

GOLDEN HEIGHTS AKTIEBOLAG PUBL

Prospectus for the admission to trading on NASDAQ OMX Stockholm of

up to SEK 400,000,000
senior secured floating rate notes 2014/2019

ISIN: SE0006027181

The logo for SEB, consisting of the letters S, E, and B in a bold, white, sans-serif font, separated by vertical bars, all contained within a solid green square.

S|E|B

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared by Golden Heights Aktiebolag publ (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the "**Group**" or "**Golden Heights**"), a limited liability company incorporated in Sweden, having its registered office in the municipality of Gothenburg and its registered address at 432 84, Varberg, with Swedish Reg. No. 556711-9648.

Words and expressions defined in the Terms and Conditions beginning on page 38 have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

On 18 June 2014, (the "**First Issue Date**") the Issuer issued a bond loan in the amount of SEK 400,000,000. The nominal amount of each initial bond is SEK 1,000,000 (the "**Nominal Amount**") (the "**Initial Notes**"). The Issuer may at one or several occasions issue subsequent Notes (the "**Subsequent Notes**" and together with the Initial Notes, the "**Notes**").

The Prospectus has been prepared for the listing of the loan constituted by the Notes on the corporate bond list on NASDAQ OMX Stockholm, Swedish Reg. No. 556112-8074 ("**NASDAQ OMX**"). Skandinaviska Enskilda Banken AB (publ) is acting as Sole Bookrunner in connection with the issue of the Notes.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) (the "**Financial Instruments Trading Act**"). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete.

This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. In this Prospectus, references to "euro", "€" and "EUR" refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and references to "SEK" refer to Swedish krona.

Each Note has been issued with a nominal amount of SEK 1,000,000.

Investing in Notes is not appropriate for all investors. Each potential investor should therefore evaluate the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Notes, and (ii) the merits and risks of investing in the Notes; (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Notes and the impact that such an investment will have on the investor's overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency; (d) understand thoroughly the Terms and Conditions governing the rights and obligations with respect to the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

This Prospectus does not contain and does not constitute an offer or a solicitation to purchase or sell Notes in any jurisdiction. This Prospectus may not be distributed in or into any country or jurisdiction where such distribution would require any additional prospectus, registration or additional measures other than those required under Swedish law, or otherwise would conflict with or be contrary to the rules and regulations of such jurisdiction. 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. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction outside Sweden. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer's, the Group's or the Group's business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Financial Instruments Trading Act.

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

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RISK FACTORS

Unless a contrary indication appears, the terms defined in the Terms and Conditions shall have the same meaning in these risk factors.

Investments in corporate bonds always entail a certain degree of risk, including the risk of losing the value of the entire investment. A number of factors affect and may come to affect the Issuer and its subsidiaries' operations, result, financial position and the Notes. In this section a number of risk factors are described, both general risks attributable to the Issuers' and its subsidiaries' operations and main risks linked to the Notes in their capacity of financial instruments. The intention is to describe risks that are linked to the Issuers' operations and thus also its ability to fulfil its obligations in accordance with the terms and conditions regulating the rights and obligations with respect to the Notes.

Before making a decision about acquisition of the Notes, any potential investors should carefully consider the risk factors outlined below, as well as any other information provided by the Issuer in relation to the Notes. In addition, an investor must, alone or together with its financial and other types of advisers, engage in a general evaluation of external facts, other information provided by Issuer in relation to the Notes and general information about the jewellery business. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to bear these risks. The below summary of risk factors does not claim to be complete, nor are the risks ranked in order of importance.

Additional risk factors which are currently unknown or which are currently not deemed to be material may also affect Golden Heights' and its subsidiaries' future operations, result and financial position and thus also Golden Heights' ability to fulfil its obligations in accordance with the Terms and Conditions.

Risks relating to Golden Heights and the Group

Market and commercial risks

Macro-economics

The Group is affected by international, national and regional economic conditions, particularly those which adversely impact consumers' willingness to spend such as levels of disposable income, levels of consumer debt and access to consumer credit, all of which are beyond the control of the Group. Market turbulence and downturns in the global economy could adversely affect the financial position of suppliers and potentially impact their ability to conduct business with the Group, and also have an adverse effect on end-consumer trends and traffic in the markets in which the Group operates. Consumer purchases of discretionary items, such as the Group's products, tend to decline during recessionary periods when disposable income is lower

and access to consumer credit may be limited, particularly as jewellery is often perceived to be a luxury purchase. Deterioration in the global economy or decreases in demand for the Group's products could have an adverse effect on the Group's business, results of operations and financial condition.

Commodity prices

A significant portion of the Group's income comes from the sale of products made from precious metals (mainly silver and gold), various alloys, diamonds, other precious and semi-precious stones, pearls and other raw materials and its profits and costs in acquiring stock are thus indirectly linked to the price the Group's suppliers pay for these metals and gems. The prices of metals and gems are volatile and cyclical and may fluctuate. Price volatility is caused by numerous factors beyond the Group's control and thus cannot be predicted by the Group. Since the prices for metals and gems are quoted in other currencies than Swedish kronor (normally US dollars), the price volatility may not only be caused by changes in the underlying price but also in the relevant currency exchange rate against Swedish kronor. The Group is therefore indirectly exposed to commodity risk and fluctuations in the prices of these raw materials may have an adverse effect on the Group's business, results of operations and financial condition.

If the Group's suppliers' access to or their cost of purchasing certain quality raw materials is adversely affected, the Group may have to pay more for these raw materials. Any such adverse changes, may require the Group to pay more to its suppliers and increase the prices that it charges its customers. This may lead to a decrease in consumer demand which could have an adverse effect on the Group's business, results of operations and financial condition.

Competition

The retail jewellery business is highly competitive and fragmented, and the Group competes with other national jewellery chains as well as independent regional and local jewellery retailers and other types of retailers who sell jewellery and gift items, such as department stores and mass merchandisers. The Group also competes with other internet sellers of jewellery.

For certain product lines, such as luxury and prestige watches, manufacturers and distributors of these products normally grant agencies to sell their ranges on a store by store basis and several of the leading brands have been limiting the number of agencies over recent years. Failure by the Group to obtain or retain watch agencies could result in loss of competitive advantage and have an adverse effect on the Group's results of operations.

Other consumer goods and forms of leisure, such as electronics and travel, compete with jewellery for consumers' discretionary expenditure. Therefore, the price of jewellery relative to other consumer products and services

influences the proportion of end-consumers' discretionary expenditure that is spent on jewellery. If end-consumers perceive the Group's jewellery to be expensive compared to competing leisure and entertainment products and services, this could have an adverse effect on the Group's business, results of operations and financial condition.

Failure to successfully compete on price, product range, quality and service could have an adverse impact on the Group's results of operations. Failure to compete successfully on the sourcing of products that customers wish to purchase could have an adverse impact on the Group's business, results of operations and financial condition.

Seasonality

The Group's business is seasonal, with a significant proportion of its sales and operating profit generated during its first, second and fourth quarters as a result of gift giving celebrating graduations from secondary education institutions and Christmas, Valentine's Day and Easter, respectively. Accordingly, the Group's financial performance for the full financial year is in part dependent on the success of its sales shortly before and during these celebratory periods. In preparation for the expected increased demand during these periods, the Group incurs additional expenses. If, during these periods, the Group experiences weaker sales than those expected or over-estimates the demand for its products the Group's financial performance for that particular year may be adversely affected which, in turn, could adversely affect the Group's business, results of operations and financial condition.

Consumer tastes and attitudes

Consumer attitudes to diamonds, gold and other precious metals and gemstones also influence the level of the Group's sales. Attitudes could be affected by a variety of issues including concern over the source of raw materials, the impact of mining and refining of minerals on the environment and the local community, the political stability of the producing country, labour conditions in the supply chain, and the availability of and consumer attitudes to substitute products such as cubic zirconia, moissanite and laboratory created diamonds. A negative change in consumer attitudes to jewellery could adversely affect the Group's business, results of operations and financial condition.

Consumer Credit

Certain of the Group's customers rely on financing provided by credit providers to purchase the Group's merchandise. The availability of credit to customers is impacted by numerous factors, including general economic conditions and regulatory requirements relating to the extension of credit. Any disruption in, or changes to, the Group's arrangements with third party credit providers or future regulations or changes in the application of current laws

could further impact the availability of credit to the Group's customers. If the amount of available credit provided to customers is significantly restricted, the Group's sales and earnings would be negatively impacted.

The Kimberley Process

The availability of diamonds is significantly influenced by the political situation in diamond producing countries and by the Kimberley Process, an intergovernmental agreement for the international trading of rough diamonds. Until acceptable alternative sources of diamonds can be developed, any sustained interruption in the supply of diamonds from significant producing countries, or to the trading in rough and polished diamonds which could occur as a result of disruption to the Kimberley Process, could adversely affect the Group, as well as the retail jewellery market as a whole.

Operational risks

Market strategy

The market for costume jewellery (also known as bijouterie) is characterised by rapidly changing customer tastes and demands. Discovering, purchasing and launching new product lines that keep pace with customers' requirements and, where applicable, discontinuing others can have substantial lead times. To do this successfully, the Group needs to predict future areas of demand, the future capabilities of its competitors and identify and monitor trends in fashion, changes in consumer tastes and consumer spending patterns. Failure to do so or a failure in the supply chain to respond in a timely fashion could result in a less than successful market strategy, excess inventories for some products and missed opportunities for others and this may adversely affect the Group's business, results of operations and financial condition.

The Group owns several recognised retail brands. Failure to protect these brands and loss of trust and confidence in the Group's brands and the merchandise it sells could result in a decline in the Group's customer base, deterioration in relationships with suppliers, or difficulty in recruiting and retaining the best employees. Any of these could adversely affect the Group's business, results of operations and financial condition.

Suppliers relationship and logistics

The Group uses a number of suppliers in its business activities, many of whom are based and operate in emerging markets. If suppliers stop working with the Group or if they are unable to supply their goods for any other reason (including social, political or economic reasons commonly associated with developing economies) and the Group is unable to adequately replace such suppliers within the desired period or ensure continued product quality and on conditions favourable to the Group, this could result in increased costs or delays to the Group and adversely affect the Group's long-term reputation among its customers which could adversely affect the Group's business,

results of operations and financial condition. Regular stock movements into stores are necessitated to meet demand of stock. Any disruption in the logistics chain due to supplier reasons or natural disaster such as adverse weather conditions, could affect operations and could have a negative impact on the Group's business, results of operations and financial condition.

