with other dividends paid out during the same financial year, exceeds 20 percent of the Company's value, in conjunction with applications for Conversion which take place at such time that the Shares thereby received do not carry an entitlement to receive such dividend, a recalculated Conversion Price shall be applied in accordance with this subsection G. The Company's value per share shall thereupon replace the Share's average price in the formula. The Company's value per share shall be determined by an independent valuer appointed by the Company. The recalculation shall thus be based on the part of the aggregate dividend exceeding 20 percent of the Company's value referred to above (extraordinary dividend).

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In conjunction with Conversion which is effected during the period pending determination of a recalculated Conversion Price, the provisions of subsection C, final paragraph above shall apply mutatis mutandis.

#### **H. Reduction in the share capital with repayment to the shareholders**

In the case of a reduction in the share capital with repayment to the shareholders, a recalculated Conversion Price shall be applied.

The recalculation shall be carried out by the Company based on the following formulae:

$$\begin{aligned} \text{recalculated Conversion Price} &= \frac{\text{previous Conversion Price} \times \text{the Share's average listed price during a period of 25 trading days calculated commencing the day on which the Shares were listed without the right to participate in the repayment (the Share's average price)}}{\text{the Share's average price increase by the amount repaid per Share}} \end{aligned}$$

The Share's average price shall be calculated in accordance with subsection C above.

In making a recalculation pursuant to the above where the reduction takes place through redemption of Shares, instead of using the actual amount which is repaid per Share a calculated repayment amount shall be used as follows:

$$\begin{aligned} \text{calculated repayment amount per Share} &= \frac{\text{the actual amount repaid per redeemed Share less the Share's average price during a period of 25 trading days immediately preceding the day on which the Shares do not carry an entitlement to participate in the reduction (the Share's average price)}}{\text{the number of Shares in the Company which form the basis of redemption of a Share less 1}} \end{aligned}$$

The Share's average price shall be calculated in accordance with subsection C above.

The recalculated Conversion Price shall be determined by the Company two Banking Days after the expiry of the stated period of 25 trading days and shall be applied to Conversions effected thereafter.

In conjunction with Conversions which are effected during the period pending determination of a recalculated Conversion Price, the provisions of subsection C, final paragraph above, shall apply mutatis mutandis.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Conversion Price shall be determined. In lieu of the provisions regarding the Share's average price, the value of the Shares shall thereupon be determined by an independent valuer appointed by the Company.

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In the event the Company's share capital is to be reduced through redemption of Shares with repayment to the shareholders and such reduction is not mandatory, or in the event the Company is to carry out a buyback of its Shares - without a reduction in the share capital being involved - but where, in the Company's opinion, in light of the technical structure and economic effects thereof the measure is comparable to a mandatory reduction, a recalculation of the Conversion Price shall be carried out applying, as far as possible, the principles stated above.

#### ***I. Appropriate recalculation***

In the event the Company carries out any measure as referred to in A-E, G, H or M and where, in the opinion of the Company's board of directors, in light of the technical structure of the measure or for any other reason, application of the prescribed recalculation formulae cannot take place or results in the financial compensation received by the Holders being unreasonable compared with the shareholders, the board of directors shall carry out the recalculation of the Conversion Price in such manner as the board deems appropriate in order to obtain a reasonable result.

#### ***J. Rounding off***

In the determination of a recalculated Conversion Price, the Conversion Price shall be rounded off to two decimals.

#### ***K. Liquidation***

In the case of liquidation pursuant to Chapter 25 of the Companies Act, no further Conversions may be demanded. The aforesaid shall apply irrespective of the reasons for the liquidation and irrespective of whether or not the order that the Company be placed into liquidation has become final.

Simultaneously with the notice convening the general meeting and prior to the general meeting is to consider the issue of whether the Company is to be placed into voluntary liquidation pursuant to Chapter 25, section 1 of the Companies Act, the Holders shall be given notice thereof by the Company in accordance with section 9 below. The notice shall inform the Holders that they may not demand Conversion after the general meeting has adopted a resolution regarding liquidation.

