



ARISE AB (PUBL)

**Prospectus for the admission to trading
on NASDAQ OMX Stockholm of**

SEK 1,100,000,000

**SENIOR SECURED GREEN FLOATING RATE NOTES
2014/2019**

ISIN: SE0005906849

Lead Manager



IMPORTANT INFORMATION

Words and expressions defined in the Terms and Conditions beginning on page 28 have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

In this prospectus, the “**Issuer**” or “**Arise**” means Arise AB (publ) or, depending on the context, the group in which Arise AB (publ) presently is a parent company. The “**Group**” means the Issuer with its Subsidiaries from time to time (each a “**Group Company**”). The “**Lead Manager**” means DNB Markets, DNB Bank ASA, Sverige filial. The “**CSD**” means Euroclear Sweden AB. “**SEK**” refers to Swedish kronor.

Notice to investors

On 25 April 2014 (the “**Issue Date**”) the Issuer issued a note loan in the amount of SEK 1,100,000,000. The initial nominal amount of each note is SEK 1,000,000 (the “**Nominal Amount**”). The maximum nominal amount of the Notes may not exceed SEK 1,100,000,000 unless a consent from the Noteholders is obtained pursuant to the Terms and Conditions. This prospectus (the “**Prospectus**”) has been prepared for the listing of the loan constituted by the Notes on a Regulated Market. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell 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 “**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 is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about, and comply with 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 United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

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 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 Trading Act.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this document or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- (e) scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Prospectus is also derived from estimates made by the Issuer.

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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 Arise's operations, result, financial position and the Notes. In this section a number of risk factors are described, including general risks attributable to Arise's operations and key risks linked to the Notes in their capacity as financial instruments. The intention is to describe risks that are linked to Arise's operations and thus also Arise's ability to fulfil its obligations in accordance with the Terms and Conditions.

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 Arise 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 Arise in relation to the Notes and general information about the renewable energy market from its own perspective. 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 Arise's future operations, result and financial position and thus also Arise's ability to fulfil its obligations in accordance with the Terms and Conditions.

Risks related to Arise

Fluctuations in the price of electricity, electricity certificates and other benefits

Energy price risk is the risk of variations in the price of electricity, electricity certificates and other benefits. The risk for Arise occurs in cases where and to the extent that Arise's energy sales have not been hedged, in which cases fluctuations in prices in the electricity and electricity certificate markets would have a direct impact on consolidated operating earnings. Generally, there is a risk of a long-lasting decline in or continued low level for energy prices. The price of electricity certificates depends on the balance between the supply of renewable energy generated by renewable power producers and the demand for renewable energy regulated by law, thus also on the development of renewable energy and statutory quotas in Sweden and Norway. It should be noted that in February 2014, the Swedish and Norwegian Energy Agencies proposed amendments to the electricity certificate system with the aim to increase the total demand for electricity certificates by revising the statutory quotas (if adopted, the amendments are expected to enter into force in January 2016). Further, there is a volume risk if delivery of electricity is hedged prior to relevant electricity production capacity has been commissioned, i.e. if production capacity is delayed or interrupted. In any case, risks associated with variations in the price of electricity and of electricity certificates or continued low level for energy prices could adversely affect Arise's earnings and indicate risk for declining value in existing investments. For variations in the price of electricity and of electricity certificates the Group has adopted a price hedging strategy for electricity and electricity certificates whose primary purpose is to ensure long-term profitability and reduce the risk of fluctuations in the Group's earnings by hedging prices in advance. Arise has also developed a leasing concept where large energy consumers lease one or more wind farms and produce their own electricity. Such concept provides Arise a higher income compared with the electricity market price. The lease arrangements are short term (12 month at a time) and there is always a risk that demand for such lease arrangements ceases.

Variations in output

Arise's revenue is dependent on actual output from its operating wind farms, which in turn depends on wind conditions during the actual period in question at the locations concerned, and the accessibility of the wind farms. The wind conditions varies between seasons over the course of the year but also between individual years. By establishing a portfolio of projects in different geographical locations, performing extensive wind measurements and by evaluating which wind farms are most suitable for the specific geographical location prior to making decisions regarding investments, the risk of variations in output is reduced. Further, there may be discrepancies between production estimates and actual output from operating wind farms after commissioning. Unfavourable weather conditions, changes in climates and significant discrepancies between estimates and actual output may have a negative impact on electricity production and earnings.

Technological development

The electricity produced from wind power is transported and consumed in the same manner as electricity generated by other energy sources, meaning that different energy sources compete with each other. Technology advances mean that new wind power may be developed more favourably than already existing wind power and it could also mean that competing electricity-producing technologies could be developed more favourable than wind power. Within the wind power sector, there is also a risk that the technology chosen by Arise may entail risks that are unknown today. Although Arise attaches significant importance to selecting modern but well proven technology, technological development during the cycle of Arise's wind farms could adversely affect Arise's earnings.

Political and regulatory impact

A large number of regulations issued by numerous national, regional and local authorities apply to the business of the Group. Even if the marginal cost of wind power is low, investments in new wind power production has historically been and still remains dependent (as is the case for new investments in many other power production technologies) on economic incentives to be competitive with already existing electricity-producing assets in the market. The Group is therefore dependent on the additional revenues it derives from the electricity certificate system as well as on the continued pursuit of current objectives by the various governmental authorities and agencies involved in the drive to expand wind power in Sweden, Norway and Scotland. The large number of administrative entities involved, especially in Norway and Scotland, can make the process of obtaining permits to construct and operate a wind energy project long and complex, which could adversely affect Arise's result and wind farm expansion. The expansion of operations is also affected by laws governing environmental permits under the Swedish Environmental Code (*miljöbalken (1998:808)*) or similar regulations. Revisions to such regulations could thus adversely affect Arise's result and wind farm expansion. Since 1 August 2009, municipalities have a right of veto under the Swedish Environmental Code in that they need to support an erection of a wind farm (with minimum seven turbines) in order for an environmental permit for the planned operations to be granted. A municipality's decision not to support such wind farm cannot be appealed. There is thus a risk that a municipality rejects a wind farm construction. In certain areas in Sweden, Norway and Scotland there is a negative public opinion towards wind turbines and it cannot be excluded that such opinion may affect a municipality's choice to exercise its veto. Potential amendments to support systems, licensing or other regulatory impacts on Arise's operations could adversely affect Arise's earnings.

Project development

A large part of Arise's operations is to develop wind power projects from the conclusion of a land lease with a landowner to actual commissioning of a turbine. A number of risks are associated with a project's development phase, including that the wind conditions in a specific location are too weak to enable continued development or that a permit cannot be obtained in time. Arise's estimates are based on forecasts and models produced by internal and external resources within the relevant area. The estimates are thus based on knowledge and experience but also on assumptions, meaning that there is a risk of significant discrepancies between estimates, measurements and actual outcomes, which could adversely affect Arise's financial position. Further, Arise and its partners are in their project development dependent on the availability of suitable sites for bankable wind turbine projects, including necessary wind resources and grid capacity, permit granted or possible to seek, and suitable ground conditions for foundations, roads and cables. If such availability declines dramatically it could adversely affect Arise's expansion of its operations, which in its turn could have an adverse effect on Arise's financial position.

Conflicts with other cultural and environmental interests as well as with telecom, military and airport interests may delay or impede the permitting process for new projects. These conflicts centre on issues such as the changes to the landscape or animal life, the impact of noise and shadows on places where people or animals live, the impact on recreational values and the impact on natural and cultural environments. Delays may also result from transportation or construction problems or when connecting turbines to electrical grids, which are areas where Arise is in many cases dependent on external parties and non-extreme weather conditions.

Dependence on relations with suppliers

Arise's business includes the development, construction, operation and maintenance of wind energy projects. Arise's wind farms require delivery and assembly of numerous components of technical equipment from various suppliers. The Group is therefore dependent on agreements with and undertakings by external suppliers and by the supplier's ability to fulfil the agreements in respect of agreed standards of quality, delivery times and other factors. As delivery periods for the required input goods are relatively long and some technology is relatively young, construction errors or otherwise incorrect or delayed deliveries or the non-delivery of goods could result in delays or stand-still in Arise's new projects, which in turn could adversely affect the expansion of the Group's earnings. Delays in the development of the Group's project portfolio could result in an inability to fulfil its obligations under concluded agreements, which could adversely affect the Group's earnings. Arise's new framework agreement with GE Energy specify minimum volumes that Arise is obliged to buy during 2014. Failure to do so will incur a fee of maximum 21,000,000 Swedish kronor during 2014, while Arise does not foresee any such payment during 2014 (either turbines will be ordered and deployed or the agreement will be prolonged in accordance with management's view and previous practice).

Customers

Electricity generated by Arise is sold on Nord Pool and to municipalities, utilities and industrials under bilateral and financial agreements. If Arise's customers fail to meet their obligations, it could adversely affect the Group's sale, financial position and earnings.

In some cases, Arise has fixed delivery commitment towards its end customers in respect of electricity and electricity certificates. In case the actual output falls below the pre-sold output, Arise would be forced to purchase the difference on the power exchange, i.e. Nord Pool, or from other producers. This entails a risk in case the price of the balance exceeds the price of the pre-sold power.

Production planning

Arise is required to submit daily forecasts of electricity production for the following 24 hour-period to Svenska Kraftnät. If the forecast output differs from actual output an imbalance occurs, which is regulated through the purchase or sale of electricity in the daily market for regulating the discrepancy, or balance power. Balance power is administered by Arise's business partner Scandem AB, which manages and reports forecasts submitted by several other customers in addition to Arise. An aggregating effect is thereby achieved, which cuts costs and reduces the impact of discrepancies in the aggregate forecast compared with what each customer would otherwise report in its individual forecast. At times when the balance in the Swedish power system is strained due to high demand and disruptions in the production system, the cost of balance power may be high. It is therefore important to ensure that Arise at all times delivers high-quality production plans to avoid unnecessary costs for balance power.