Acquisitions, integration and entry into new markets

From time to time the Group may evaluate strategic acquisitions of other businesses in existing or new markets. The Group's ability to grow its business both in its existing markets (including online sales) and in new markets will depend on the degree to which it is able to establish a presence in new markets as well as to increase its market share in existing markets, which it could fail to do as a result of adverse economic conditions, changes in consumer demand or preferences, market saturation for the Group's product offering or otherwise. The execution of any acquisition implies risks. In addition to company-specific risks, the acquired businesses' relations with customers, suppliers and key personnel may be adversely affected. There is also a risk that integration processes may prove more costly or more time consuming than estimated and that anticipated synergies, revenue increases, cost savings, increases in geographic or product presence and customer reach, and/or other projected benefits from the acquisition in whole or in part may fail to materialise and this may adversely affect the Group's business, results of operations and financial condition.

Human resources

It is important for the Group's future business activities and development that it is able to retain, and where necessary also recruit suitable employees and consultants. If the Group should become unable to retain or recruit suitable employees and consultants it could adversely impact its business, results of operations and financial condition.

There is a risk of fraudulent or criminal behaviour by the Group's employees. The occurrence of such activities and the failure of any steps taken to protect against or combat such behaviour may adversely impact the Group's business, results of operations and financial condition.

Principal shareholder

Sten Warborn indirectly controls a majority of the shares in the Issuer, being 100 per cent. as at the date of this Prospectus. The large shareholding leads to an essential influence and control over the Group. This strength is enhanced by Sten Warborn being the chairman of the board of the Issuer and the Parent. It should therefore in particular be noted that Sten Warborn's interest as a shareholder does not necessarily correspond to the interests of the Noteholders. Further, the business within the Group may be negatively affected if Sten Warborn for any reason cannot, or wish not, continue to act

as an active owner going forward. In addition, there is nothing that prevents any Warborn Party from acquiring businesses that directly compete with the Group. If such an event were to arise this may adversely impact the Group's operations, financial position and results.

Business interruption or failure of business support systems

The Group is dependent on the suitability, reliability and durability of its systems and procedures, including its accounting, information technology, Point-of-Sale infrastructure, data protection, security, warehousing and distribution systems. Some of these systems are managed by third parties. The secure operation of these systems is critical to the Group's business operations and strategy. Despite security measures and business continuity plans, such systems may be vulnerable to damage, disruptions or shutdowns due to attacks by hackers or breaches due to employee error or malfeasance, or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events.

If these systems and procedures are disrupted either by security breaches, cessation of critical externally supplied support or other force majeure events it could temporarily prevent the Group from conducting its business or providing adequate support and services to its customers, which could result in lower sales and increased costs and it could compromise the Group's, its customers' and its suppliers' information, exposing the Group to liability which would cause the Group's business and reputation to suffer. If these disruptions were to continue for any length of time they may adversely affect the Group's business, results of operations and financial condition.

Store leasing arrangements

The Group is significantly dependent on its ability to operate stores in desirable locations with capital investment and lease costs that allow it to earn a reasonable return on its locations. The Group depends on the leasing market and its landlords to determine supply, demand, lease cost and operating costs and conditions. The Group cannot be certain as to when or whether desirable store locations will become or remain available to us at reasonable lease and operating costs or whether retail locations from which the Group currently operates will continue to be sufficiently popular. Several large landlords dominate the ownership of prime centres, and the Group is dependent upon maintaining good relations with those landlords in order to obtain and retain store locations on optimal terms. From time to time, the Group does have disagreements with its landlords and a significant disagreement, if not resolved, could have an adverse impact on the Group's business. In addition, any financial weakness on the part of the Group's landlords could adversely impact the Group in a number of ways, including decreased marketing by the landlords and the loss of other tenants that generate consumer traffic.

Consumer traffic

Many of the Group's stores are located in shopping centres that benefit from the ability of "anchor" retail tenants and other attractions, to generate sufficient levels of consumer traffic in the vicinity of its stores. Any decline in the volume of consumer traffic at shopping centres, especially if it is sustained, whether because of the economic slowdown, a decline in the popularity of shopping centers, the closing of anchor stores or otherwise, could result in reduced sales at the Group's stores and excess inventory which could have an adverse effect on the Group's business, results of operations and financial condition.

Financial risks

Refinancing and liquidity risk

Liquidity and refinancing risk refers to the risk that financing opportunities will be limited when the Notes or other loans made available to the Group, including under the Credit Agreement, are to be refinanced, and that payment commitments cannot be met as a result of insufficient liquidity. In order to enable business acquisitions or reach strategic goals, further financial resources may be required for the Group's future operations. The Group's ability to meet its future capital needs is highly dependent on the sale of the Group's products being successful. The availability of capital is dependent on a variety of factors, such as market conditions, general credit availability within the financial markets. If access to capital which is required to operate its business or to refinance the Group's financial liabilities were to become limited it may adversely impact the Group's business, results of operations and financial condition.

Credit and Counterparty risk

The Group is exposed to credit risk on its customers and counterparties to financial contracts and failure by those counterparties to meet their obligations owed to the Group may result in the Group suffering a financial loss which could adversely impact the Group's business, results of operations and financial condition.

Currency risk

Currency risk means the risk that unfavourable fluctuations in currency exchange rates will have a negative impact on cash flows, income statement and/or balance sheet of the Group. The Group's accounts are consolidated in Swedish kronor but certain operating costs and income are denominated in other currencies, primarily euro. The Group purchases a substantial portion of its products from suppliers who price their products in U.S. dollars. Currency exchange rate fluctuations could make raw materials, products and labour more expensive, resulting in higher costs and decreased margins for the Group's products.

The Group is therefore exposed to currency risk if unfavourable fluctuations in currency exchange rates between Swedish kronor and the relevant currencies were to occur resulting in a negative impact on cash flows, income statements and/or balance sheet of the Group. The Group is not currently hedging any currency risks that might arise from its operational cash flows in foreign currencies. Therefore, in respect of its exposure to any currency risk, unfavourable fluctuations in exchange rates for relevant foreign currencies may adversely impact the Group's business, results of operations and financial condition.

Interest rate risk

Interest charged on the Group's borrowings may be subject to changes in the market rates of interest and any increase in such interest rates will increase the Group's interest payments and may adversely impact on the Group's business, results of operations and financial condition.

Legal risks

Disputes and legal proceedings

The Group is engaged in national and international operations and may, from time to time, be involved in disputes and legal proceedings that arise in the course of its business and operations. Claims against the Group or the Group's active involvement in any legal proceedings against a third party could result in the Group being forced to spend considerable sums and resources and this may adversely impact the Group's operations, financial position and results.

Legislation, regulation and authorisations

Failure to comply with the various regulatory requirements applicable to the Group may result in damage to the Group's reputation, civil and criminal liability, fines and penalties, and further increase the cost of regulatory compliance. Compliance with such laws and regulations could require the Group to expend considerable sums and resources and this could adversely impact the Group's business, results of operations and financial condition.

In addition to the above, the enactment of new laws and regulations and changes to existing laws and regulations which impact on the Group and its business activities and operations may result in a risk of reduced revenues and/or increased costs which in turn may adversely impact the Group's business, results of operations and financial condition.

Insurance

Although the Group's insurance is intended to cover the majority of the risks to which the Group is exposed, there is a risk that it will not account for every

potential risk associated with the Group's insurable operations. Some of the Group's coverage also includes high deductibles and limitations in maximum amounts payable thereunder. Accordingly, if the Group is unable to maintain the insurance cover on terms acceptable to it or if future requirements exceed or fall outside the Group's insurance cover or if the Group's provisions for uninsured costs are insufficient to cover the final costs or an event occurs which is not fully or partially covered by insurance then it may adversely impact the Group's business, results of operations and financial condition.

Reputational Risk

The Group regularly contracts with a large range of global suppliers. Failure by the Group's commercial counterparties to operate at a sufficiently high ethical standard in regards the source of relevant raw materials, the environment and labour conditions may adversely affect the Group's reputation by association and prejudice the forging of future business and relationships and adversely impact end-consumer demand all of which, in turn, may adversely impact the Group's business, results of operations and financial condition.

Intellectual property rights

Despite the Group's efforts to protect intellectual property rights, other parties may attempt to make unauthorised use of its trademarks and proprietary information, including the content of its websites. Intellectual property laws and the Group's policies and procedures provide only limited protection, and the strength of intellectual property protection varies from country to country. The Group may not be successful, particularly in new markets which it may choose to enter, in securing protection for its intellectual property rights and preventing or halting other infringements on its intellectual property rights.

The Group does not consider that its merchandise it purchases from its suppliers infringes the rights of any third party. Nevertheless, others might make claims to the contrary whether or not they have legal merit. If such claims were to be made the Group may be prevented from marketing and selling merchandise already purchased from suppliers which may adversely impact the Group's operations, financial position and results.

Tax risks

The Group conducts its operations through companies in two jurisdictions. The Group's interpretation of all applicable laws, tax treaties and tax regulations, or its interpretation of how these or established administrative practices are interpreted by the relevant authorities, might be challenged by the relevant authorities. Such rules may over time also be subject to change, possibly with effect on existing structures. Any such challenge or change, if it were to arise, may adversely impact the Group's business, results of operations and financial condition.

Risks relating to the Notes

Market risk

The market value of the Notes depends on several factors, including, but not limited to, the level of market interest rate. Investments in the Notes involve the risk that increases in market interest rates may adversely affect the value of the Notes.

There has been no active trading market for the Notes

Although the Issuer shall use its best efforts to ensure that the Notes are listed on a Regulated Market, there is a risk that such application will not be accepted or that the Notes will not be so admitted. Prior to any admission to trading, there has been no public market for the Notes. There is a risk an active trading market for the Notes will not develop or, if developed, will not be sustained. The Nominal Amount may not be indicative of the market price for the Notes.

Furthermore, following a listing of the Notes, the liquidity and trading price of the Notes may be subject to fluctuations in response to many factors, including those referred to in this section, as well as to market fluctuations and general economic conditions that may adversely affect the liquidity and price of the Notes, regardless of the actual performance of the Issuer and the Group. In addition, transaction costs in any secondary market may be high. Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. Investors must be prepared to hold the Notes until maturity.

Certain material interests

The Sole Bookrunner has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Swedish Kronor. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit other than Swedish Kronor (the "**Noteholder's Currency**"). Accordingly, a

Noteholder is exposed to exchange rate risk if relevant exchange rates fluctuate significantly (including, but not limited to, fluctuations due to a devaluation of the Swedish Kronor or a revaluation of the Noteholder's Currency) or authorities with jurisdiction over the Noteholder's Currency impose or modify relevant exchange controls (if any). An appreciation in the value of the Noteholder's Currency relative to the Swedish Kronor would decrease:

- the Noteholder's Currency-equivalent yield on the Notes;
- the Noteholder's Currency-equivalent value of the principal payable on the Notes; and
- the Noteholder's Currency-equivalent market value of the Notes.