In the event the Company gives notice that it is considering entering into voluntary liquidation, notwithstanding the provisions of section 4 regarding the earliest date for demanding Conversion, the Holders shall be entitled to demand Conversion commencing the day on which notice is given. However, the aforesaid shall apply only where Conversion can be effected not later than the tenth calendar day prior to the general meeting at which the issue of the Company's liquidation is to be addressed.

#### ***L. Merger***

In the event the general meeting approves a merger plan pursuant to Chapter 23, section 15 of the Companies Act, whereby the Company is to be merged in another company, demands for Conversion may not be made thereafter.

Notice of the proposed merger in accordance with section 9 below must be given to the Holders not later than two months prior to the date on which the Company makes a final decision as to

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whether to approve the merger plan in accordance with the above. The notice must set forth the material terms and conditions of the proposed merger plan and inform the Holders that Conversions may not take place once a final decision has been made regarding the merger in accordance with the provisions of the preceding paragraph.

In the event the Company gives notice of a proposed merger in accordance with the above, Holders shall be entitled to demand Conversion commencing the date on which notice of the proposed merger was given, provided that Conversion can be effected not later than three weeks prior to the date of the general meeting at which the merger plan whereby the Company is to be merged in another company is to be approved.

The following shall apply if the Company's board of directors prepares a merger plan pursuant to Chapter 23, section 28 of the Companies Act, whereby the Company is to be merged in another company.

In the event a Swedish parent company owns all of the Shares in the Company, and the Company's board of directors announces its intention to prepare a merger plan pursuant to the statutory provision referred to in the preceding paragraph, in the event the final date for demanding Conversion pursuant to section 4 above falls on a day after such announcement, the Company shall establish a new final date for demanding Conversion (the Expiry Date). The Expiry Date shall be a day within 60 days of the announcement.

#### ***M. Demerger***

In the event the general meeting approves a demerger plan pursuant to Chapter 24, section 17 of the Companies Act, whereby the Company shall be demerged through part of the Company's assets and liabilities being assumed by one or more limited companies in exchange for consideration to the Company's shareholders, a recalculated Conversion Price shall be applied in accordance with the principles regarding extraordinary dividends as set forth in subsection G above. The recalculation shall be based on the part of the Company's assets and liabilities assumed by the takeover company.

In the event all of the Company's assets and liabilities are assumed by one or more other limited companies in exchange for consideration to the Company's shareholders, the provisions regarding liquidation as set forth in subsection K above shall apply mutatis mutandis, entailing inter alia that the right to demand Conversion shall terminate simultaneously with registration pursuant to Chapter 24, section 27 of the Companies Act and that Holders must be given notice thereof not later than two months prior to the date on which the demerger plan is submitted to the general meeting.

#### ***N. Buy-out of minority shareholders***

In the event a Swedish parent company, on its own or together with a subsidiary, owns more than 90 percent of the Shares in the Company, and where the parent company announces its intention to commence a buy-out procedure, the provisions of the final paragraph of subsection L regarding the Expiry Date shall apply mutatis mutandis.

If the announcement has been made in accordance with the provisions above in this subsection, Holders shall be entitled to demand Conversion until the Expiry Date. The Company must give notice to the Holders in accordance with section 9 below, not later than five weeks prior to the

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Expiry Date, informing them of this right and the fact that they may not demand Conversion after the Expiry Date.

If the majority shareholder, pursuant to Chapter 22, section 6 of the Companies Act, has submitted a request that a buy-out dispute be resolved by arbitrators, the Convertible Debentures may not be exercised for Conversion until the buy-out dispute has been settled by an award or decision that has become final. If the period within which Conversion may take place expires prior thereto, or within three months thereafter, a Holder nevertheless has the right to exercise the Convertible Debenture for Conversion within three months after the date on which the ruling became final.

***O. Ceased or lapsed liquidation, merger or demerger***

Notwithstanding the provisions of K, L and M that demands for Conversion may not be made following a resolution regarding liquidation or approval of a merger plan or a demerger plan, the right to demand Conversion shall be reinstated in the event the liquidation ceases or the issue of a merger or demerger lapses.