Landowners and land leases

Arise has concluded a large number of land leases with landowners providing Arise a right but not an obligation to erect wind turbines on the property of such landowners. The lease term of such agreements is minimum 25 years, and a wind turbine is estimated to have a utilisation period of approximately 25 years. If a wind turbine's utilisation period was to exceed the contracted duration of the land lease, for instance due to material repair, upgrade or by using a replacement turbine with better technology, there is a risk that Arise would be unable to continue to operate the turbine in the leased location as the land lease would expire unless a new agreement on extension could be concluded with the landowner. Therefore material new investments in existing turbines are subject to extension of the relevant land lease or conclusion of a new land lease. Further, most of Arise's land leases can be terminated before expiry by the landowner in the event that a permit for the turbine is delayed or cannot be obtained or if construction of the turbine is delayed or does not take place. The land leases generally gives Arise a right to register the land leases in the Swedish Land Register (*Fastighetsregistret*). In the absence of such registration there is a risk that the rights inherent in the leases cannot be defended against a competing lease on the same property or against a new owner of the property. All land leases where turbines have been installed have been registered with the Swedish Land Register. On a number of the properties where Arise leases land there are mortgages with better rights than Arise's land leases. In case of a foreclosure sale of such a property there is a limited risk (given that the turbine generates revenue for the landowner) that the land lease will not be upheld in relation to a new owner. Although an individual land lease will not significantly affect Arise's operations, the aforementioned events could adversely affect Arise's financial position and earnings.

Operations, maintenance, etc.

Arise's operations and maintenance activities comprise a number of processes whose primary objective is to prevent any suspension or interruption in, and to optimise, the production of electricity. Suspensions and interruptions can occur as a result of a breakdown or externally inflicted damage, and can have consequences for Arise's ability to fulfil its obligations to its customers. Such suspensions or interruptions could adversely affect the Group's operations, financial position and earnings. Over the course of its life a wind turbine will incur costs for servicing and maintenance. Also, at end of life of turbines Arise will be obligated to decommission the relevant wind turbines. Over time, costs for service and maintenance may differ from those on which the cost estimate for the investment is based and actual decommissioning costs could exceed those set aside or budgeted, which could adversely affect Arise's earnings.

Arise's business is exposed to the risks inherent in the construction and operation of wind energy projects, such as breakdowns, manufacturing defects, natural disasters and certain environmental hazards. Arise has implemented a policy of obtaining insurance cover for the principal risks of its business. However, Arise cannot guarantee that its insurance policies are or will be sufficient to cover possible losses resulting from a major outage at its wind energy projects, for the repair and replacement of damaged sites or the consequences of an action brought by a third party. If Arise was to incur a serious uninsured loss or a loss significantly exceeding the limits of its insurance policies, the resulting costs could adversely affect Arise's operations, earnings and financial position.

Dependence on key individuals

Arise's future performance is affected by the knowledge, experience and commitment of its management and other key individuals. The Group has concluded employment contracts and option schemes with key individuals on terms that are deemed to be consistent with current market conditions. Despite this, there is no guarantee that the Group will be able to retain such key individuals or that it will be able to recruit new, qualified staff.

Management and accounting systems

Arise intends to expand its operations. It cannot be excluded that the complexity of the operations and the responsibilities placed on management will not thereby increase, placing an increasing burden on Arise's management and operational resources. Future profits are to some extent dependent on human resources and technological management systems. Although Arise believes its current resources and systems are adapted for the expansion, there is a risk that the effectiveness of those resources and systems over time will not grow at the same pace as the Group's operational requirements, which in turn could adversely affect the Group's operations, financial position and earnings.

Grids, wind turbines, etc.

The installation of a wind energy project requires a connection to the power grid in order to transmit and deliver electricity. Arise cannot guarantee that it will obtain sufficient grid connections or capacity for future projects within planned timetables and budgetary constraints. Transmission and distribution networks may experience congestion, outages or technical incidents and operators of these grids may fail to meet their contractual transmission and distribution obligations or terminate the contracts involved. Such events could adversely affect Arise's operations, financial position and earnings.

If wind turbines, transmission grids or other electrical installations are damaged or destroyed, for instance due to natural catastrophes or other factors beyond the control of Arise, the Group may be unable to deliver electricity to its customers. Under such circumstances, and if the Group is unable to find alternative resources or repair its existing ones, this could adversely affect the Group's operations, financial position, cash flow and earnings. Furthermore, the life of a wind turbine is approximately 25 years and this is the figure on which the cost estimate for the investment is normally based. In cases where the utilisation period proves to be less than 25 years this could adversely affect Arise's earnings and cash flow.

Currency risk exposure

Arise's financial statements are reported in Swedish kronor. Currency risk exposure arises mainly in connection with the sale of electricity on the Nord Pool power exchange from the time of concluding a financial contract to settlement (transaction exposure) or via bank, the purchase of wind turbines and the translation of balance sheet items in foreign currencies from the time of concluding a contract to settlement (translation exposure). All of

these transactions are mainly made in Euro. The risk on the sales side is managed by hedging the currency portion of hedged power prices using Euro currency futures. Wind power investments in foreign currencies are hedged by concluding futures contracts at the time when the decision to invest is made. A translation exposure occurs when Arise invests in an associated company with Euro as its accounting currency. Such translation exposure is not hedged other than by financing wind farms built during 2013 with credit facilities denominated in Euro. It cannot be excluded that future currency fluctuations could adversely affect Arise's operations, earnings and financial position over time.

Impact of market interest rates

In accordance with the objectives defined by Arise, the funding of each wind farm project includes a large portion of borrowed capital, approximately 60-75 per cent of the total project investment. As a result of this funding arrangement, Arise is exposed to variations in interest rates. Interest risk is defined as the risk of a fall in earnings caused by a change in market interest rates. A significant factor affecting interest risk is fixed-rate periods. The Group's financial policy includes guidelines on fixed-rate periods (interest rate duration). The management of interest risk is aimed at reducing negative effects from changes in market interest rates. The Group strives to achieve a balance between cost-effective borrowing and risk exposure on the one hand, and a negative impact on earnings in the event of a sudden major change in interest rates on the other hand. The exposure is hedged using interest rate swaps, which cover parts of Arise's long-term borrowing. Increased market interest rates over time will increase interest costs for Arise, which means that its operations, earnings and financial position could be adversely affected unless such increased interest costs are compensated by otherwise increased income or reduced costs.

Financing risk

Arise is in a situation where significant additional capital will be required to fund its planned growth. Financing risk is defined as the risk that Arise will be unable to meet its liabilities due to insufficient liquidity or difficulties in obtaining funding. The Group's objective is to constantly have more than one counterparty that is willing to offer credit facilities on market terms and to have access to credit facilities that secure the Group's funding requirements for at least one year. The Group's policy as at the date hereof states that liquidity must be available at all times at an amount equivalent to minimum 100,000,000 Swedish kronor in liquid funds and committed but undrawn credit facilities. Restrictions on the Group's ability to obtain new capital, both equity and debt capital, and restrictions on divestment of existing projects or parts thereof, could affect the speed or cost of expanding Arise's project portfolio. Further, project companies in the Group are generally project financed on a non-recourse basis and thus there are customary restrictions and covenants for such companies to up-stream cash in the Group, which adversely could affect the financial position of Arise.

Arise is dependent on its ability to refinance existing facilities at their due date and to obtain additional financing at market terms in connection with new projects. In case Arise is unable to refinance existing facilities or obtain additional financing at market terms, as a result of a deficiency in the capital market or for any other reason, it could adversely affect Arise's operations, earnings and financial position. Arise is also dependent on its ability to finance short-term fluctuations in cash flow and unforeseen major payment obligations. A situation where Arise is unable to meet its financial obligations towards its creditors due to lack of liquidity could adversely affect Arise's financial position. Further, it could result in Arise being under an obligation to prepay existing financing, which could in turn adversely affect Arise's operations, earnings and financial position.

Normally, county administrations also demands that developers post collateral or provide other means for ensuring that wind turbines are decommissioned at the end of their utilisation period. Changes in the application of such decommissioning provisions may affect Arise's investment cost for establishing new wind turbines.

Counterparty risk

Counterparty risk is the risk of incurring a loss if a counterparty fails to meet its obligations. Commercial counterparty risk encompasses the solvency of business partners or customers and is managed by Arise's central finance function through careful monitoring of payment track records, customers' and partner's financial reports as well as good communications. Arise's total counterparty risk will be distributed across several customers, which will account for Arise's trade receivables. Financial counterparty risk arises when temporary excess liquidity is invested for the purpose of obtaining an increased return. Excess liquidity may only be invested in assets with a low counterparty risk that have been approved by the board of directors of Arise. If Arise does not

succeed in managing its counterparty risks, this could adversely affect Arise's sales, financial position and earnings.

Joint ventures and associated companies

Arise conducts some of its operations through Sirocco Wind Holding AB, a co-owned associated company in which Arise does not have a controlling interest. As a result, Arise does not have an independent influence over the conduct of the company's business or its cash flow. Arise's business model includes pursuing additional joint venture and associated companies owning wind farm projects, including the newly established Arise JV AB. The risk of actions outside Arise's or the joint ventures' control and adverse to Arise's interests is inherent in jointly controlled entities. There is a risk that the partners owning the joint ventures may disagree on important matters, including the funding of the company. A disagreement or deadlock regarding the company or a breach by one of the parties of the material provisions of the cooperation arrangements could adversely affect Arise's earnings.

Disputes

Arise is currently not party to any dispute which could adversely affect the Group's earnings or financial position. However, it cannot be excluded that Arise will become involved in such disputes in the future. Arise can give no assurances as to the results of any future investigation, proceeding, litigation or arbitration brought by private parties, regulatory authorities or governments. In addition, if an unfavourable decision were to be given against Arise, significant fines, damages and/or negative publicity could adversely affect Arise's earnings and financial position.

Taxes

Arise has obtained advice from independent tax advisors on tax-related issues. However, it cannot be excluded that Arise's interpretation of applicable rules and administrative practice is not entirely correct, or that rules and practice may change, possibly with retroactive effect. The decisions of tax authorities could change the Group's previous or current tax situation, which could adversely affect Arise's earnings.

Risks related to the Notes

Credit risk

If Arise's financial position deteriorates it is likely that the credit risk associated with the Notes will increase, given that there would be an increased risk that Arise cannot fulfil its obligations under the Terms and Conditions. Arise's financial position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk could result in the market pricing the Notes with a higher risk premium, which could adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorated financial position could result in a lower credit worthiness, which could affect Arise's ability to refinance the Notes and other existing debt, which could in turn adversely affect Arise's operations, result and financial position.

Certain material interests

The Lead Manager has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for Arise in the ordinary course of business. In particular, it should be noted that the Lead Manager may be the lender under certain credit facilities with a member of the Group as borrower. Therefore, conflicts of interest may exist or may arise as a result of the Lead Manager 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.