Risk of early repayment of Notes

The Issuer has, under the Terms and Conditions, reserved the possibility to repay Notes before the Final Maturity Date. If the Notes are repaid before the Final Maturity Date, the Noteholders have the right, in most cases, to receive an early repayment amount which exceeds the Nominal Amount. There is, however, a risk that the market value of the Notes may be higher than the early repayment amount.

Noteholders representation

In accordance with the Terms and Conditions, the Agent represents each Noteholder in all matters relating to the Notes and the Finance Documents and holds and shall enforce the Share Pledge Agreements, the Escrow Account Pledge Agreement and the Loan Pledge Agreement on behalf of the Noteholders. The Terms and Conditions contain provisions to the effect that a Noteholder is prohibited from taking actions of its own against the Issuer. This does not, however, rule out the possibility that the Noteholders, in certain situations, could bring their own action against the Issuer, which could negatively impact the chances of an effective sale or realisation of any Transaction Security.

To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit a written power of attorney for legal proceedings. The failure of all Noteholders to submit such a power of attorney could negatively impact the enforcement options available to the Agent when considering its enforcement of the Transaction Security for and on behalf of the Noteholders. Additionally, under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders without first obtaining the prior consent of the Noteholders including:

- (a) the right to agree to amendments to the Finance Documents provided such amendments do not adversely affect the interest of the Noteholders or such amendments are made solely for the purpose of rectifying obvious errors and mistakes; and

- (b) the right to accelerate the Notes and exercise any right, remedies, powers or discretions under the Finance Documents upon the occurrence of an Event of Default.

Noteholders meetings

Pursuant to the Terms and Conditions, certain majorities of Noteholders have the right to make decisions and take measures that bind all Noteholders, including those who vote in a manner contrary to the majority. Consequently, the actions of the majority and the Agent in such matters could impact the Noteholders' rights under the Finance Documents in a manner that would be undesirable for some of the Noteholders.

Clearing and settlement

The Notes are affiliated to and will continue to be affiliated to a central securities depository of notes, currently Euroclear's account-based system. Clearing and settlement relating to the Notes and, in the majority of cases, the payment of interest and repayment of principal amounts, will be performed within Euroclear's account-based system. The investors are therefore dependent on the functionality of Euroclear's account-based system.

Change of law

The Notes are subject to Swedish and applicable European laws and administrative practice in effect as at the date of this Prospectus. There is a risk that any judicial decision, change to Swedish or European law or administrative practice after the date of this Prospectus could adversely impact the ability of the Issuer to make payments under the Notes.

Credit risk

A potential investor should assess the credit risks associated with the Issuer, the Group and the Notes. As there is a credit risk associated with the Issuer and the Group, events that reduce the creditworthiness of the Issuer or the Group should be considered. If the Issuer's or the Group's financial position should decline, there is a risk that the Issuer will not be able to fulfil its obligations under the Notes. A decrease in the Issuer's or the Group's creditworthiness could also lead to a decrease in the market value of the Notes.

Dependence on Subsidiaries

The Issuer is a holding company and holds no significant assets other than the shares in Iduna AB and Kultajousi Oy and as such the Issuer is reliant on the ability of other entities within the Group to advance loans or make dividend distributions to the Issuer so as to enable it to make payments under the Notes. The Issuer is thus dependent upon receipt of sufficient income arising from the operations of the Group.

The Issuer's Subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments or to make funds available for such payments. The ability of such Subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds, corporate restrictions, the terms of each operation's indebtedness (including, but not limited to, the Credit Agreement) and local law. No present or future subsidiary of the Issuer will guarantee or provide any security for the Issuer's obligations under the Notes and consequently the Noteholders do not have any recourse to the assets of the Issuer's subsidiaries other than, indirectly, following the enforcement of the share pledge over the shares in Iduna AB and Kultajousi Oy and the satisfaction of any and all priority claims (including, but not limited to, the claims of the lender under the Credit Agreement).

Subordinated rights and security structure

The Group finances a large portion of its operations through bank loans via subsidiaries, with security interests constituting a preferential claim on the borrowers. The Notes are secured through the security package described in the Terms and Conditions. This means that in the event of the Issuer's liquidation, company reorganisation or bankruptcy unprioritised creditors or creditors with lower priority normally receive payment after the Noteholders have been paid in full. However, the shares pledged as security for the Notes may have limited value in the event of a bankruptcy, insolvency or other similar proceedings in relation to them because all of the pledged companies' obligations must first be satisfied, potentially leaving little or no remaining assets in such companies.

The Noteholders may thus be subordinated other prioritised creditors of the Issuer's subsidiaries by way of so called structural subordination. As a result, the Noteholders secured by the pledge of shares may not recover any or full value in the case of an enforcement sale. In addition, the value of the pledged shares may decline over time. If such proceeds were not sufficient to repay all such amounts due on or in respect of the Notes, then Noteholders have only an unsecured claim against the Issuer's remaining assets. Further, other than the security created under the aforementioned pledges, the Notes represent an unsecured obligation of the Issuer. Remaining assets may not be sufficient to satisfy all unsecured claims in full or that any such other assets will exist.

Although the Agent will hold the security described in the Terms and Conditions on behalf of the Noteholders, the Agent will rank ahead of the Noteholders in respect of certain amounts owed to it in relation to the Notes as the security will be granted in favour of both the Agent and the Noteholders. In addition, to the extent that the Noteholders do not have secured claims, under bankruptcy law, certain debts and claims must be paid

in priority to other debts and claims (for example, costs and expenses of a liquidator and certain payments to employees).

Every investor should be aware that by investing in the Notes, it risks losing the entire or parts of its investment in the event of the Issuer's liquidation, company reorganisation or bankruptcy.

DESCRIPTION OF THE NOTES AND USE OF PROCEEDS

The following text is a summary description of the Notes and the terms and conditions of the Notes and is qualified in its entirety by the full terms and conditions set out in the section "Terms and Conditions".

The Initial Notes and Subsequent Notes

Each Note has a Nominal Amount of SEK 1,000,000. The Initial Notes were issued in a number of 400 and the total aggregate nominal amount of the Initial Notes is SEK 400,000,000. All Initial Notes were issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The Notes have been issued in accordance with Swedish law and are denominated in SEK.

Provided that no Event of Default is continuing or would result from such issue, the Issuer may at one or several occasions issue Subsequent Notes. The price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. Subsequent Notes shall benefit from and be subject to the Finance Documents, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Notes shall apply to the Subsequent Notes.

ISIN and Trading Code

The Notes have been allocated the ISIN code SE0006027181. The Notes will also be allocated a trading code upon admission to trading. Such trading code has not been allocated at the date of this Prospectus.

Form of the Notes

The Notes are registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly the Notes are registered in accordance with the Financial Instruments Accounts Act (*lagen (1998:1479) om kontoföring av finansiella instrument*). Registration requests relating to the Notes shall be directed to an Account Operator.

The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

Status of the Notes

The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.

Issue date and redemption

The Initial Notes were issued on 18 June 2014. Unless previously redeemed or purchased and cancelled in accordance with the Terms and Conditions, the Issuer shall redeem all outstanding Notes with the Nominal Amount (together with any accrued but not yet paid interest) on the date falling five (5) years after the First Issue Date (the "Final Maturity Date")

Repurchase in the event of a Change of Control or Listing Failure (put option)

Upon the occurrence of a Change of Control Event or a Listing Failure 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, following a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event or Listing Failure Event.

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 the Terms and Conditions, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under Terms and Conditions by virtue of the conflict.

"Change of Control Event" means an event or a series of events resulting in the Warborn Parties ceasing to own, legally and beneficially, directly or indirectly (i) 50.1 per cent. or more of the issued shares in the capital and voting rights of the Issuer, or (ii) following the occurrence of a Listing, 30 per cent. or more of the issued shares in the capital and voting rights of the Issuer and provided that Warborn Parties have together the largest shareholding and provided also that no person or group of persons acting in concert (other than Warborn Parties) directly or indirectly acquires a larger beneficial ownership or other control greater than that of the Warborn Parties, other than with the prior consent of the Noteholders.

"Listing Failure Event" means that (i) the initial Notes are not listed on a Regulated Market within the Listing Period or (ii) following the expiry of the Listing Period, the initial Notes cease to be listed on a Regulated Market.

"Listing Period" means sixty (60) days following (and excluding) the First Issue Date.

Issuers 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.

Payments in respect of the Notes

Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the date falling five (5) Business Days prior to an Interest Payment Date or other relevant date (the "**Record 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.

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.

Payment of interest under the Notes

Each Initial Note carries Interest at STIBOR plus 4.75 per cent. per annum (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.

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. Interest Payment Dates are 18 March, 18 June, 18 September and 18 December of each year with the first Interest Payment Date being on 18 September 2014. 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).

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 capitalized. 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.

Acceleration and prepayment of the Notes

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 Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate (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 the Terms and Conditions, on behalf of the Noteholders by notice

to the Issuer, declare all, but not some only, of the outstanding Notes due and payable, immediately or at such later date as the Agent determines if:

- a) the Issuer does not pay on the due date any amount by it under the Finance Documents, unless the non-payment:
 - i. is caused by technical or administrative error; and
 - ii. is remedied within five (5) Business Days from the due date;
- b) any Group Company does not comply with the Finance Documents (other than those terms referred to in paragraph (a) above), unless the non-compliance:
 - i. is capable of remedy; and
 - ii. is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), or the Security created or expressed to be created thereby is varied or ceases to be effective and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Noteholders;
- d) any Financial Indebtedness of any Group Company is not paid when due (as extended by any originally applicable grace period) or is declared or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), in both cases provided that the total amount of such Financial Indebtedness exceeds SEK 25,000,000 and provided that it does not apply to Financial Indebtedness owed to a Group Company;
- e) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- f) any fixed asset that is owned by a Group Company has a value in excess of SEK 15,000,000 is seized and such seizure is not discharged within thirty (30) Business Days of the date of the relevant seizure; or
- g) the Issuer merges with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

For further details on the provisions regarding acceleration and prepayment of the Notes and Financial Indebtedness, see the Terms and Conditions.

Undertakings

The Issuer makes certain undertakings in the Terms and Conditions. These include undertakings and limitations relating to:

- a) Compliance with laws;
- b) *Pari passu*;
- c) Change of business;
- d) Disposal of assets;
- e) Disposal of operations;
- f) Distributions and other transactions;
- g) Financial indebtedness;
- h) Negative pledge
- i) Listing of Notes; and
- j) Publication of Finance Documents.