***P. Bankruptcy or company re-organization***

In the event of the Company's bankruptcy or where a decision is taken that the Company shall be the subject of a company re-organization order, demands for Conversion may not be made. Where the bankruptcy order or the company re-organization order is set aside by a higher court, the entitlement to Conversion shall be reinstated.

***Q. Change in accounting currency***

In the event the Company effects a change in the accounting currency, entailing that the Company's share capital shall be established in a currency other than Swedish kronor, the Conversion Price shall be recalculated in the same currency as the share capital. Such currency recalculation shall take place applying the exchange rate which was used to recalculate the share capital in conjunction with the change in currency.

A recalculated Conversion Price in accordance with the provisions above shall be determined by the Company and shall be applied to Conversions effected commencing the day on which the change in the accounting currency takes effect.

***R. Equivalent terms and conditions for companies that are not Central Securities Depository Companies***

In cases where the provisions concerning recalculation refer to the record date and, at the time of the recalculation, the Company is not a Central Securities Depository Company, a comparable date used in equivalent terms and conditions for companies that are not Central Securities Depository Companies shall apply instead of the record date.

**§ 9 Notices**

Notices relating to the Convertible Debentures must be provided in writing via mail or email to each Holder to an address which is known to the Company.

## **§ 10 Amendments to the terms and conditions**

The Company's board of directors shall be entitled, on behalf of the Holders, to amend these terms and conditions to the extent that any legislation, court decision, Euroclear's or public authority decision renders necessary such amendment or where, in the board's opinion, for practical reasons it is otherwise appropriate or necessary to amend the terms and conditions, and the rights of the Holders are thereupon not prejudiced in any respect.

## **§ 11 Confidentiality**

The Company, the account operator and Euroclear may not, without authorization, disclose information about a Holder to any third party. The Company shall, where relevant, be entitled to receive the following information from Euroclear relating to a Holder's account with the Company's central securities depository register:

- i) the Holder's name, personal identification number or other identification number, and postal address;
- ii) the number of Convertible Debentures.

## **§ 12 Limitation period for receiving payments**

The right to receive payment of principal shall lapse ten years after the due date. The right to receive interest shall lapse three years after a respective interest due date. Funds allocated for lapsed payments shall vest in the Company.

## **§ 13 Trustee**

In the event the Company is a Central Securities Depository Company a person who, according to Chapter 5, section 14, of the Swedish Companies Act, is authorized to act on behalf of a shareholder shall be entitled to be registered on an account as a Holder. Such trustee shall be entitled to receive payments of interest and the loan amount that otherwise would have been disbursed to the Holder, and shall also otherwise be considered as a Holder in the application of these terms and conditions.

## **§ 14 Limitation of liability**

With respect to the actions and measures incumbent on the Company, the account operator or Euroclear – concerning Euroclear subject to the provisions of the Financial Instruments Accounts Act (1998:1479) – neither the Company, the account operator nor Euroclear shall be held liable for any loss or damage due to Swedish or foreign legal decrees, action by Swedish or foreign public authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The reservation in respect of strikes, blockades, boycotts and lockouts shall apply even if the Company, the account operator or Euroclear takes or is the object of such actions.

Neither shall the Company, the account operator or Euroclear be obliged to compensate for loss or damage arising if the Company, the account operator or Euroclear has exercised normal prudence. The Company, the account operator and Euroclear shall under no circumstances be liable for indirect damage. If the Company, the account operator or Euroclear is hindered from making payment or taking any other action due to circumstances referred to in the first

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paragraph, such action may be deferred until the obstacle has ceased to exist. In the event of deferred payment, the Company shall pay interest at the interest rate applicable on the maturity date.

### **§ 15 Governing law**

These Convertible Debentures and legal issues relating thereto shall be governed by Swedish law. Proceedings arising from this agreement shall be brought in the district court where the registered office of the Company is situated or any other forum whose authority is accepted in writing by the Company.

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