Interest rate risk

The value of the Notes is dependent on several factors, one of the most significant over time being the level of market interest rates. Investments in the Notes involve a risk that the market value of the Notes could be adversely affected by changes in market interest rates.

Noteholders' meeting

The Terms and Conditions include certain provisions regarding a Noteholders' meeting (a "Noteholder" being a person who is registered on a securities account as direct registered owner (*ägare*) or nominee (*förvaltare*) with

respect to a Note), which may be held in order to resolve on matters relating to the Noteholders' interests. Such provisions allow for designated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' meeting.

Noteholders' representation

Pursuant to the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. However, this does not rule out the possibility that the Noteholders, in certain situations, could bring their own action against Arise. 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 of the Notes. Under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders.

Transferability of the Notes

Pursuant to the Terms and Conditions, Arise shall apply for registration of the Notes on the regulated market of NASDAQ OMX Stockholm AB but there can be no assurance that the Notes are approved for admission of trading. A failure to obtain such listing may have a negative impact on the market value of the Notes. Even if a listing will occur, there can be no assurance that an active market for the Notes will evolve, and even if such would evolve that it lasts. The nominal amount of the Notes may not be indicative of their market value after being admitted for trading on NASDAQ OMX Stockholm AB. In addition, following listing of the Notes, the liquidity and trading price of the Notes may vary substantially as a result of numerous factors, including general market movements and irrespective of Arise's performance.

Clearing and settlement in the CSD's account-based system

The Notes are affiliated to and will continue to be affiliated to a central securities depository of notes, currently the CSD's account-based system, why no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within the CSD's account-based system. The investors are therefore dependent on the functionality of the CSD's account-based system.

Early redemption of the Notes

Arise has, under the Terms and Conditions, reserved the possibility to redeem all outstanding Notes prior to the final redemption date. If the Notes are redeemed prior to the final redemption date, the Noteholders have the right, in most cases, to receive an early redemption amount which exceeds the nominal amount of the Notes. However, there is a risk that the market value of the Notes is higher than the early redemption amount.

Dependence on upstream funding

Arise holds no significant assets other than the shares in its direct and indirect subsidiaries and associated companies, and as such Arise is reliant on the ability of other entities within the Group and associated companies to advance loans or make dividend distributions to Arise so as to enable it to make payments under the Notes. Arise is thus dependent upon receipt of sufficient income arising from the operations of the Group and associated companies.

Preferential right and security structure

Arise normally finances a large portion of its operations through bank loans, often via subsidiaries, with security interests normally constituting a preferential claim on the borrower. The Notes are secured through the security package described in the Terms and Conditions. This means that in the event of Arise'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 Arise'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 Arise's remaining assets. Further, other than the security created under the aforementioned pledges, the Notes represent an unsecured obligation of Arise. Arise cannot make any assurance that the remaining assets would 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.

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 Arise's liquidation, company reorganisation or bankruptcy.

Recovery in bankruptcy

The Net Proceeds will be applied towards refinancing certain existing financial indebtedness of the members of the Group whose shares are being pledged. At the Issue Date, the Net Proceeds will be credited to the Escrow Account, being a blocked escrow account in the name of Arise with the Account Bank, pledged in favour of the Agent and the Noteholders and perfected on or prior to the Issue Date. The refinancing of existing financial indebtedness will occur at one or a few occasions following the distribution of the Net Proceeds to the Escrow Account. At the time of each refinancing, the shares in the member(s) of the Group whose debt is being refinanced, are being pledged in favour of the Agent and the Noteholders. As a consequence, the share pledges may be granted and/or perfected subsequent to the Net Proceeds being disbursed to the Escrow Account. Even if the share pledges will substitute the security over the Escrow Account, which is granted and perfected by Arise on the Issue Date, such substitute security (or part thereof) may be recovered if there is a difference in value between the initial and the substitute security and Arise is declared bankrupt within three months of the substitute security having been perfected.

Changes in legislation

The Terms and Conditions are based on Swedish legislation applicable at the date hereof. There is a risk that any future change in legislation or administrative practice could adversely affect the ability of Arise to make payments under the Notes.

DESCRIPTION OF THE NOTES AND THE USE OF PROCEEDS

Certain terms and conditions of the Notes

The following is a summary description of the terms and conditions of the Notes and is qualified in its entirety by the full Terms and Conditions included in the section “**Terms and Conditions**”.

The Notes

The initial nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). The total nominal amount of the Notes is the total aggregate Nominal Amount of the Notes outstanding at the relevant time, on the Issue Date being SEK 1,100,000,000. All Notes were issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

ISIN and trading code

The Notes have been allocated the ISIN code SE0005906849. 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 Notes were issued on 25 April 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 25 April 2019 (the “**Final Maturity Date**”).

Scheduled redemption

On the Interest Payment Date occurring on 25 April each year (with the first scheduled redemption occurring on 25 April 2015) the Issuer shall redeem SEK 50,000,000 of the Total Nominal Amount (the “**Annual Redemption Amount**”). The Issuer shall ensure that each Annual Redemption Amount is used to partially prepay the Notes by applying the Annual Redemption Amount towards reduction of the Nominal Amount of each Note pro rata at a price equal to 100 per cent. of the Nominal Amount.

Voluntary total redemption (call option)

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-eight (48) months after the 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-eight (48) months after the Issue Date to, but excluding, the first Business Day falling fifty-seven (57) months after the Issue Date at an

amount per Note equal to 101.5 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-seven (57) months after the 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.

The redemption shall be made by the Issuer by giving not less than fifteen (15) Business Days' Notice to the Noteholders and the Agent.

Mandatory partial redemption

The Issuer shall ensure that, upon a Permitted Partial Divestment, an amount at least equal to 100 per cent. of the Existing Financial Indebtedness of the Restricted Company which shares are being disposed of (the "**Prepayment Amount**") is transferred to the Deposit Account. When the Prepayment Amount has been transferred to the Deposit Account, the Agent shall release the Security over the shares in the divested Restricted Company. The Prepayment Amount shall remain on the Deposit Account until the Agent instructs the Account Bank to transfer such amount for the purpose of partial prepayment of the Notes in accordance with the Terms and Conditions. The Agent and the Issuer shall ensure that the Prepayment Amount is used to partially prepay the Notes by applying the Prepayment Amount towards reduction of the Nominal Amount of each Note *pro rata* at a price equal to the redemption amount set out in the Terms and Conditions.

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

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

The Issuer shall comply with the requirements of any applicable securities laws or regulations in Sweden 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 the Terms and Conditions by virtue of the conflict.

The Issuer shall not be required to repurchase any Notes if a third party in connection with the occurrence of a Change of Control Event or a Listing Failure, as applicable, offers to purchase the Notes in the manner and on the terms set out in the Terms and Conditions (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 the Terms and Conditions, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

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

Early redemption due to illegality (call option)

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.

The Issuer shall give an irrevocable notice of such redemption no later than twenty (20) Business Days after having received actual knowledge of any event specified in such notice (after which time period such right shall lapse).

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 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.

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 3M plus 3.00 per cent. (the “**Interest Rate**”) from (but excluding) the Issue Date 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 25 April, 25 July, 25 October and 25 January of each year, with the first Interest Payment Date being on 25 July 2014. Interest is 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) percentage units 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 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 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 the Terms and Conditions, 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 of the financial undertakings set out in the Terms and Conditions is not complied with;
- c) any Group Company does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a)-(b) above), unless the non-compliance:
 - a. is capable of remedy; and
 - b. is remedied within thirty (30) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- d) any Financial Indebtedness of a Material Group Company is not paid when due, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (d) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 10,000,000;

- e) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), or the Security created thereby is varied, and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Secured Parties;
- f) any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- g) any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised) in relation to (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (*företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or (iii) any analogous procedure or step is taken in any jurisdiction;
- h) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value exceeding SEK 5,000,000 and is not discharged within thirty (30) calendar days;
- i) an environmental permit or any other authorisation relevant for the Issuer or any Restricted Company is limited (to the extent that the limitation has a material negative impact on the interests of the Noteholders), revoked or terminated in part or in full;
- j) the Issuer or any Restricted Company suspends or ceases (or threatens to suspend or cease) to carry on all or substantially all of its business;
- k) any of the conditions subsequent set out in the Terms and Conditions is not satisfied during the time frame set out in the Finance Documents; or
- l) any other event or series of events occurs other than as set out in paragraphs (a)-(k) above which is likely to have a Material Adverse Effect on the Issuer or the Group.

For further details on the provisions regarding acceleration and prepayment of the Notes, 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) Nature of Business;
- c) Distributions and other transactions;
- d) Financial Indebtedness;
- e) Negative pledge;
- f) Dealings with related parties;
- g) Disposal of assets;
- h) No amendments to the Finance Documents;
- i) Maintenance, operations and management of the assets;
- j) Insurance;
- k) Treasury Transactions;
- l) Listing of Notes;
- m) Merger and de-mergers
- n) Undertakings relating to the Agency Agreement; and
- o) Financial undertakings.

The undertakings are subject to qualifications, see Section 13 and 14 of the Terms and Conditions.

Financial undertakings

The financial undertakings in the Terms and Conditions are as follows:

- a) the Issuer shall ensure that the Interest Coverage Ratio for the Relevant Period ending on each Quarter Date is not less than 1.25:1;
- b) in the event that the Interest Coverage Ratio is less than (i) 1.50:1 for any Relevant Period ending on a Quarter Date occurring on or before the third anniversary of the Issue Date and (ii) 1.75:1 for any Relevant Period ending on a Quarter Date thereafter (each being a "Trigger Level") and until the Interest Coverage Ratio is equal to or exceeds the relevant Trigger Level, the Issuer shall procure that it will not incur any capital expenditure (other than operating and maintenance expenditure) or make any Restricted Payment unless the amount of Cash (calculated pro forma as if such expenditure or Restricted Payment being made) is equal to or exceed the aggregate amount of all the Issuer's interest-bearing obligations in relation to Financial Indebtedness which are due and payable during the immediately following 12 month period;
- c) the Issuer shall on each Quarter Date ensure that the Group Debt to Assets Ratio is not greater than 0.75; and
- d) the Issuer shall on each Quarter Date ensure that the Restricted Group Debt to Assets Ratio is not greater than 0.75.