Compliance with Laws

The Issuer shall comply with all laws to which it is subject, where failure to do so has or is reasonably to have a material adverse effect on its ability to perform its payment obligations under the Notes.

Pari Passu

The Issuer shall ensure that its payment obligations under the Notes at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except those obligations which are mandatorily preferred by law, and without any preference among them.

Change of business

The Issuer shall not conduct any other business than owning shares in other Group Companies (provided that such shares are pledged to the benefit of the Secured Parties), issuing the Notes, lending monies to other Group Companies and providing normal management services to the Group (including employing relevant staff for such services). The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the First Issue Date.

Disposal of assets

The Issuer shall not sell, transfer or otherwise dispose of any interest in the shares of any Group Company which are the subject of a Share Pledge Agreement entered into, or to be entered into, in accordance with Clauses 10.2 or 10.3 respectively in the Terms and Conditions.

The Issuer shall not sell, and shall ensure that no other Group Company will sell, transfer or otherwise dispose of assets except for sales, transfers and disposals on arm's length terms for fair market value and provided always

that a breach of Clause 9.4.4 in the Terms and Conditions would not result from such proposed sale, transfer or disposal.

If the net proceeds from sales, transfers or disposals of fixed assets to non-Group Companies (net of costs and tax and after deducting the cost for acquisitions of or investments in other fixed assets and any expenditure which is, in accordance with Accounting Principles, treated as capital expenditure) exceed SEK 65,000,000 in any calendar year, the amount of such net proceeds in excess of SEK 65,000,000 ("**Excess Net Proceeds**") shall be applied towards *pro rata* redemption of the Notes in part in accordance with Clause 9.4.3 in the Terms and Conditions.

Disposal of operations

The Issuer shall not, and shall ensure that no other Group Company will, in any calendar year, sell, transfer or otherwise dispose of business operations (including shares in other Group Companies but, for the avoidance of doubt, excluding closing down of individual stores and/or operations) which generated during the previous calendar year five (5) per cent. or more of the total turnover of the Group, unless the Group by no later than the end of the subsequent calendar year acquires or establishes new or expanded business operations that are forecasted to generate turnover similar to that of the business operations that have been disposed.

Distributions and other transactions

The Issuer shall not, and shall procure that no other Group Company will make certain distributions and other transactions as described under 12.6.1 in the Terms and Conditions, except in each case by a Group Company to or for the benefit of another Group Company ("Restricted Payment").

The restrictions shall not apply to Restricted Payments under circumstances described under 12.6 in the Terms and Conditions, which i.a. permits Restricted Payments if certain conditions and financial ratios are met.

Financial indebtedness

The Issuer shall not, and shall procure that no other Group Company, incur or allow to remain any Financial Indebtedness other than certain Financial Indebtedness as described under 12.7 in the Terms and Conditions.

Negative pledge

The Issuer shall not create or allow to subsist any Security over any of its present or future assets or revenues other than such Security which is described under 12.8 in the Terms and Conditions.

Listing of Notes

The Issuer shall use its best efforts to ensure that the loan constituted by the Terms and Conditions and evidenced by the Notes is admitted to trading on the Regulated Market of NASDAQ OMX Stockholm within sixty (60) days following (and excluding) the First Issue Date, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

It is estimated that the total costs in conjunction with the admission to trading will be no higher than SEK 200,000.

Publication of Finance Documents

The Issuer shall procure that the latest version of the Terms and Conditions are available at www.iduna.se.

Decisions by Noteholders

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.

Only a person who is, or who has been provided with a power of attorney pursuant to the Terms and Conditions from a person who is, registered as a Noteholder:

- a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
- b) on the Business Day specified in the communication pursuant to the Terms and Conditions, 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 not owned by a Group Company or an Affiliate.

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 at decision shall not be liable for any damages that this may cause other Noteholders.

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 www.iduna.se 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.

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 capitalized 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.

Governing Law

The Terms and Conditions and any non-contractual obligations arising out of or in connection therewith, are governed by and construed in accordance with the laws of Sweden. The Issuer has submitted to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms Tingsrätt*), which is the court of first instance.

Ratings

The Notes have not been assigned an official credit rating by any credit rating agency.

Use of proceeds

The net proceed of the offering, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, is used to (i) refinance in full the Acquisition loan, (ii) refinance in full the Proventus Loan, (iii) reduce commitments of the Credit Agreement and (iv) repayment of part of the Junior Loan and (v) general corporate purposes.

The CSD

Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as the CSD and registrar in respect of the Notes.

The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Issuing Agent, the Issuer shall promptly obtain such information and provide it to the Issuing Agent.

Issuing Agent

Skandinaviska Enskilda Banken AB (publ), Reg No. 502032-9081, Stockholm, Sweden, is initially acting as Issuing Agent.

INFORMATION ON THE ISSUER AND THE GROUP

General information on the Issuer

The Issuer's legal and commercial name is Golden Heights Aktiebolag publ and its Swedish Reg. No. is 556711-9648. The registered office is in the municipality of Gothenburg and its registered address at 432 84, Varberg, Sweden. The telephone number of the Issuer is +46-340 595 400. The Issuer was incorporated in Sweden on 21 September 2006 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 28 September 2006. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

Pursuant to the Issuer's Articles of Association, the object of the Issuer's business shall be to own, regardless of ownership form, in whole or in part, Swedish or foreign companies, manage real estate, conduct retail business in gold, jewellery and gift industry, and activities related thereto. The Issuer's operations mainly consist of directly and indirectly owning shares in operating subsidiaries and is reliant on the ability of those subsidiaries to generate surplus.

Share information

Pursuant to the Issuer's Articles of Association, its share capital shall be no less than SEK 50,000,000 and no more than SEK 200,000,000, with its number of shares being no less than 500,000 shares and no more than 2,000,000 shares. As at the date of this Prospectus, the Issuer's registered share capital was SEK 158,005,900 divided into 1,580,059 shares. The Issuer's sole shareholder is Golden Heights Oy, a private limited company organised under the laws of Finland, which is indirectly wholly owned by Mr Sten Warborn.

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions to the managing director adopted by the Company.

There are as at the date of this Prospectus no agreements or other arrangements that will or may result in a change of control over the Issuer.

General information on the Group

The Group is a leading jewellery retailer in Sweden and Finland and operates through four retail chains and two independent jewellery stores. The Group has a store network totalling 276 stores with 194 stores in Sweden (of which five are franchise stores under the Guldfynd brand) and 82 in Finland which together with the different brand strategies enables the Group to cover a

significant share of the jewellery market in each country. The Group also supplies products to corporate customers in Sweden and Finland.

In Sweden, the Group operates through Iduna AB and trades under the names Guldfynd, Hallbergs Guld and Albrekts Guld. In Finland, the Group operates through Kultajousi Oy and Ab Alexander Tillander Oy under the names Kultajousi, Westerback and Tillander.

The product range of the Group comprises, amongst other, of diamond jewellery, gold chains, engagement rings, gold earrings, men's jewellery, silver jewellery, costume jewellery, gifts and watches. The product range offered by the Group covers different price segments - luxury, high, medium and low. Other products offered by the Group include cutlery, custom orders and accessories. In the Swedish market, the Group also offers insurance policies for items sold in the stores. In addition, the Group purchases scrap gold from customers which is subsequently melted to gold bars and sold.

The Group had an average of 880 employees during the financial year 2013 and generated revenues and EBITDA amounting to SEK 1,354m and SEK 116m in 2013. The revenue split per geography for 2013 was 76% Sweden and 24% Finland.

Legal Structure

Golden Heights AB has four direct and indirectly wholly owned subsidiaries; Kultajousi Oy, Oy Ab Alexander Tillander Oy, Iduna AB and C.G. Hallbergs Guldsmeds AB (which is dormant). The Group's operations are conducted in the subsidiaries.

BOARD OF DIRECTORS, KEY MANAGEMENT AND AUDITORS

The Board

Pursuant to the Company's Articles of Association, the Board shall consist of no less than three and no more than five members, with a maximum of three deputy members. The Board currently consists of four members elected by the general meeting of the shareholders.

Sten Warborn

Born 1942. Member of the board of directors since 2006 and Chairman of the board of directors since 2014

Principal education: Master of Science in Business and Economics

Other on-going principal assignments: CEO and board member in Golden Heights S.A., board member in Golden Heights Oy, employee of Ansgar Limited¹

Sverker Albrektson

Born 1941. Member of the board of directors since 2014. Formerly substitute of the board of directors since 2006

Principal education: Master of Laws

Other on-going principal assignments: Board member in Albrektsons Juvel AB

Urban Strand

Born 1950. Member of the board of directors since 2014 Responsible for market- and product department within Guldfynd. Vice President and Merchandise Manager at Iduna AB between 2001-2011

Principal education: Master of Science in Business and Economics

Other on-going principal assignments: None

Bengt Warborn

Born 1945. Member of the board of directors since 2014

Principal education: Master of Science in Business and Economics

Other on-going principal assignments: None

¹ Mr Sten Warborn is an employee of Ansgar Limited, a company organized under the laws of the Cayman Islands. Ansgar Limited has entered into an agreement under which it provides management services to Southmoor Ltd, a company organised under the laws of Isle of Man. Southmoor Ltd, an unrelated company, provides management, accounting and financial services to Golden Heights Oy (the immediate parent company of the Issuer).

Key Management in the Group**Madeléne Wingård**

Born 1967. Managing Director of the Company since 2014 (with the Group since 1991, most recently as CFO)

Principal education: B. Sc. Nutrition Economics 1991

Other on-going principal assignments: None

Kaj Wikström

Born 1975. Chief Operating Officer of the Group since 2011 and Managing Director of Kultajousi Oy since 2005

Principal education: Master of Science in Business and Economics, Bachelor of Business and Administration

Other on-going principal assignments: None

Mari Hantula

Born 1975. Division Manager Kultajousi Oy since 2013

Principal education: Bachelor of Business Administration,

Other on-going principal assignments: None

Riku Helminen

Born 1955. Division Manager Corporate Sales Finland and Sweden and Sales Director in Kultajousi Oy since 2009

Principal education: Master of Science in Business and Economics

Other on-going principal assignments: None

Eva Holmström Taipalus

Born 1956. Division Manager Iduna AB since 2001.