Admission to trading

The Issuer shall use its best efforts to ensure that within sixty (60) calendar days after the Issue Date, the loan constituted by these Terms and Conditions and evidenced by the Notes is listed on the corporate bond list of NASDAQ OMX Stockholm 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 on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable), the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding (however, taking into account the rules and regulations of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

It is estimated that the total costs in conjunction with the admission to trading will be no higher than SEK 150,000.

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 included in the definition of Adjusted Nominal Amount.

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.

Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant

Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

Prescription

The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. 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 submits to the non-exclusive jurisdiction of the Swedish courts, with the City Court of Stockholm (*Stockholms tingsrätt*) being the court of first instance.

Ratings

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

Use of proceeds

Upon fulfilment of the conditions for disbursement set out in the Terms and Conditions, the Issuer shall apply the Net Proceeds towards the provision of unconditional shareholder contributions (*ovillkorade aktieägartillskott*) to the Parent and from the Parent to the other Restricted Companies for the purpose of enabling these companies to refinance the Existing Financial Indebtedness in relation to the Green Assets on the Refinancing Dates.

The CSD

Euroclear Sweden AB, Swedish Corporate ID 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 Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

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.

The Issuer shall issue any power of attorney to such employee(s) of the Agent as it instructs in order for the Agent (or an employee of it) to obtain information from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless instructed by the Agent or consent thereto is given by the Noteholders.

Issuing Agent

DNB Bank ASA, filial Sverige, Reg. No. 516406-0161, Kungsgatan 18, 150 88 Stockholm, Sweden, is initially acting as Issuing Agent.

The Agent and the Agency Agreement

Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, P.O. Box 7329, 103 90 Stockholm, Sweden, is acting as Agent.

Pursuant to the Agency Agreement that was entered into on or before the Issue Date between the Issuer and the Agent, the Agent has undertaken to represent the Noteholders in accordance with the Terms and Conditions. The Issuer has undertaken to, among other things, pay certain fees to the Agent and to indemnify the Agent against costs, losses or liabilities incurred by the Agent in acting as Agent under any Finance Documents.

The Agency Agreement is governed by Swedish law.

BUSINESS DESCRIPTION

General corporate and Group information

The Issuer's legal and commercial name is Arise AB (publ) and its Swedish Reg. No. is 556274-6726. The registered office is at P.O. Box 808, 301 18 Halmstad, Sweden. The telephone number of the Issuer is +46 35 20 20 900. The Issuer was incorporated in Sweden on 7 March 1986 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 18 March 1986. 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 develop, own and manage power production facilities, trade in electricity, engage in energy development, and other business incidental thereto.

The Issuer is a an integrated wind power company with the business idea to manage all stages of the value chain, from project development to the sale of green electricity generated by its own onshore wind turbines. Arise's current wind power business was launched in Sweden in 2006 by Peter Nygren, Ulf Corné and Leif Jansson together with Mats Olofsson. Since then, the Issuer has also commenced business in Norway and Scotland.

Share information

Pursuant to the Issuer's Articles of Association, its share capital shall be no less than SEK 1,120,000 and no more than SEK 4,480,000, with its number of shares being no less than 14,000,000 and no more than 56,000,000. As at the date of this Prospectus, the Issuer's registered share capital was SEK 2,674,245.60. As at the date of this Prospectus, the Issuer's registered number of shares was 33,428,070. The Issuer's shares are listed on the Regulated Market of NASDAX OMX Stockholm AB since 24 March 2010.

The ten largest shareholders as at 31 March 2014

Name of shareholder	Number of shares	Percentage of votes and share capital
JP Morgan Bank	3,445,976	10.3
Tredje AP-fonden	3,340,133	10.0
Founders of Arise	3,324,625	10.0
Statkraft AS	2,495,613	7.5
Alecta Pensionsförsäkring	1,500,000	4.5
Ernström Finans AB	1,500,000	4.5
Nordea Investment Funds	1,249,336	3.7
JP Morgan Bank	1,228,223	3.7
Catella Fondförvaltning	1,179,242	3.5
Svenska Handelsbanken AB for PB	969,000	2.9
Total, the ten largest shareholders	20,232,148	60.5
Other shareholders (including Board members and Senior Management but excluding Peter Nygren and Leif Jansson)	13,195,922	39.5
Total	33,428,070	100

Legal structure

Arise AB (publ) is the ultimate shareholder of the Group. The Issuer's operations mainly consist of directly and indirectly owning shares in the operating subsidiaries, why it is reliant on the subsidiaries' ability to in aggregate generate surplus. The Issuer's shareholding of directly owned subsidiaries as at the date of this Prospectus is outlined in the below table.

Name of directly owned subsidiary	Registered office	Registration number	Percentage of shareholding and votes
Arise Elnät AB	Halmstad	556747-2641	100
Arise Service AB	Halmstad	556756-2730	100
Arise Kran AB	Halmstad	556758-8966	100
Arise JV AB	Halmstad	556758-8891	100
Arise Wind Farm 2 AB	Halmstad	556758-9113	100
Arise Wind Farm 9 AB	Halmstad	556833-5813	100
Arise Wind HoldCo 1 AB	Halmstad	556869-2114	100
Arise Wind HoldCo 2 AB	Halmstad	556867-9913	100
Arise Wind HoldCo 3 AB	Halmstad	556867-9798	100
Arise Wind HoldCo 4 AB	Halmstad	556868-0069	100
Arise Wind HoldCo 5 AB	Halmstad	556867-9764	100
Arise Wind HoldCo 6 AB	Halmstad	556868-0051	100
Arise Wind HoldCo 7 AB	Halmstad	556867-9756	100
Arise Wind HoldCo 8 AB	Halmstad	556868-0010	100
Arise Wind HoldCo 9 AB	Halmstad	556758-8909	100
Sirocco Wind Holding AB	Stockholm	556864-8058	50

Business of the Group

Arise is one of the leading operators on the Nordic wind power market. Since the start in 2007, Arise has constructed 368 MW of onshore wind power, of which 266 MW remains in the ownership of Arise. In addition, Arise has a comprehensive project portfolio of approximately 1,000 MW at various locations in Sweden, as well as on-going evaluations of several projects in Norway. In Scotland, final negotiations are underway with land owners regarding project areas in good wind locations, together amounting to a total of approximately 150 MW.

Business idea and strategy

Arise's business idea is to manage its own and co-owned onshore wind turbines, to sell electricity generated from these turbines, as well as to sell wind power projects, both operational and ready for construction. Further, the business idea of Arise is to have control over the entire value chain: from prospecting and permit management to the financing, construction and operation of the turbines, as well as the sale of renewable energy, all under the security provided by long-term ownership. Arise's goal is to have 1,000 MW of onshore wind power constructed and under management by 2017, of which 500 MW will remain in the ownership of Arise. Arise's vision is to be one of Sweden's leading land-based wind power companies in terms of both size and competence, and in this way contribute to the global shift towards a sustainable society. In addition, Arise's vision is to actively contribute to the development and consolidation of the emerging wind power market in Sweden and other selected markets.

Systems for analysis and follow-up, systematic processes and Arise's extensive experience in wind power development allow Arise to ensure a high availability and electricity production in its own and co-owned wind farms. Arise's industrial approach is contributing to a rapid and cost-effective transition to a long-term, sustainable energy system in Sweden and other countries where it operates.

Main operations

The Group is organised into three business segments – Own wind power operations, Co-owned wind power operations and Project development.

Own wind power operations

The segment Own wind power operations includes 13 wind farms totalling 165 MW. Production during a normal year from these farms, for a full 12 months of operation, is estimated to total around 429 GWh. All of the farms are situated in southern Sweden, located on both the east and west coasts. In 2013, Arise generated 327.6 GWh (326.1 GWh) from the Own wind power operations segment. At the beginning of 2013, Arise had approximately 139 MW in operation, and at year-end 2013 approximately 152 MW in operation. As of early May 2014, all wind farms (165 MW) are in full commercial operation. Additional farms can be both built and sold over the next few years. Efforts to optimise production in wind farms in operation are being undertaken continuously. To date, initiatives have primarily been aimed at ensuring that the turbines produce according to plan. The next step in the optimization process is to further optimise the farms to try to exceed planned production. Optimisation projects are conducted in close cooperation between those responsible for electricity production and Arise's wind engineers, supported by real time production monitoring systems. Examples of optimisation projects include output upgrades, software improvements and improved control systems. A good knowledge base and system support are key parameters for the detection of anomalies, the implementation of improvements and the development of measures to increase production. As regards the operation of the turbines, Arise's service company has assumed the service responsibility for the Oxhult, Råbelöv, Blekhem, Gettnabo and Idhult farms. The farms are divided between two service teams, one based in southeast Sweden and one based in southwest Sweden. The aim is to achieve more efficient service and operations and to gain cost benefits. The remaining wind farms are serviced by the turbine suppliers.

Co-owned wind power operations

The segment Co-owned wind power operations currently includes the Jädraås project, which Arise co-owns to 50 per cent, together with Platina Partners. The project is comprised of 66 wind turbines in Jädraås outside of Gävle in Sweden, with an output of 3.1 MW each and totaling 203 MW. The estimated normal production over a full year of operation amounts to 570 GWh. The Jädraås project began production in the fourth quarter of 2012. In commercial terms, the farm was fully taken over from the supplier as of June 2013. Electricity production in 2013 amounted to 543 GWh, of which Arise's share amounted to 272 GWh (25.3). After successfully constructing and commissioning the project, Arise took over the operational management of the project in 2013.

Project development

Arise's project portfolio of over 1,000 MW consists of a large number of projects in southern Sweden and a handful of larger projects in northern Sweden and Norway. The advantages of locating projects in the south include access to a robust grid, lower input costs, lower transport costs, the ability to build year round and fewer problems with snow and ice. In Norrland, however, economies of scale in large projects provide good economic conditions - along with a greater opportunity to build especially tall turbines, and thus to reach the greater wind speeds offered at higher altitudes. A broad geographic spread also reduces wind risk, as, at any given time, it is almost always windy somewhere in Sweden, which ensures continuous production and cash flow. The development activities are focused on the most profitable projects and the projects that are most likely to reach the permits received phase. In 2013, the permitted portfolio was expanded by four additional projects. These were Brotorp (14 turbines, 42 MW), Skruvshult (5 turbines, 15 MW), Treriksröset (10 turbines, 30 MW) and Ryssbol (6 turbines, 12 MW), a total of 35 turbines and 99 MW.