Principal education: Business administration, human resources

Other on-going principal assignments: None

Jessica Liljeblad

Born 1978. Real Estate Manager. Joined Iduna AB in 2012

Principal education: Master Degree in Accounting and Finance, Bachelor's Degree in Economics

Other on-going principal assignments: None

Anders Lundgren

Born 1974. Logistic and Purchase Manager. Joined Iduna AB in 2007

Principal education: Upper secondary school, electrics

Other on-going principal assignments: None

Tomas Nyberg

Born 1970. Marketing Manager Finland and Sweden. Joined Kultajousi Oy in 2010

Principal education: Master of Science in Business and Economics

Other on-going principal assignments: None

Stefan Sjöstedt

Born 1966. CIO in Iduna AB since 2007

Principal education: Upper secondary school, economic orientation

Other on-going principal assignments: None

Niklas Tengberg

Born 1967. Chief of Security and Personnel

Principal education: Upper secondary school, technology orientation

Other on-going principal assignments: None

Merja Wising

Born 1952. Division Manager Guldfynd. Joined Guldfynd 1980

Principal education: Statistics and Law at Umeå University

Other on-going principal assignments: None

Additional information on the Board and the Senior Management***Business address***

The address for all members of the board and the senior management in Sweden is c/o Golden Heights AB, Härdgatan 35, 432 84, Varberg, Sweden and for senior management in Finland c/o Golden Heights Oy, Vällitalontie 71 00660 Helsinki, Finland.

Conflicts of interest

Sten Warborn, Bengt Warborn and Sverker Albrektson are lenders to Silver Arrow Finance Limited, the provider of the Junior Loan. While the Company acknowledges the potential conflicts, it believes that this does not constitute any actual conflicts of interest in particular as Silver Arrow Finance Limited is an unrelated entity represented by an independent board. Save for the aforementioned, no member of the board or the senior management has any private interest that may conflict with the Company's interest.

Auditor

Staffan Landén (631113-2515) is the Company's auditor since 2010. Staffan Landén is an authorised public accountant at Ernst & Young AB and member of FAR, the professional institute for accountants in Sweden.

OVERVIEW OF FINANCIAL REPORTING AND DOCUMENTS INCORPORATED BY REFERENCE

The accounting principles applied in the preparation of the Company's financial statements are set out below and have been consistently applied to all of the years presented, unless otherwise stated.

As regards annual reports, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The annual reports for the Company have been prepared in accordance with the Swedish Annual Accounts Act (*årsredovisningslag 1995:1554*) and recommendation RFR 2, as well as statements issued by the Swedish Financial Reporting Board. The Company applies the same accounting policies as the Group except for in those cases specified in note 1 of the annual reports. The differences that exist are due to the limitations on applying IFRS in the Company due to the Swedish Annual Accounts Act and in certain cases, for taxation purposes.

The consolidated annual report for the financial years ended 31 December 2012 and 31 December 2013 have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's reports for the financial years ended 31 December 2012 and 2013 have also been incorporated in this Prospectus by reference.

The Group's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity and audit report for 2013 can be found in the annual report on the following pages:

- consolidated income statement, page 4
- consolidated balance sheet, page 5
- consolidated cash flow statement, page 8
- consolidated statement of change in equity, page 7
- the audit report, page 32

The Group's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity and audit report for 2012 can be found in the annual report on the following pages:

- consolidated income statement, page 4

- consolidated balance sheet, page 5
- consolidated cash flow statement, page 8
- consolidated statement of change in equity, page 7
- the audit report, page 32

In this Prospectus the following documents are incorporated by reference. The documents have been submitted to the SFSA in connection with the publishing of this Prospectus and can be obtained in paper format at the Company's registered office and are also available at the web page www.iduna.se.

<i>Reference</i>	<i>Document</i>
Financial information regarding the Company and the Company's business 2012	Golden Height AB's consolidated annual report for the financial year 2012 (please refer to pages 4-31 in the annual report)
Financial information regarding the Company and the Company's business 2013	Golden Height AB's consolidated annual report for the financial year 2013 (please refer to pages 4-31 in the annual report)
Auditor's report for the financial year ended 31 December 2012	Golden Height AB's consolidated annual report for the financial year 2012 (please refer to page 32 in the annual report)
Auditor's report for the financial year ended 31 December 2013	Golden Height AB's consolidated annual report for the financial year 2013 (please refer to page 32 in the annual report)

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for

investors in the Notes or is covered elsewhere in this Prospectus. With the exception of the annual reports, no information in this Prospectus has been audited or reviewed by the Company's auditor.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Authorisation and responsibility

The issuance of the Notes on 18 June 2014 was authorised by a resolution of the Board of the Issuer on 12 June 2014.

The Issuer is the source of all company specific data contained in this Prospectus and the Sole Bookrunner has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Legal and arbitration proceedings

The Issuer is not, and has over the past twelve months not been, a party to any legal proceedings or arbitration proceedings that have had or would have a material effect on the Group's financial position or profitability, nor has the Issuer been informed of any claims that could lead to the Issuer or any member of the Group becoming a party to such proceedings.

Certain material interests

The Sole Bookrunner has engaged in, and may in the future engage in, commercial banking and/or investment banking or other services for the Issuer and/or the Group in the ordinary course of business. In particular, it should be noted that the Sole Bookrunner may be the lender under certain credit facilities with a member of the Group as borrower. Therefore conflicts of interest may exist or arise as a result of the Sole Bookrunner having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions with third parties with conflicting interests.

Significant adverse changes, recent events and trends

There has been no material adverse change in the prospects of the Issuer since 12 June 2014, being the date of publication of its last audited financial report and there has been no significant change in the financial or market position of the Issuer since 31 December 2013, being the end of the last financial period for which financial information has been published.

Except for the issuance of the Notes and the Credit Agreement, there have been no recent event particular to the Issuer which are to a material extent relevant to the evaluation of the Company's solvency.

Material Agreements

Neither the Issuer, nor any other member of the Group, has entered into any material agreements not in the ordinary course of its business which may affect the Issuer's ability to fulfil its obligations under the Notes.

Documents on display

Copies of the following documents are electronically available at www.iduna.se.

- the Company's Articles of Association;
- the Company's annual reports (including auditor's reports) for the financial years 2012 and 2013; and
- the Terms and Conditions.

TERMS AND CONDITIONS
FOR
GOLDEN HEIGHTS AB (PUBL)
SENIOR SECURED FLOATING RATE NOTES
2014/2019

ISIN: SE0006027181

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 Bank**" means Skandinaviska Enskilda Banken AB (publ)

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

"**Accounting Principles**" means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (as in force on the First Issue Date).

"**Acquisition Loan**" means the EUR 10,600,000 amortising acquisition term loan dated 18 November 2010 between Skandinaviska Enskilda Banken AB (publ) as lender and the Issuer as borrower.

"**Additional Amount**" has the meaning set forth in Clause 7.5.

"**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 (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

"**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.

"**Agent**" means CorpNordic Sweden AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"Applicable Premium" means the higher of:

- (a) 1.00 per cent. of the Nominal Amount; and
- (b) an amount equal to
 - (i) 103 per cent. of the Nominal Amount; plus
 - (ii) all remaining scheduled Interest 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 plus the margin element of the Interest Rate) on the Note until the First Call Date (but excluding accrued but unpaid Interest up to the relevant Redemption Date),

discounted (for the time period starting from the relevant Redemption Date to the First Call Date) using a discount rate equal to the yield of the Swedish Government Bond with a maturity date on or about the First Call Date plus 0.50 per cent., minus
 - (iii) the Nominal Amount.

"Business Day" means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*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.

"Change of Control Event" means an event or a series of events resulting in the Warborn Parties ceasing to own, legally and beneficially, directly or indirectly (i) 50.1 per cent or more of the issued shares in the capital and voting rights of the Issuer, or (ii) following the occurrence of a Listing, 30 per cent. or more of the issued shares in the capital and voting rights of the Issuer and provided that Warborn Parties have together the largest shareholding and provided also that no person or group of persons acting in concert (other than Warborn Parties) directly or indirectly acquires a larger beneficial ownership or other control greater than that of the Warborn Parties, other than with the prior consent of the Noteholders.

“**Credit Agreement**” means the SEK 225,000,000 revolving credit facility agreement dated on or about the First Issue Date between , amongst others, Iduna AB and Kultajousi Oy as the borrowers and Skandinaviska Enskilda Banken AB (publ) as lender.

“**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.

“**EBITDA**” means operational earnings of the Group, before interest, taxes, depreciation and amortisation (without double counting) calculated in accordance with the Accounting Principles, not including any exceptional, one off, non-recurring or extraordinary items (*rörelseresultatet före avskrivningar*), for any 12 months period ending on the last day of the period covered by the most relevant financial statements delivered pursuant to Clause 11.1.1(b). For the purpose of calculating EBITDA, entities acquired or disposed of during a measurement period will be included or excluded (as applicable) for the entirety of that measurement period.

“**Escrow Account**” means a bank account of the Issuer held with the Account Bank, into which the net proceeds from the issue of the Initial Notes will be transferred and which has been pledged in favour of the Secured Parties (as represented by the Agent) under the Escrow Account Pledge Agreement.

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

“**Event of Default**” means an event or circumstance specified in Clause 13.1.

“**Excess Net Proceeds**” has the meaning set forth in Clause 12.4.3.

“**Final Maturity Date**” means 18 June 2019.

“**Finance Documents**” means these Terms and Conditions, the Security Documents 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 or market loans);

- (b) the amount of any liability in respect of any finance lease arrangement which is treated as a finance lease in accordance with the Accounting Principles (a lease which in the accounts of the Group is treated as an asset and a corresponding liability) and shall, for the avoidance of doubt, not include any current or future operational leases which are reclassified as finance 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 under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) counter-indemnity obligations in respect of guarantees, indemnity, bond, standby or documentary letter of credit or any other instruments issued by a bank or financial institution;
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in paragraphs (a) to (f) above,

and provided that pension liabilities and provisions which are treated as borrowings or financial debt under IFRS shall not be included.

“**Financial Instruments Accounts Act**” means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

“**First Call Date**” means the date falling thirty (30) months after the First Issue Date.

“**First Exercise Period**” has the meaning set forth in Clause 9.6.1.

“**First Issue Date**” means 18 June 2014.

“**Force Majeure Event**” has the meaning set forth in Clause 24.1.

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

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

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

“**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 (*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 (*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 Payment Date**” means 18 March, 18 June, 18 September and 18 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 18 September 2014 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).

“**Interest Rate**” means STIBOR plus 4.75 per cent. per annum.

“**Issuer**” means Golden Heights AB (PUBL), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556711-9648.

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

“**Junior Loan**” means the SEK 650,000,000 subordinated loan agreement originally dated 28 December 2006 and made between Silver Arrow Finance Ltd as lender and the Issuer as borrower as amended and restated on or before the First Issue Date.

“**Listing**” means a successful application being made for the admission of any part of the share capital of the Issuer to trading on any Regulated Market or the grant of permission to deal in any part of the issued share capital of the Issuer on any Regulated Market.

"Listing Failure Event" means that (i) the initial Notes are not listed on a Regulated Market within the Listing Period or (ii) following a successful listing of the Initial Notes, the Notes cease to be listed on a Regulated Market.

"Listing Period" means sixty (60) days following (and excluding) the First Issue Date.

"Loan Pledge Agreements" means:

- (a) the intra-group loan pledge agreement entered into by the Parent and the Agent on or about the First Issue Date regarding all intra-group loans from the Parent to the Issuer; and
- (b) the intra-group loan pledge agreements entered into by the Issuer and the Agent on or about the First Issue Date regarding any and all intra-group loans from the Issuer to other Group Companies other than intra-group loans resulting from cash pool arrangements.

"Material Adverse Effect" means a material adverse effect on the Issuer's ability to perform and comply with its obligations under the Finance Documents to which it is a party or the validity or enforceability of, or the effectiveness or ranking of any Transaction Security which is materially detrimental to the interest of the Noteholders.

"Material Disposal" has the meaning set forth in Clause 12.5 (*Disposal of operations*)

"Net Debt" means on a Group consolidated basis (i) the aggregate amount of all interest-bearing obligations (not including any Financial Indebtedness owed by the Issuer and which is expressly permitted under Clauses 12.7.1(a), (e), (f) and (g)) (including financial lease obligations which according to the Accounting Principles shall be treated as debt) less (ii) cash in hand or at a bank, payments made by cheque, debit card or credit card which are yet to be received in cleared funds, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and readily marketable inventories of gold in grain and under smelting.

"Net Interest Payable" means for any 12 month period ending on the last day of the period covered by the most recent financial statements delivered pursuant to Clause 11.1.1(b), calculated in accordance with the Accounting Principles, the aggregate of all financial expenses for the Group (excluding financial expenses for Financial Indebtedness owed by the Issuer and which is expressly permitted under Clauses 12.7.1(a), (e) and (g)):

- (a) minus all financial income;

- (b) minus/plus unrealised losses/gains on currency fluctuations related to hedges of financial items in balance sheet and/or income statement, derivative instruments and financial instruments, other than any derivative instruments which are designated as hedges of operational items and/or derivatives accounted for on a hedge accounting basis.

"Nominal Amount" means in respect of each Note the Initial Nominal Amount, less the aggregate amount by which that Note has been redeemed in part pursuant to Clause 9.4 (*Voluntary and mandatory partial redemptions*).

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

"Noteholders' Meeting" means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders' Meeting*).

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

"Parent" means Golden Heights Oy, a limited liability company incorporated under the laws of Finland with Business Identity Code 2045453-6.

"Proventus Loan" means the SEK 200,000,000 subordinated loan agreement dated 10 December 2010 between Proventus Capital AB (publ) and the Issuer as borrower.

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

"Record Date" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Noteholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

"Refinancing" has the meaning set forth in Clause 12.8(b).

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

"Restricted Payment" has the meaning set forth in Clause 12.6.1.

"Second Exercise Period" has the meaning set forth in Clause 9.6.3.

"Secured Obligations" means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents and the Agency Agreement.

"Secured Parties" means the Noteholders and the Agent (including in its capacity as Agent under the Agency Agreement).

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

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

"Security Documents" means the Escrow Account Pledge Agreement, the Loan Pledge Agreements and the Share Pledge Agreements.

"Share Pledge Agreements" means

- (a) the share pledge agreement in relation to all the shares in the Issuer entered into by the Parent and the Agent on or about the First Issue Date;
- (b) the share pledge agreement in relation to all the shares in Iduna AB entered into by the Issuer and the Agent on or about the First Issue Date;
- (c) the share pledge agreement in relation to all the shares in Kultajousi Oy entered into by the Issuer and the Agent on or about the First Issue Date; and
- (d) any share pledge agreement in relation to all the share in any Group Company (other than the Issuer, Iduna AB and Kultajousi Oy) entered into by the Issuer and the Agent on or about the date on which the Issuer directly acquires (whether by way of incorporation or otherwise) such shares.

"STIBOR" means:

- (a) the applicable percentage rate per annum displayed on NASDAQ OMX's website for STIBOR fixing (or through another website replacing it) as of or

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

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

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

"Subsequent 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 (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

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

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

"Transaction Security" means the Security provided for the Secured Obligations pursuant to the Security Documents.

"Warborn Party" means:

- (a) any of Sten Warborn or his children, siblings or children of siblings or any spouse of the foregoing persons; or
- (b) any trust, foundation or similar legal entity where one or more of the persons under (a) is a beneficiary or a board member; or
- (c) any other company (publicly listed or not), partnership or other legal entity under direct or indirect control by one or more of the persons under (a) to (b) where control, directly or indirectly, shall be deemed to be at hand if one or more of the persons under (a) to (b) alone or jointly could exercise twenty-five

(25) per cent. or more of the voting rights of the highest decision making body or have the benefit of twenty-five (25) per cent. or more of the economic rights from such a company, partnership or entity.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*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 (*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 Initial Note is SEK 1,000,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Notes is SEK 400,000,000. All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- 2.4 Provided that (i) no Event of Default is continuing or would result from such issue and (ii) the Issuer complies with the relevant financial ratios set out in Clause 12.6.4(a), 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 at a discount or at a premium compared to the Nominal Amount. 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, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.
- 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, 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

- 3.1 The Issuer shall use the proceeds from the issue of the Initial Notes, less the costs

and expenses incurred by the Issuer in connection with the issue of the Initial Notes, towards (i) refinancing in full the Acquisition Loan, (ii) refinancing in full the Proventus Loan, (iii) reducing commitments of the Credit Agreement, (iv) repaying part of the Junior Loan and (v) general corporate purposes.

- 3.2 The Issuer shall use the proceeds from the issue of Subsequent Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Subsequent Notes towards the acquisition of businesses or assets and/or for general corporate purposes.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuer shall provide to the Agent, prior to the issuance of the Initial Notes the following, in form and substance satisfactory to the Agent:

- (a) the Finance Documents and the Agency Agreement duly executed by the Issuer and the Parent, as applicable;
- (b) a copy of a resolution from the board of directors of the Issuer and the Parent approving the issue of the Initial Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
- (c) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer and the Parent is/are duly authorised to do so;
- (d) a copy of the Junior Loan; and
- (e) such other documents and information as is specified in the Security Documents or otherwise agreed between the Agent and the Issuer.

- 4.2 Following the issue of the Notes on the First Issue Date, the net proceeds from the issue of the Initial Notes shall be transferred by the Issuing Agent to the Escrow Account. The Agent's approval of disbursement of funds from the Escrow Account is subject to the following documents having been received by the Agent, in form and substance satisfactory to the Agent (acting reasonably):

- (a) the Security Documents duly executed together with evidence that all applicable perfection requirements will be fulfilled on the date of disbursement;
- (b) evidence that the amounts required to (i) repay in full the Acquisition Loan, (ii) repay in full the Proventus Loan, (iii) repay part of the Junior Loan will be paid,

and any Security and guarantees provided for such indebtedness will be simultaneously released, on the date of disbursement;

- (c) legal opinions on the due execution of the Finance Documents and perfection of any security interests granted thereunder from legal counsels as to Swedish and Finnish law (as applicable); and
 - (d) such other documents and information as is agreed between the Agent and the Issuer.
- 4.3 Upon satisfaction of the conditions in Clause 4.2, the Agent shall release the pledge over the Escrow Account and instruct the Account Bank to transfer the funds from the Escrow Account.
- 4.4 The Issuer shall provide to the Agent, prior to the issuance of any Subsequent Notes the following, in form and substance satisfactory to the Agent:
- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Notes and resolving to enter into documents necessary in connection therewith;
 - (b) a certificate from the Issuer confirming that (i) no Event of Default is continuing or would result from such issue of Subsequent Notes and (ii) the Issuer will, following the issue of the Subsequent Notes, comply with the relevant financial covenants set out in Clause 12.6.4(a) and setting out in reasonable detail the calculations in relation thereto on a pro forma basis; and
 - (c) such other documents and information as is agreed between the Agent and the Issuer.
- 4.5 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1, 4.2 or 4.4 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 4.6 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1, 4.2 or 4.4, as the case may be, have been satisfied.

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 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 (*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 Financial Instruments Accounts Act.
- 5.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*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.

6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 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.

7. PAYMENTS IN RESPECT OF THE NOTES

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, 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 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

Each Group Company 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 a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

9.3 Voluntary total redemption (call option)

9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full:

- (a) any time prior to the First Call Date, at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, plus the Applicable Premium;
- (b) any time from and including the First Call Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date at an amount per Note equal to 103 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the first Business Day falling fifty-four (54) months after the First Issue Date at an amount per Note equal to 101.75 per cent. of the Nominal Amount, together with accrued but unpaid Interest; or
- (d) any time from and including the first Business Day falling fifty-four (54) months after the First Issue Date to, but excluding, the Final Maturity Date at

an amount per Note equal to 100 per cent. of the Nominal Amount, 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 Voluntary and mandatory partial redemptions (call option)

- 9.4.1 Subject to Clause 9.4.4, the Issuer may repay an amount not exceeding SEK 100,000 of principal debt outstanding per Note (rounded off to a multiple of SEK 1,000) at one occasion per twelve month period during the first three years after the First Issue Date (without carry-back or carry forward), in which case all outstanding Notes shall be repaid by way of reducing the Nominal Amount of each Note *pro rata*. The repayment must occur on an Interest Payment Date. The repayment per Note shall be equal to the repaid amount plus (i) a premium on the repaid amount of three (3) per cent. and (ii) accrued but unpaid Interest on the repaid amount.
- 9.4.2 Subject to Clause 9.4.4, the Issuer may at one occasion, in connection with an initial public offering of shares in the Issuer or the Parent, repay up to thirty-five (35) per cent. of the Total Nominal Amount, in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note *pro rata*. The repayment must occur on an Interest Payment Date within 180 days after such initial public offering and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer or the Parent as a result of such offering, and subsequently on-lent or contributed to the Issuer if received by the Parent, in each case net of fees, charges and commissions actually incurred in connection with such offering, lending or contribution and net of taxes paid or payable as a result of such offering, lending or contribution. The repayment per Note shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1,000) plus (i) a premium on the repaid amount of three (3) per cent. and (ii) accrued but unpaid Interest on the repaid amount.
- 9.4.3 The Issuer shall repay an amount of principal debt outstanding under the Notes equal to the Excess Net Proceeds in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note *pro rata*. The repayment per Note shall be equal to the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1,000) plus (i) a premium on the repaid amount of three (3) per cent. and (ii) accrued but unpaid Interest on the repaid amount.