Efforts to strengthen Arise's position in Norway have continued, while the wind power market is still in its infancy. The company's activities in Scotland have intensified, and the plan to establish Arise in that country remains.

As large parts of the portfolio have reached a desired maturity, Arise has been able to reduce the workforce for project development and, in doing so, also reduce its costs for this activity.

Market conditions

Wind power development in Sweden

During 2013, Sweden's nearly 2,700 wind turbines produced around 9.7 TWh of electricity. This represents nearly 7 per cent. of Sweden's total electricity consumption, which is an increase of about 30 per cent. over the preceding year. Wind power development has been rapid and helps to keep down electricity prices in Sweden, something that benefits both consumers and industries. Wind turbines are becoming more efficient and can now truly compete with all other new forms of power production. The expansion of wind power in Sweden has, however, temporarily slowed down. Admittedly, approximately 350 wind turbines were erected in 2013, while the installed output increased by about 800 MW but few new investment decisions were taken. The main reasons for this are low electricity prices and uncertainty regarding changes in the certificate system. (Source: *Elcertifikatregistret 2013*).

In February 2014, the Swedish and Norwegian Energy Agencies proposed amendments to the electricity certificate system, recommending an increased quota obligation in Sweden and a slightly decreased quota obligation in Norway. The reasoning for the proposed changes was that electricity consumption in Sweden has been lower than expected, while consumption in Norway has been higher. As the consumption of electricity certificates is directly linked to the consumption of electricity, fewer certificates than planned have been consumed, which has led to an excess in certificates with low certificate prices as a result. If adopted, the proposed amendments are expected to enter into force in 1 January 2016 and will imply a decrease in surplus and an increase in electricity certificate prices. The Swedish and Norwegian Energy Agencies anticipate that the proposed adjustments will lead to a certificate price between SEK 200 and 400 per MWh. A price at the mid-point of the interval (SEK 300 per MWh), with the current electricity price (approximately EUR 33 per MWh per term SE III and IV), would suffice to give rise to an increase in wind power development in Sweden and Norway.

The below table shows the production capacity of the ten largest wind power operators in Sweden as at 31 December 2013.

Name of wind power operator	MW (operational as at 31 December 2013)	Percentage of the market
Arise	266	10.1
Stena	222	8.4
Vattenfall	204	7.8
Statkraft/SCA	167	6.3
HG Capital	151	5.7
Skellefteå Kraft	120	4.5
Wallenstam	117	4.4
Svevind	116	4.4
Platina Partners	102	3.9
Rabbalshede Kraft	89	3.4
Total capacity of the ten largest wind power operators (according to each operator's website)	1,554	59.1
Total capacity of wind power operators in Sweden (with output higher than 50 kW and according to the Swedish Energy Agency)	2,631	100

The below table lists the ten largest wind farm projects in Sweden as at 31 December 2013. All are onshore except Lillgrund, which is an offshore farm located in the strait between Malmö and Copenhagen.

Name of wind power operator	Wind farm park	MW (operational as at 31 December 2013)
Arise/Platina Partners Ltd	Jädraås	203
Vattenfall	Lillgrund	110

Name of wind power operator	Wind farm park	MW (operational as at 31 December 2013)
Statkraft/SCA	Mörttjärnsberget	107
Stena Renewable	Lämnhult	96
HG Capital	Havsnäs	95
Svevind	Gabrielsberget	92
Vattenfall	Storåtliden	80
Jämtkraft/Skanska	Siska	78
Skellefteå Energi/Fortum	Bleiken I+II	75
Statkraft/SCA	Stamåsen	60
Total capacity of the ten largest wind farm projects (according to each operator's website)		995
Total capacity of wind farm projects in Sweden (with output higher than 50 kW and according to each operator's website)		2,631

Wind power development in Norway

The wind potential on the Norwegian west coast is good. However, the wind power market is still in its infancy. The strengthening of the electrical grid is ongoing and the number of wind farms with permits is slowly increasing. As at 31 December 2013, approximately 800 MW of wind power was in operation in Norway, with expected annual production of around 2 TWh.

Wind power development in Scotland

Arise's experience is that the wind conditions along the west coast of Scotland are excellent, often surpassing even the best Norwegian projects. The income per produced MWh is currently stable and significantly higher than the amount received in Sweden and Norway, which, in addition, varies hour by hour. The combination of good wind conditions and a stable, high level of income makes the Scottish market particularly interesting to Arise. For the past few years, Arise has been working the Scottish market with the aim of securing land for a handful of potential wind farms. The work has been successful and final negotiations are underway with land owners regarding project areas in good wind locations, together amounting to a total of approximately 150 MW new wind power. The process of applying for permits usually takes three to four years to complete, meaning that, in a best case scenario, the construction of the new farms can begin in 2017.

THE BOARD, SENIOR MANAGEMENT AND AUDITORS

The Board

Pursuant to Arise's Articles of Association, the Board shall consist of no less than three and no more than nine members, elected by the general meeting of the shareholders. The Board currently consists of five members elected by the general meeting of the shareholders (elected on the annual general meeting on 6 May 2014 until the annual general meeting in 2015).

Joachim Gahm

Born 1964. Chairman of the Board since 2014 and Board member since 2007.

Principal education: M.Sc. in Business and Economics from Stockholm University.

Other on-going principal assignments: Partner and Board member of Sustainable Growth Capital SGC AB, Board member of Kungsleden AB and deputy Board member of Sirocco Wind Holding AB.

Shareholding (own and through legal entities): 10,000.

Peter Nygren

Born 1958. Board member since 2011.

Principal education: MBA studies at Uppsala University.

Other on-going principal assignments: Chairman of the Board of Arise Kran AB, Arise JV AB, Solberg Vindkraft AB, Arise Wind Farm 1 AB and other Arise Wind Farm companies which are Arise's subsidiaries, Chairman of the Board of Arise Wind HoldCo 1 AB and other Arise Wind HoldCo companies which are Arise's subsidiaries, Board member of Sirocco Wind Holding AB, Jädraås Vindkraft AB, Hällåsen Kraft AB, JVAB Holding AB, HKAB Holding AB, Arise Drift och Förvaltning AB, Arise Elnät AB, PLU Energy Holding AB, NyHolding i Motala AB and NyHolding AS.

Shareholding (with family members and through legal entities): 1,345,340.

Maud Olofsson

Born 1955. Board member since 2012.

Other on-going principal assignments: Board member of Diös Fastigheter AB, LKAB, Envac AB, ÅF AB and ROMO Norr AB.

Shareholding (own and through legal entities): 4,500.

Jon Brandsar

Born 1954. Board member since 2014.

Principal education: Degree in electrical engineering from GIH Gjøvik.

Other on-going principal assignments: Vice President Wind Power and Technologies in Statkraft AS.

Shareholding (own and through legal entities): none.

Peter Gyllenhammar

Born 1953. Board member since 2014.

Principal education: MBA studies at Stockholm School of Economics.

Other on-going principal assignments: Chairman of International Fibres Group AB, Board member in Bronsstadet AB, Galjaden Fastigheter AB and working owner of Bronsstadet AB.

Shareholding (own and through legal entities): 1,000,000.

The Senior Management

Peter Nygren

Born 1958. CEO since 2007.

Principal education: MBA studies at Uppsala University.

Shareholding (with family members and through legal entities): 1,345,340.

Lars Fröding

Born 1963. Deputy CEO since 2012.

Principal education: Bachelor of Science from Lund University.

Shareholding: 1,000.

Leif Jansson

Born 1954. Responsible for leases, the development of new land areas for the establishment of wind farms since 2006 and, since 2011, also for investor relations.

Principal education: MBA from Stockholm School of Economics.

Shareholding (with family members and through legal entities): 1,293,909.

Thomas Johansson

Born 1963. CFO since 2008.

Principal education: B.Sc. Business Administration from Växjö University.

Shareholding: 58,500.

Gary Ericson

Born 1952. Head of Marketing since 2011.

Principal education: Legal and environmental studies at Lund University and Linköping University.

Shareholding: none.

Linus Hägg

Born 1976. Head of Corporate Finance since 2011.

Principal education: M.Sc. Finance from Växjö University.

Shareholding: 10,000.

Per-Erik Eriksson

Born 1963. CEO of Arise's subsidiary Arise JV AB since 2012.

Principal education: Studies in Energy Technology at Mälardalen University.

Shareholding: 4,700.

Additional information on the Board and the Senior Management

Business address

The address for all members of the Board and the Senior Management is c/o Arise AB (publ), Kristian IV: s väg 3, 301 18 Halmstad, Sweden, except for Linus Hägg and Per-Erik Eriksson whose business address is c/o Arise AB (publ), Nybrogatan 6, 114 34 Stockholm, Sweden.

Conflicts of interest

No members of the Board or Senior Management of the Issuer have any private interest that might conflict with the Issuer's interests. However, it is noted that Jon Brandsar's employer, Statkraft AS, as at 31 December 2013 owns 7.47 per cent. of the shares of votes and capital of the Issuer. Several of the members of the Board and Senior Management have financial interests in the Issuer through direct and indirect shareholdings of the Issuer.

Auditor

Öhrlings PricewaterhouseCoopers AB (Torsgatan 21, 113 97 Stockholm, Sweden) is the Issuer's auditor since March 2008. Magnus Willfors, born 1963, is the auditor in charge. Magnus Willfors is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden. For the period from March 2008 until 6 May 2014, Bror Frid was the auditor in charge. Bror Frid is an authorised public accountant and member of FAR.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Authorisation and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes on 25 April 2014 was authorised by a resolution of the Board of the Issuer on 27 March 2014.

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 Group may from time to time be subject to disputes, claims and administrative proceedings as a part of the ordinary course of business. However, the Group is not now and has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's result or financial position.

Certain material interests

The Lead Manager has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for Arise in the ordinary course of business. In particular, it should be noted that the Lead Manager may be the lender under certain credit facilities with a member of the Group as borrower. Therefore, conflicts of interest may exist or may arise as a result of the Lead Manager 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.

Trend information

There has been no material adverse change in the prospects of the Issuer since 8 April 2014, being the date of publication of the last audited financial information of the Issuer.

Significant changes since 31 March 2014

There have been no significant changes in the financial or trading position of the Group since 31 March 2014, being the date of the end of the last financial period for which the last interim report of the Issuer have been published.