- 9.4.4 Notwithstanding Clauses 9.4.1, 9.4.2 and 9.4.3, the aggregate amount repaid pursuant to this Clause 9.4 may not exceed thirty-five (35) per cent. of the Total Nominal Amount immediately prior to the first repayment pursuant to this Clause 9.4.
- 9.4.5 Partial redemptions in accordance with Clauses 9.4.1 and 9.4.2 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 and, upon expiry of such notice, the Issuer is bound to redeem the Notes in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in Swedish Kronor and paid to the person who is registered as a Noteholder on the Record Date prior to the relevant Redemption Date.
- 9.4.6 Partial redemptions in accordance with Clause 9.4.3 shall be made by the Issuer on the first Interest Payment Date of the calendar year subsequent to the calendar year in which the fixed assets giving rise to the Excess Net Proceeds were sold, transferred or disposed of. The amounts by which the Notes shall be redeemed shall be an even amount in Swedish Kronor and paid to the person who is registered as a Noteholder on the Record Date prior to the relevant Redemption Date.

9.5 Early redemption due to illegality (call option)

- 9.5.1 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.
- 9.5.2 The Issuer shall give notice of any redemption pursuant to Clause 9.5.1 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).
- 9.5.3 A notice of redemption in accordance with Clause 9.5.2 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

9.6 Mandatory repurchase due to a Change of Control Event (put option)

- 9.6.1 Upon a Change of Control Event occurring, 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 twenty (20) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1.3 (the "**First Exercise Period**").

However, the First Exercise Period may not start earlier than upon the occurrence of the Change of Control Event.

- 9.6.2 The notice from the Issuer pursuant to Clause 11.1.3 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, or a person designated by 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 11.1.3. The repurchase date must fall no later than forty (40) Business Days after the end of the First Exercise Period.
- 9.6.3 If Noteholders representing more than seventy-five (75) but less than one hundred (100) per cent. of the Total Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 9.6, the Issuer shall, within five (5) Business Days of the end of the First Exercise Period, 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 ten (10) Business Days following such notice (the "**Second Exercise Period**") after which time period such right shall lapse. 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, or a person designated by 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 9.6.3. The repurchase date must fall no later than forty (40) Business Days after the end of the Second Exercise Period.
- 9.6.4 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 9.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.6 by virtue of the conflict.
- 9.6.5 Any Notes repurchased by the Issuer pursuant to this Clause 9.6 may at the Issuer's discretion be retained, sold or cancelled.
- 9.6.6 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 9.6, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Notes in the manner and on the terms set out in this Clause 9.6 (or on terms more favourable to the Noteholders) and purchases all Notes validly

tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 9.6, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

9.7 Mandatory repurchase due to a Listing Event (put option)

9.7.1 Upon the occurrence of a Listing Failure 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 twenty (20) Business Days following a notice from the Issuer of the Listing Failure Event pursuant to Clause 11.1.3 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Listing Failure Event.

9.7.2 The notice from the Issuer pursuant to Clause 11.1.3 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, or a person designated by 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 11.1.3. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.7.1.

10. TRANSACTION SECURITY

10.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall procure that the Parent grants) the Transaction Security to the Secured Parties as represented by the Agent.

10.2 Subject to Clause 10.3, the Issuer shall (and shall procure that the Parent will) enter into the applicable Security Documents on or prior to the First Issue Date and perfect the Transaction Security in accordance with the terms of the relevant Security Documents.

10.3 In respect of share pledge agreements relating to shares in future Group Companies and loan pledge agreements relating to intra-group loans made available after the First Issue Date by the Issuer to Group Companies (other than intra-group loans resulting from cash pool arrangements), the Issuer shall enter into the applicable Security Documents in forms and substance satisfactory to the Agent (acting reasonably) on or about the date on which the Issuer acquires (whether by way of incorporation or otherwise) such shares or makes such intra-group loans available

(respectively) and shall perfect such Transaction Security in accordance with the terms of the relevant Security Documents.

- 10.4 The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.
- 10.5 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Noteholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.

11. INFORMATION TO NOTEHOLDERS

11.1 Information from the Issuer

- 11.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on www.iduna.se:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year;
 - (b) as soon as the same become available, but in any event within two (2) months after the end of each interim quarter of its financial year, its unaudited consolidated financial statements for such period;
 - (c) as soon as the same become available, but in any event within two (2) months after the end of its financial year, its year-end report (*bokslutskommuniké*) for such period;
 - (d) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount of Notes held by Group Companies, or the amount of Notes cancelled by the Issuer; and
 - (e) any other information required by the Swedish Securities Markets Act (*Iag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

- 11.1.2 Subject to applicable law or restriction of a non-disclosure agreement entered into by the Issuer or any Group Company (as applicable), the Issuer shall supply to the Agent, promptly on request, such further material information regarding the financial condition, business and operations of the Group as the Agent may reasonably request.
- 11.1.3 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. In respect of a Change of Control Event, such notice 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.
- 11.1.4 When the financial statements and other information are made available to the Noteholders pursuant to Clause 11.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements or within twenty (20) Business Days of a request from the Agent, the Issuer shall submit to the Agent a compliance certificate (i) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it, and (ii) attaching copies of any notices sent to the Regulated Market on which the Notes are admitted to trading. The compliance certificate shall be in a form agreed between the Issuer and the Agent.
- 11.1.5 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

11.2 Information from the Agent

- 11.2.1 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.

11.3 Publication of Finance Documents

11.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on www.iduna.se and on the Agent's website.

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

12. GENERAL UNDERTAKINGS

12.1 Compliance with laws

The Issuer shall comply with all laws to which it is subject, where failure to do so has or is reasonably likely to have a material adverse effect on its ability to perform its obligations under the Notes.

12.2 Pari Passu

The Issuer shall ensure that its payment obligations under the Notes at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except those obligations which are mandatorily preferred by law, and without any preference among them.

12.3 Change of business

12.3.1 The Issuer shall not conduct any other business than owning shares in other Group Companies (provided that such shares are pledged to the benefit of the Secured Parties), issuing the Notes, lending monies to other Group Companies and providing normal management services to the Group (including employing relevant staff for such services).

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

12.4 Disposal of assets

12.4.1 The Issuer shall not sell, transfer or otherwise dispose of any interest in the shares of any Group Company which are the subject of a Share Pledge Agreement entered into, or to be entered into, in accordance with Clauses 10.2 or 10.3 respectively.

- 12.4.2 The Issuer shall not sell, and shall ensure that no other Group Company will sell, transfer or otherwise dispose of assets except for sales, transfers and disposals on arm's length terms for fair market value and provided always that a breach of Clause 9.4.4 would not result from such proposed sale, transfer or disposal.
- 12.4.3 If the net proceeds from sales, transfers or disposals of fixed assets to non-Group Companies (net of costs and tax and after deducting the cost for acquisitions of or investments in other fixed assets and any expenditure which is, in accordance with Accounting Principles, treated as capital expenditure) exceed SEK 65,000,000 in any calendar year, the amount of such net proceeds in excess of SEK 65, 000,000 ("**Excess Net Proceeds**") shall be applied towards *pro rata* redemption of the Notes in part in accordance with Clause 9.4.3.

12.5 Disposal of operations

- 12.5.1 The Issuer shall not, and shall ensure that no other Group Company will, in any calendar year, sell, transfer or otherwise dispose of business operations (including shares in other Group Companies but, for the avoidance of doubt, excluding closing down of individual stores and/or operations) which generated during the previous calendar year five (5) per cent. or more of the total turnover of the Group (a "**Material Disposal**"), unless the Group by no later than the end of the subsequent calendar year acquires or establishes new or expanded business operations that are forecasted to generate turnover similar to that of the business operations that have been disposed.
- 12.5.2 The Issuer shall promptly notify the Agent of any Material Disposal and provide the Agent with such further information relating to the disposal as the Agent may reasonably request.

12.6 Distributions and other transactions

- 12.6.1 The Issuer shall not, and shall procure that no other Group Company will:
- (a) grant any loans (except for loans in the ordinary course of business to unrelated third parties);
 - (b) provide any guarantees or other financial assistance (except in the ordinary course of business for the benefit of unrelated third parties);
 - (c) make any dividend payments;

- (d) repurchase its shares;
- (e) redeem its share capital or other restricted equity with repayment to shareholders;
- (f) repay principal or pay interest under the Junior Loan or under any other subordinated Financial Indebtedness permitted under Clauses 12.7.1(e) or (g); or
- (g) make other distributions or transfers of value,

except in each case by a Group Company to or for the benefit of another Group Company (each a "**Restricted Payment**").

12.6.2 The restriction set out in Clause 12.6.1 shall not apply to Restricted Payments made by, or on behalf of, the Issuer in accordance with Clauses 4.2 and 4.3.

12.6.3 Notwithstanding Clause 12.6.1, a Group Company shall be entitled to give group contributions (*koncernbidrag*) by way of distributions to the Parent, provided that any cash or other funds that are transferred from such Group Company as a result thereof shall not exceed the amount of corporate income tax which the Issuer has calculated that the Group will save in the same or the subsequent calendar year as a result of the contribution and provided further that the amount of non-cash distributions are subsequently converted into shareholder's contributions (*aktieägartillskott*) by the Parent to the Issuer as soon as practically possible.

12.6.4 The restriction set out in Clause 12.6.1 shall not apply to Restricted Payments made by a Group Company provided that:

- (a) such Restricted Payment is permitted by law, no Event of Default is continuing or would result from such Restricted Payment and immediately following the making of such Restricted Payment:
 - (i) the ratio of Net Debt to EBITDA (adjusted on a *pro forma* basis to take into account any such Restricted Payment) is not greater than 3.25:1 and calculated in accordance with Clause 12.6.5 (as applicable); and
 - (ii) the ratio of EBITDA to Net Interest Payable is not less than 2.50:1 and calculated in accordance with Clause 12.6.6 (as applicable); and

- (b) in any financial year the aggregate amount of Restricted Payments shall not exceed fifty (50) per cent. of the Issuer's consolidated net profit after tax (*årets resultat*) based on the audited annual accounts for the previous financial year, however adding back the amount by which such consolidated net profit has been reduced by virtue of interest expensed (whether paid or accrued), net of corporate income tax, during that previous year in relation to the Junior Loan and any shareholder loans.