Incorporation by references

The following information has been incorporated into this Prospectus by reference and should be read as part of this Prospectus:

Annual Report for 2012	as regards the audited consolidated financial information and the audit report on pages 36-71.
Annual Report for 2013	as regards the audited consolidated financial information and the audit report on pages 42-82.
2014 Q1 Interim Report	as regards the unaudited consolidated financial information for the period from January to March 2014 on pages 7-13 (including comparable numbers for the period from January to March 2013).

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in the Notes or is covered elsewhere in the Prospectus.

The Issuer's Annual Reports for 2012 and 2013 have been prepared in accordance with international financial reporting standards as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslag (1995:1554)*). With the exception of the Annual Reports, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

Documents on display

Copies of the following documents are electronically available at www.arise.se. Paper copies of the documents are also available at the Issuer's office, Kristian IV: s väg 3, 301 18 Halmstad, Sweden, during the validity period of this Prospectus (regular office hours):

- the Issuer's Articles of Association;
- the Issuer's Annual Reports (including auditor's report) for the financial years 2012 and 2013;
- the Issuer's Interim Report for the first quarter 2014;
- the Terms and Conditions; and
- the Agency Agreement.

TERMS AND CONDITIONS

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**2012/2015 Unsecured Notes**” means the SEK 350,000,000 unsecured notes 2012/2015 issued by the Issuer under ISIN: SE0004518769.

“**Account Bank**” means DNB Bank ASA, filial Sverige.

“**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 (or as otherwise adopted or amended from time to time).

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

“**Affiliate**” means (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 Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

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

“**Annual Redemption Amount**” has the meaning set forth in Clause 10.1.1.

“**Applicable Premium**” means an amount equal to:

- (a) 3.00 per cent. of the Nominal Amount; plus
- (b) 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 Interest Rate in effect on the date on which the applicable notice of redemption is given) on the Notes 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.

“**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.

“**Cash**” means cash in hand held by the Issuer or with a reputable bank credited to an account in the name of the Issuer and in each case to which the Issuer is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of any Financial Indebtedness of the Issuer (for the avoidance of doubt, not including e.g. any cash subject to a pledge or similar arrangement or any amount standing on client accounts).

“**Change of Control Event**” means, in relation to shares of the Issuer, an event or series of events resulting in:

- (a) one person (or several persons who either (i) are, in respect of individuals, related, (ii) are, in respect of legal entities, members of the same group or (iii) who act or have agreed to act in concert), acquiring 50 per cent. or more of the shares in the Issuer or otherwise establishing control over 50 per cent. or more of the shares and/or votes in the Issuer; or
- (b) all or part of the shares in the Issuer cease to be listed on a Regulated Market.

“**Compliance Certificate**” means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer (i) certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and (ii) if provided in connection with a Financial Report being made available or following the request of the Agent, including relevant calculations and figures, as specified in a template form attached to the Agency Agreement or as otherwise agreed between the Agent and the Issuer.

“**Crane Lease**” means the lease made between Arise Kran AB as lessee and Nordea Bank AB (publ) as lessor of a crane used for erecting wind turbine generators.

“**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.

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

“**Deposit Account**” means a bank account held in the name of the Issuer with the Account Bank and pledged under the Deposit Account Pledge Agreement.

“**Deposit Account Pledge Agreement**” means the pledge agreement entered into by the Agent and the Issuer prior to the Issue Date pursuant to which the Issuer pledges with first ranking security the Deposit Account and all funds credited to the Deposit Account from time to time, in favour of the Secured Parties.

“**EBITDA**” means operational earnings of the Group, before interest, taxes, depreciation and amortisation (without double counting) for any 12 months period ending on the last day of each Financial Quarter calculated in accordance with the Accounting Principles.

“**Equity**” means the sum of restricted equity (*bundet eget kapital*) and non-restricted equity (*fritt eget kapital*) of the Group, including any untaxed reserves (reduced by the applicable tax).

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

“**Escrow Account**” means a bank account held in the name of the Issuer with the Account Bank and pledged under the Escrow Account Pledge Agreement.

“**Escrow Account Pledge Agreement**” means the pledge agreement entered into by the Agent and the Issuer prior to the Issue Date pursuant to which the Issuer pledges with first ranking security the Escrow Account and all funds credited to the Escrow Account from time to time, in favour of the Secured Parties.

“**Event of Default**” means an event or circumstance specified in Clause 15.1.

“Existing Financial Indebtedness” means (i) the SEK 221,000,000 facilities agreement entered into between the Issuer as sponsor, Arise Wind Farm 2 AB as parent, Arise Wind Farm 3 AB as borrower and DNB Bank ASA, Sweden branch (previously DnB NOR Bank ASA, Sweden branch) as lender and originally dated 25 January 2011, as amended 18 May 2011 and as amended and restated 8 July 2011, (ii) the SEK 103,000,000 facilities agreement entered into between the Issuer as sponsor, Arise Wind Farm 2 AB as parent, Arise Wind Farm 5 AB as borrower and DNB Bank ASA, Sweden branch as lender and dated 5 July 2011, (iii) the SEK 230,000,000 facilities agreement entered into between the Issuer as sponsor, Arise Wind Farm 2 AB as parent, Arise Wind Farm 6 AB as borrower and DNB Bank ASA, Sweden branch as lender and dated 8 July 2011, (iv) the SEK 132,000,000 facilities agreement entered into between Arise Wind Farm 4 AB as borrower and Nordea Bank AB (publ) as lender and originally dated 25 January 2011 (as amended), (v) the SEK 657,000,000 facilities agreement entered into between Arise Wind Farm 1 AB as borrower and Swedbank AB (publ) as lender and dated 27 May 2008, and (vi) SEK 174,000,000 facilities agreement entered into between Arise Wind Farm 1 AB (initially Arise Wind Farm 2 AB) as borrower and Swedbank AB (publ) as lender and dated 18 June 2010.

“Final Maturity Date” means 25 April 2019.

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

“Financial Indebtedness” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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

“Financial Net Payable” means, on a Group consolidated basis, the aggregate of all financial expenses for any 12 months period ending on the last day of each Financial Quarter:

- (a) minus all financial income;

- (b) minus/plus unrealised losses/gains on currency fluctuations, derivative instruments and financial instruments (in each case in relation to financial items), other than any derivative instruments which are accounted for on a hedge accounting basis; and
- (c) excluding any non-cash effect of unwinding interest rate hedges (made by the Restricted Companies) in connection with the refinancing of the Existing Financial Indebtedness.

“Financial Quarter” means the period commencing on the date of one Quarter Date and ending on the next Quarter Date.

“Financial Report” means (i) the annual audited consolidated financial statements of the Group, (ii) the annual audited unconsolidated financial statements of the Issuer, (iii) the annual audited consolidated financial statements of the Restricted Group, (iv) the quarterly interim unaudited consolidated reports of the Group, (v) the quarterly interim unaudited unconsolidated reports of the Issuer, and (vi) the quarterly interim unaudited consolidated reports of the Restricted Group.

“Financial Year” means the current annual accounting period of the Group.

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

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

“Green Assets” means the wind farms owned by the Restricted Companies.

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

“Group Assets” means, at any time, the value of all fixed assets (*anläggningstillgångar*) of the Group as set out in the balance sheet forming part of the relevant Financial Reports, calculated in accordance with the Accounting Principles.

“Group Debt to Assets Ratio” means the ratio of Group Net Debt to Group Assets.

“Group Net Debt” means, on a Group consolidated basis, (i) the aggregate amount of all interest-bearing obligations (including financial lease obligations which according to the Accounting Principles shall be treated as debt, however, not including current or future leases, which as of the date hereof are considered as not being financial leases) less (ii) cash in hand, immediately available funds, and any other liquid and marketable instruments, securities and other short term investments equivalent to cash.

“Guarantee” means the irrevocable and unconditional guarantee granted by the Parent under each Restricted Company Share Pledge Agreement as for its own debt (*proprieborgen*) for the Guaranteed Obligations, in favour of the Secured Parties.

“Guaranteed Obligations” means all present and future obligations and liabilities owed by the Issuer under the Finance Documents.

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

“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 9.1 to 9.3.

“Interest Coverage Ratio” means the ratio of EBITDA to Financial Net Payable.

“**Interest Payment Date**” means 25 April, 25 July, 25 October and 25 January 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 shall be 25 July 2014 and the last Interest Payment Date shall be the Final Maturity Date (or any Redemption Date prior thereto).

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the 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 3.00 per cent. *per annum*.

“**Issue Date**” means 25 April 2014.

“**Issuer**” means Arise AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556274-6726.

“**Issuer Incurrence Test**” means that:

- (a) the Equity Ratio is not less than 0.30 on the relevant testing date; and
- (b) any distribution (as further described in sub-paragraphs (ii), (iii), (iv), (v) and (vii) of the definition of Restricted Payment, a **distribution**) does not in aggregate during any Financial Year (including the distribution in question) exceed 50 per cent. of the Group’s consolidated net cash flow for the previous Financial Year calculated in accordance with the Accounting Principles.

“**Issuing Agent**” means DNB Bank ASA, filial Sverige, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Listing Failure**” means that the Issuer on the date falling one hundred twenty (120) calendar days from the Issue Date has failed to ensure that the Notes are listed on the corporate bond list of NASDAQ OMX Stockholm or, if such listing is not possible to obtain, on another Regulated Market in accordance with Clause k) (*Listing of Notes*).

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

“**Material Group Company**” means the Issuer and each of the Restricted Companies, as well as any other Group Company with earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing five (5) per cent. or more of EBITDA, or has total assets representing five (5) per cent. or more of the total assets of the Group, calculated on a consolidated basis according to the latest Financial Report.

“**Net Proceeds**” means the proceeds from the issue of the Notes which, after deduction has been made for certain agreed Transaction Costs and subject to satisfaction of the conditions for disbursement set out in Clause 4 (*Conditions for disbursement*), shall be transferred to the Issuer in accordance with these Terms and Conditions and the Escrow Account Pledge Agreement.

“**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 10.1 (*Scheduled redemption*) or Clause 10.5 (*Mandatory partial redemption*).

“**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 18 (*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.

“**Parent**” means Arise Wind HoldCo 9 AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 556758-8909.

“**Parent Share Pledge Agreement**” means the share pledge agreement entered into by the Agent and the Issuer prior to the release of any amount from the Escrow Account pursuant to which the Issuer pledges with first ranking security all of the shares in the Parent, in favour of the Secured Parties.

“**Permitted Financial Indebtedness**” means:

In relation to the Issuer:

- (a) Financial Indebtedness arising under the Notes, the Working Capital Financing, the 2012/2015 Unsecured Notes or any unsecured Financial Indebtedness in the maximum amount of SEK 350,000,000 incurred by the Issuer for the purpose of refinancing the 2012/2015 Unsecured Notes;
- (b) Financial Indebtedness arising in the ordinary course of business with suppliers of goods with a maximum duration of ninety (90) calendar days;
- (c) Financial Indebtedness arising under Treasury Transactions;
- (d) subject to compliance with these Terms and Conditions, Financial Indebtedness with a final maturity date occurring after the Final Maturity Date; and
- (e) Financial Indebtedness not permitted by paragraphs (a)-(d) above, provided that the aggregate amount of such indebtedness does not exceed SEK 20,000,000.

In relation to any Restricted Company:

- (a) prior to the last Refinancing Date, the Existing Financial Indebtedness;
- (b) where a wholly owned Restricted Group Company is lending to or borrowing from another wholly owned Restricted Group Company;
- (c) Financial Indebtedness arising in the ordinary course of business with suppliers of goods with a maximum duration of ninety (90) calendar days; and
- (d) Financial Indebtedness arising under Treasury Transactions entered into by it.

“**Permitted Guarantees**” means in relation to the Issuer:

- (a) any guarantee issued by the Issuer to a third party lender for the obligation of a wholly-owned Unrestricted Group Company towards such third party lender, to ensure that certain amounts will be available for maintenance and/or debt service reserves, provided however (i) that such obligation is not owed by the relevant Unrestricted Group Company to more than one third party lender per wind turbine generator and (ii) that each such guarantee is released no later than on the third anniversary of the commercial operations date of the relevant wind turbine generator;
- (b) any guarantee issued by the Issuer to a third party for the obligations of a wholly-owned Unrestricted Group Company owed to such third party lender under a construction or project financing credit facility entered into in connection with the financing of the construction of any new wind turbine generator project, under which guarantee the Issuer shall, as principal obligor (*proprieborgen*), pay any amount due to the third party lender

whenever the relevant Group Company does not punctually pay any amount due to that third party lender under the relevant construction or project financing credit facility, provided, however, that such guarantee from the Issuer shall be released no later than on the commercial operations date of the relevant wind turbine generator;

- (c) any guarantee issued by the Issuer for Arise Kran AB's due fulfilment of its obligations under the Crane Lease; and
- (d) any guarantee issued by the Issuer for any Group Company's obligations under Treasury Transactions.

"Permitted Lease" means a lease by a Restricted Company of its wind producing and auxiliary assets (a **lease**) provided that:

- (a) such lease is entered into for the purpose of hedging prices for electricity produced by and green benefits deriving from that Restricted Company's wind producing assets;
- (b) the tenor of such lease is compliant with the Group's finance policy as adopted by the board of directors of the Issuer from time to time;
- (c) such lease is made on arm's-length terms, for market value consideration in cash and to an unrelated party, either (1) directly or (2) indirectly through the Issuer or the Parent, provided that:
 - (i) the terms of the head lease between the owning Restricted Company (the **head lessor**) and the Issuer or the Parent (the **intermediary lessor**) and the sub lease between the intermediary lessor and the unrelated party (the **lessee**) are identical and back-to-back; and
 - (ii) all payments made by the lessee under the sub lease are made directly to the head lessor,
- (d) such lease is made in compliance with all relevant laws and regulations; and
- (e) all authorisations, approvals, consents, licences and other matters required in connection with the entry into, performance, validity and enforceability of the lease and the transactions contemplated thereby have been obtained or effected by each of the head lessor, the intermediary lessor and the lessee and are in full force and effect.

"Permitted Partial Divestment" has the meaning set forth in Clause 13.7.1.

"Permitted Security" means:

- (a) Security provided in accordance with the Finance Documents;
- (b) prior to the last Refinancing Date, Security provided for the Existing Financial Indebtedness;
- (c) Security provided by the Issuer over its shares in any Unrestricted Group Company or over any assets owned by a Unrestricted Group Company;
- (d) Security provided by the Issuer over shareholder loans to any Unrestricted Group Company;
- (e) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (f) any close-out netting or set-off arrangement in respect of Treasury Transactions;

- (g) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (h) in relation to a Restricted Company (other than the Parent), cash collateral or any other form of Security provided to a governmental authority for its decommissioning obligations; or
- (i) in relation to the Issuer, any Security or preferential arrangement not permitted by paragraphs (a)-(h) above, securing indebtedness the principal amount of which does not in aggregate exceed SEK 20,000,000.

“Post-Closing Reorganisation” means a reorganisation of the Restricted Companies whereby the shares in Arise Wind Farm 3 AB, Arise Wind Farm 5 AB, Arise Wind Farm 6 AB and Arise Wind Farm 16 AB are transferred from the ownership of Arise Wind Farm 2 AB and Arise Wind HoldCo 3 AB, respectively, to the direct ownership of the Parent.

“Prepayment Amount” has the meaning set forth in Clause 10.5.1.

“Quarter Date” means each of 31 March, 30 June, 30 September and 31 December.

“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 16 (*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 10 (*Redemption and repurchase of the Notes*).

“Refinancing Date” means any date when the Existing Financial Indebtedness of one or more of the Restricted Companies is refinanced.

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

“Relevant Period” means each 12 month period ending on or about the last day of a Financial Year or a Financial Quarter, or such shorter period as the context may require.

“Restricted Companies” means, as of completion of the Post-Closing Reorganisation, the Parent, Arise Wind Farm 1 AB, Reg. No. 556732-8942, Arise Wind Farm 3 AB, Reg. No. 556758-9105, Arise Wind Farm 4 AB, Reg. No. 556758-8933, Arise Wind Farm 5 AB, Reg. No. 556758-8982, Arise Wind Farm 6 AB, Reg. No. 556758-8974, and Arise Wind Farm 16 AB, Reg. No. 556875-7230, each a limited liability company incorporated under the laws of Sweden (as of completion of the Post-Closing Reorganisation, each a **“Restricted Company”** and all together the **“Restricted Companies”** or the **“Restricted Group”**).

“Restricted Group Assets” means, at any time, the value of all fixed assets (*anläggningstillgångar*) of the Restricted Group as set out in the balance sheet forming part of the relevant Financial Reports, calculated in accordance with the Accounting Principles.

“Restricted Group Debt to Assets Ratio” means the ratio of Restricted Group Net Debt to Restricted Group Assets.

“Restricted Group Incurrence Test” means that:

- (a) the ratio of (A) operational earnings of the Restricted Group, before interest, taxes and depreciation (without double counting) (**“Restricted Group EBITDA”**) for any 12 months period ending on the last day of each Financial Quarter calculated in accordance with the

Accounting Principles to (B) (i) the servicing of all financial expenses pertaining to the Notes for any 12 months period ending on the last day of each Financial Quarter plus/minus (ii) the Financial Net Payable (calculated on a Restricted Group consolidated basis but excluding any Existing Financial Indebtedness, provided that such Existing Financial Indebtedness has been refinanced), is not less than 1.2:1 on the relevant testing date; and

- (b) the Restricted Payments do not in aggregate (including the Restricted Payment in question) exceed 100 per cent. of the Restricted Group's consolidated net cash flow for each Financial Year following and aggregated from the Issue Date, calculated in accordance with the Accounting Principles.

When calculating the ratio set out under paragraph (a) above anytime during the first 12 month period following the Issue Date:

- (1) Restricted Group EBITDA will include (by way of aggregation) the actual consolidated results of the all Restricted Companies for the relevant period prior to the Issue Date, even though they were not then a part of the Restricted Group; and
- (2) Financial Net Payable (calculated on a Restricted Group consolidated basis but excluding any Existing Financial Indebtedness, provided that such Existing Financial Indebtedness has been refinanced) for the period from the Issue Date to the relevant calculation date will be annualised on the entire 12 month period.

"Restricted Group Net Debt" means (A), in relation to all Restricted Companies, (i) the aggregate amount of all interest-bearing obligations (including financial lease obligations which according to the Accounting Principles shall be treated as debt, however, not including current or future leases, which as of the date hereof are considered as not being financial leases) less (ii) cash in hand, immediately available funds, and any other liquid and marketable instruments, securities and other short term investments equivalent to cash, plus (B) the Nominal Amount of all outstanding Notes together with any accrued but unpaid interest.

"Restricted Payment" has the meaning set forth in Clause 13.3 (*Distributions and other transactions*).

"Restricted Company Share Pledge Agreement" means the share pledge agreement(s) entered into by the Agent and the Parent prior to the release of an amount from the Escrow Account on the relevant Refinancing Date necessary to refinance the Existing Financial Indebtedness of the Restricted Company which shares are being pledged, pursuant to which the Parent pledges with first ranking security all of the shares in the relevant Restricted Company, in favour of the Secured Parties.

"Scheduled Redemption Dates" has the meaning set forth in Clause 10.1.1.

"Secured Obligations" means all present and future obligations and liabilities owed by the Issuer under the Finance Documents.

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

"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 Deposit Account Pledge Agreement, the Escrow Account Pledge Agreement, the Parent Share Pledge Agreement and each Restricted Company Share Pledge Agreement.

“**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 DNB Bank ASA, filial Sverige, Nordea Bank AB (publ), Swedbank AB (publ) and Danske Bank A/S, Danmark, Sverige filial (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer), 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.

“**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 Assets**” means the total consolidated assets (*totala tillgångar*) of the Group calculated in accordance with the Accounting Principles.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time, on the Issue Date being SEK 1,100,000,000.

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer and any Restricted Company in connection with the issue of the Notes, the refinancing of the Existing Financial Indebtedness and the listing of the Notes on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable).

“**Transaction Security**” means the Security provided for the Secured Obligations pursuant to the Security Documents.

“**Treasury Transaction**” means any derivate transaction entered into in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments under Permitted Financial Indebtedness or pursuant to cash management purposes (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes).

“**Unrestricted Group**” means all Group Companies (other than the Issuer) not being Restricted Companies (each an “**Unrestricted Group Company**” and all together the “**Unrestricted Group**”).