12.6.5 The ratio of Net Debt to EBITDA shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than one month prior to the Restricted Payment or the incurrence of new Financial Indebtedness (as applicable);
- (b) the figures for EBITDA set out in the latest financial statements published pursuant to Clause 11.1.1(a) or (b) (including, when necessary, financial statements published before the First Issue Date) shall be used, but adjusted so that entities acquired or disposed after the end of the measurement period but before the relevant testing date will be included or excluded (as applicable) for the entire measurement period; and
- (c) the amount of Net Debt shall be measured on the relevant testing date but include the new Financial Indebtedness (if applicable) provided that it is an interest-bearing obligation.

12.6.6 The ratio of EBITDA to Net Interest Payable shall be calculated as follows:

- (a) the calculation shall be made for a 12-month period ending on the last day of the period covered by the most recent financial statements published pursuant to Clause 11.1.1(a) or (b); and
- (b) the figures for EBITDA and Net Interest Payable set out in the latest financial statements published pursuant to Clause 11.1.1(a) or (b) (including, when necessary, financial statements published before the First Issue Date) shall be used for such calculation.

12.7 Financial indebtedness

12.7.1 The Issuer shall not incur or allow to remain outstanding any Financial Indebtedness other than Financial Indebtedness:

- (a) incurred under the Junior Loan;
- (b) incurred under the Initial Notes;
- (c) arising as a result of the issuance of any Subsequent Notes in accordance with Clause 2.4;
- (d) arising as a result of guaranteeing the obligations of its Subsidiaries;
- (e) arising under loans granted to the Issuer by the Parent, provided always that such loans are fully subordinated to the Notes to the satisfaction of the Agent, have a maturity of no less than 6 months after the Final Maturity Date and whereby no creditor is entitled to receive payments of interest or repayments of principal prior to the maturity date other than as a Restricted Payment permitted pursuant to Clause 12.6 (*Distributions and other transactions*);
- (f) arising as a result of a refinancing of the Notes in full;
- (g) which is fully subordinated to the Notes to the satisfaction of the Agent, has a maturity of no less than six (6) months after the Final Maturity Date and whereby no creditor is entitled to receive payments of interest or repayments of principal prior to the maturity date other than as a Restricted Payment permitted pursuant to Clause 12.6 (*Distributions and other transactions*); and
- (h) not permitted by (a)-(g) above, provided that (i) no Event of Default is continuing or would result from the incurrence of such Financial Indebtedness and (ii) immediately following the incurrence of such Financial Indebtedness the financial covenants set out in Clause 12.6.4(a) (calculated in accordance with Clauses 12.6.5 and 12.6.6 respectively and tested *pro forma* including such Financial Indebtedness) will be met.

12.7.2 The Issuer shall procure that no other Group Company will incur or allow to remain outstanding any Financial Indebtedness other than Financial Indebtedness:

- (a) incurred under any revolving, overdraft, leasing or guarantee credit facility (including but not limited to the Credit Agreement) in an aggregate amount not exceeding SEK 300,000,000 at any time for the sole purpose of financing short term working capital needs, finance leases and guarantees;

- (b) incurred under any credit facility in an aggregate amount not exceeding SEK 20,000,000 provided that such facility is secured by way of first ranking Security over real property;
- (c) incurred by a Group Company (other than the Issuer) from another Group Company;
- (d) arising under any guarantee issued by a Group Company for the obligations of another Group Company;
- (e) arising in the ordinary course of trading with suppliers of goods with a maximum duration of 180 days or under guarantee of such debt made for the benefit of such suppliers; and
- (f) not permitted by (a)-(e) above, provided that the aggregate amount of such Financial Indebtedness does not exceed SEK 15,000,000.

12.8 Negative pledge

The Issuer shall not create or allow to subsist any Security over any of its present or future assets or revenues, other than:

- (a) any Transaction Security;
- (b) any Security provided in the form of a pledge over an escrow account to which the proceeds incurred in relation to a refinancing of the Notes in full (a "**Refinancing**") are intended to be received;
- (c) any Security agreed to be provided for the benefit of the financing providers in relation to a Refinancing, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Notes in full;
- (d) any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (e) any lien arising by operation of law, retention-of-title arrangements relating to prepayments or similar arrangements in the ordinary course of trading and not as a result of any default or omission by the Issuer; and

- (f) any other Security created or outstanding on or over assets provided that the aggregate outstanding principal amount secured by all Security created or outstanding under this exception on or over assets of the Issuer must not at any time exceed SEK 3,000,000.

12.9 Dealings with related parties

The Issuer shall, and shall procure that each other Group Company will, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any affiliates of such direct and indirect shareholders at arm's length terms. In relation to any transaction or series of related transactions with any direct or indirect shareholder or any of their respective affiliates involving an aggregate value in excess of SEK 20,000,000, the Issuer and the Agent shall have received a written opinion from an independent financial advisor that such transaction is fair, from a financial standpoint, to the Issuer and its Subsidiaries or that the terms are not materially less favourable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's length basis from a person that is not a director or indirect shareholder or an affiliate thereof. Such fairness opinion shall, in the absence of manifest error, be conclusive and binding evidence for on all parties.

12.10 Listing of Notes

- 12.10.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Regulated Market of NASDAQ OMX Stockholm within the Listing Period, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.
- 12.10.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

12.11 Undertakings relating to the Agency Agreement

- 12.11.1 The Issuer shall, in accordance with the Agency Agreement:
 - (a) pay fees to the Agent;
 - (b) indemnify the Agent for costs, losses and 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.

12.11.2 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.

13. ACCELERATION OF THE NOTES

13.1 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 13.4, 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, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
- (b) any Group Company does not comply with the Finance Documents (other than as set out under paragraph (a) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), or the Security

created or expressed to be created thereby is varied or ceases to be effective and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Noteholders;

- (d) any Financial Indebtedness of any Group Company is not paid when due (as extended by any originally applicable grace period), or, is declared or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), in both cases provided that the total amount of such Financial Indebtedness exceeds SEK 25,000,000 and provided that it does not apply to Financial Indebtedness owed to a Group Company;
- (e) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (f) any fixed asset that is owned by a Group Company has a value in excess of SEK 15,000,000 is seized and such seizure is not discharged within thirty (30) Business Days of the date of the relevant seizure; or
- (g) the Issuer merges with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

13.2 The Agent may not accelerate the Notes in accordance with Clause 13.1 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).

13.3 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 15 (*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.

13.4 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.

- 13.5 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.
- 13.6 In the event of an acceleration of the Notes in accordance with this Clause 13, up to, but excluding, the First Call Date the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount plus the Applicable Premium and thereafter, as applicable considering when the acceleration occurs, the redemption amount specified in Clause 9.3 (*Voluntary total redemption*).

14. DISTRIBUTION OF PROCEEDS

- 14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.5, and (iv) 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 15.13;
 - (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.

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).
- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security constitute escrow funds (*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 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, 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 and for any partial redemption in accordance with Clause 9.4 (*Voluntary and mandatory partial redemptions*) due but not made, the Record Date specified in Clause 9.4.5 or 9.4.6 shall apply (as applicable).

15. DECISIONS BY NOTEHOLDERS

- 15.1 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.
- 15.2 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.

15.3 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.

15.4 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 Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.3, 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.

15.5 The following matters shall require the consent of Noteholders representing at least eighty (80) 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 17.3:

- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
- (c) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause 9.4 (*Voluntary and mandatory partial redemptions*));
- (d) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (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 release of the Transaction Security, except in accordance with the terms of the Security Documents;
 - (h) a mandatory exchange of the Notes for other securities; and
 - (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 13 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 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 17.3. 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 18.1(b)(a) or (b)(b)), an acceleration of the Notes or the enforcement of any Transaction Security.
- 15.7 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 15.5, 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.
- 15.8 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 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), 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 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 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.

- 15.10 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.
- 15.11 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.
- 15.12 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.
- 15.13 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.
- 15.14 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.
- 15.15 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 www.iduna.se and the website of 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.

16. NOTEHOLDERS' MEETING

- 16.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than five (5) 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).

- 16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, 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 16.1.
- 16.3 The notice pursuant to Clause 16.1 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) and (iv) a form of power of attorney. 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.
- 16.4 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 16.5 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.

17. WRITTEN PROCEDURE

- 17.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the 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.
- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.
- 17.3 A communication pursuant to Clause 17.1 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 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 17.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15.5 and 15.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18. AMENDMENTS AND WAIVERS

- 18.1 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 15 (*Decisions by Noteholders*).

- 18.2 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.

- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- 18.4 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.

19. APPOINTMENT AND REPLACEMENT OF THE AGENT

19.1 Appointment of Agent

- 19.1.1 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 including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 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.
- 19.1.3 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.
- 19.1.4 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.
- 19.1.5 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.

19.2 Duties of the Agent

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Noteholders and, where relevant, enforcing the Transaction Security on behalf of the Noteholders. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Transaction Security.

- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of 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.
- 19.2.3 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.
- 19.2.4 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.
- 19.2.5 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 or (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. 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 14 (*Distribution of proceeds*).
- 19.2.6 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.
- 19.2.7 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.
- 19.2.8 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 19.2.7.

19.3 Limited liability for the Agent

- 19.3.1 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.
- 19.3.2 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 engaged by 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.
- 19.3.3 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.
- 19.3.4 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 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.1.
- 19.3.5 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.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, 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.
- 19.4.2 Subject to Clause 19.4.6, 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.

- 19.4.3 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.
- 19.4.4 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.
- 19.4.5 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.
- 19.4.6 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.
- 19.4.7 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.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, 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.

20. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 20.1 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.
- 20.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

21. NO DIRECT ACTIONS BY NOTEHOLDERS

- 21.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*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.
- 21.2 Clause 21.1 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 19.1.2), 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 19.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.8 before a Noteholder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase due to a Change of Control Event*) or Clause 9.7 (*Mandatory repurchase due to a Listing Event*) or other payments which are due by the Issuer to some but not all Noteholders.

22. PRESCRIPTION

- 22.1 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.
- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*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.

23. NOTICES AND PRESS RELEASES

23.1 Notices

- 23.1.1 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 on the Business Day prior to dispatch;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch; and
 - (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 or letter for all Noteholders. A Notice to the Noteholders shall also be published on www.iduna.se and on the website of the Agent.
- 23.1.2 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 23.1.1 or, in case of letter,

three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1.

- 23.1.3 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.

23.2 Press releases

- 23.2.1 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 (*Voluntary and mandatory partial redemptions*), 9.5 (*Early redemption due to illegality*), 11.1.3, 13.3, 15.15, 16.1, 17.1 and 18.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

- 23.2.2 In addition to Clause 23.2.1, if any information relating to the Notes or the Group 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.

24. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 24.1 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.
- 24.2 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.
- 24.3 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.

24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25. GOVERNING LAW AND JURISDICTION

25.1 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.

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

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