“**Working Capital Financing**” means any revolving, overdraft, leasing or guarantee credit facility incurred by the Issuer in an aggregate amount not exceeding SEK 50,000,000.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 19 (*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 Note is SEK 1,000,000 (the “**Initial Nominal Amount**”). All Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 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.
- 2.5 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 (due to e.g. its nationality, residency, registered address or place(s) of business). Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.6 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

Upon fulfilment of the conditions for disbursement set out in Clause 4 (*Conditions for disbursement*), the Issuer shall apply the Net Proceeds towards the provision of unconditional shareholder contributions (*ovillkorade aktieägartillskott*) to the Parent and from the Parent to the other Restricted Companies for the purpose of enabling these companies to refinance the Existing Financial Indebtedness in relation to the Green Assets on the Refinancing Dates.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 Following the issue of the Notes on the Issue Date, the Net Proceeds shall be transferred by the Issuing Agent to the Escrow Account. The Agent's approval of disbursement from the Escrow Account of part of the Net Proceeds, which shall be applied as set out in Clause 3 (*Use of proceeds*), is subject to the following documents having been received by the Agent, in form and substance satisfactory to the Agent (acting reasonably) and any further conditions set out in the Escrow Account Pledge Agreement:

In relation to the first disbursement:

- (a) the Parent Share Pledge Agreement duly executed together with all perfection requirements being fulfilled;
- (b) the Deposit Account Pledge Agreement duly executed together with all perfection requirements being fulfilled; and
- (c) such other documents and information as is agreed between the Agent and the Issuer.

In relation to each disbursement (including the first disbursement) on a Refinancing Date:

- (a) evidence that the Parent is or, immediately following the prepayment of the Existing Financial Indebtedness of the relevant Restricted Company, will become the owner of all shares in that Restricted Company;
- (b) a Restricted Company Share Pledge Agreement over the shares in the Restricted Company which Existing Financial Indebtedness being refinanced, duly executed together with all perfection requirements being fulfilled;
- (c) evidence that the Existing Financial Indebtedness of the relevant Restricted Company will be repaid in full on the relevant Refinancing Date and that all Security and guarantees provided for that Existing Financial Indebtedness will be simultaneously released; and
- (d) such other documents and information as is agreed between the Agent and the Issuer.

- 4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 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.

- 4.3 Upon satisfaction of the conditions in Clause 4.1, the Agent shall immediately instruct the Account Bank to on the relevant Refinancing Date transfer an amount from the Escrow Account enabling the relevant Restricted Company to refinance its Existing Financial Indebtedness.

5. CONDITIONS SUBSEQUENT

- 5.1 The Post-Closing Reorganisation shall in relation to each Restricted Company have been completed as soon as possible after the Issue Date and in any case, no later than on the relevant Refinancing Date.
- 5.2 The Issuer shall procure that the last Refinancing Date (meaning the entire Existing Financial Indebtedness being refinanced and that the Post-Closing Reorganisation is completed) shall occur as soon as possible following the Issue Date and in no event later than three (3) months after the Issue Date.

6. NOTES IN BOOK-ENTRY FORM

- 6.1 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.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 7.1 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.
- 7.2 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.

- 7.3 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 7.2 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.

8. PAYMENTS IN RESPECT OF THE NOTES

- 8.1 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.
- 8.2 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.
- 8.3 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 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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.
- 8.5 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.

9. INTEREST

- 9.1 Each Note carries Interest at the Interest Rate from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 9.2 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.
- 9.3 Interest on the Notes 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).
- 9.4 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) percentage units 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.

10. REDEMPTION AND REPURCHASE OF THE NOTES

- 10.1 **Scheduled redemption**

- 10.1.1 On the Interest Payment Date occurring on 25 April each year (with the first scheduled redemption occurring on 25 April 2015) (the “**Scheduled Redemption Dates**”) the Issuer shall redeem SEK 50,000,000 of the Total Nominal Amount (the “**Annual Redemption Amount**”).
- 10.1.2 The Issuer shall ensure that each Annual Redemption Amount is used to partially prepay the Notes by applying the Annual Redemption Amount towards reduction of the Nominal Amount of each Note *pro rata* at a price equal to 100 per cent. of the Nominal Amount.
- 10.1.3 The amount to be redeemed on each Scheduled Redemption Date shall be rounded down to the nearest SEK 1,000 per Note.
- 10.2 **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.
- 10.3 **Group Companies’ 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. Notes held by a Group Company may at such Group Company’s discretion be retained, sold, or if held by the Issuer, cancelled.
- 10.4 **Voluntary total redemption (call option)**
- 10.4.1 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-eight (48) months after the 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-eight (48) months after the Issue Date to, but excluding, the first Business Day falling fifty-seven (57) months after the Issue Date at an amount per Note equal to 101.5 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-seven (57) months after the 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.
- 10.4.2 Redemption in accordance with Clause 10.4.1 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.
- 10.5 **Mandatory partial redemption**
- 10.5.1 The Issuer shall ensure that, upon a Permitted Partial Divestment, an amount at least equal to 100 per cent. of the Existing Financial Indebtedness of the Restricted Company which shares are being disposed of (the “**Prepayment Amount**”) is transferred to the Deposit Account. When the Prepayment Amount has been transferred to the Deposit Account, the Agent shall release the Security over the shares in the divested Restricted Company. The Prepayment Amount shall remain

on the Deposit Account until the Agent instructs the Account Bank to transfer such amount for the purpose of partial prepayment of the Notes in accordance with this Clause 10.5.

- 10.5.2 The Agent and the Issuer shall ensure that the Prepayment Amount is used to partially prepay the Notes by applying the Prepayment Amount towards reduction of the Nominal Amount of each Note *pro rata* at a price equal to the redemption amount specified in Clause 10.4 (*Voluntary total redemption (call option)*), as applicable considering when the disposal is made.
- 10.5.3 Should any part of the Prepayment Amount remain after prepayment has been made, the Issuer may retain such part of the Prepayment Amount.
- 10.5.4 The amount to be prepaid shall be rounded down to the nearest SEK 1,000 per Note and the requirement for the Issuer to redeem should not apply until the aggregate Prepayment Amount exceeds SEK 11,000,000.
- 10.5.5 The prepayment of the Notes shall (i) be irrevocable, (ii) be executed on the first Interest Payment Date (taking into account the rules and regulations of the CSD) falling after the completion of the Permitted Partial Divestment, (iii) include accrued but unpaid interest and (iv) be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent, where such notice shall state the relevant date on which the prepayment shall be made, the Prepayment Amount and the relevant Record Date.
- 10.6 **Early redemption due to illegality (call option)**
 - 10.6.1 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.
 - 10.6.2 The Issuer shall give notice of any redemption pursuant to Clause 10.6.1 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).
 - 10.6.3 A notice of redemption in accordance with Clause 10.6.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.
- 10.7 **Mandatory repurchase due to a Change of Control Event or a Listing Failure (put option)**
 - 10.7.1 Upon a Change of Control Event or a Listing Failure 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 or Listing Failure, as applicable, pursuant to Clause 12.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure, as applicable.
 - 10.7.2 The notice from the Issuer pursuant to Clause 12.1.2 shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, 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 12.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 10.7.1.
 - 10.7.3 If Noteholders representing more than eighty (80) per cent. of the Total Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 10.7, the Issuer shall send a notice to the remaining Noteholders giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days following

such notice. Such notice shall specify the repurchase date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, 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 10.7.3. The repurchase date must fall no later than forty (40) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause 10.7.3.

- 10.7.4 The Issuer shall comply with the requirements of any applicable securities laws or regulations in Sweden 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 10.7, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.7 by virtue of the conflict.
- 10.7.5 Any Notes repurchased by the Issuer pursuant to this Clause 10.7 may at the Issuer's discretion be retained, sold or cancelled.
- 10.7.6 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 10.7, if a third party in connection with the occurrence of a Change of Control Event or Listing Failure, as applicable, offers to purchase the Notes in the manner and on the terms set out in this Clause 10.7 (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 10.7, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

11. TRANSACTION SECURITY AND GUARANTEE

- 11.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall procure that the Parent grants) on or prior to the Issue Date (or, in respect of the shares pledged under each Restricted Company Share Pledge Agreement, on the relevant Refinancing Date) the Transaction Security to the Secured Parties as represented by the Agent.
- 11.2 As a guarantee for the due and punctual fulfilment of the Guaranteed Obligations, the Issuer shall procure that the Parent grants on or prior to the Issue Date the Guarantee to the Secured Parties as represented by the Agent.
- 11.3 The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall (and shall procure that the Parent will) enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents on or before the Issue Date (or, in respect of the shares pledged under each Restricted Company Share Pledge Agreement, on the relevant Refinancing Date).
- 11.4 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 17 (*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 and/or the Guarantee, 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 and/or the Guarantee, in each case in accordance with the terms of the Finance Documents.

12. INFORMATION TO NOTEHOLDERS

12.1 Information from the Issuer

12.1.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group (including information regarding the use of the Note proceeds) and the annual audited unconsolidated financial statements of the Issuer to the Agent, by way of press release and by publication on the website of the Issuer as soon as possible but not later than four (4) months after the expiry of each Financial Year;
- (b) make available the annual audited consolidated financial statements of the Restricted Group to the Agent as soon as possible but not later than four (4) months after the expiry of each Financial Year;
- (c) prepare and make available interim unaudited consolidated reports of the Group and interim unaudited unconsolidated reports of the Issuer or the year-end report (*bokslutskommuniké*) (as applicable and at the frequency required by the NASDAQ OMX Stockholm rulebook for issuers from time to time) to the Agent, by way of press release and by publication on the website of the Issuer as soon as possible but not later than two (2) months after the expiry of each relevant interim period;
- (d) to the extent not covered by paragraph (c) above, prepare and make available the quarterly interim unaudited consolidated reports of the Group and interim unaudited unconsolidated reports of the Issuer to the Agent as soon as possible but not later than two (2) months after the expiry of each Financial Quarter;
- (e) make available the quarterly interim unaudited consolidated reports of the Restricted Group to the Agent as soon as possible but not later than two (2) months after the expiry of each Financial Quarter;
- (f) prepare each Financial Report (or ensure that such Financial Report is so prepared) in accordance with the Accounting Principles;
- (g) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer notify the Noteholders by way of press release and by publication on the website of the Issuer; and
- (h) make any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading available to the Noteholders by way of press release and by publication on the website of the Issuer.

12.1.2 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, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

12.1.3 Together with the Financial Reports made available to the Agent or the Noteholders pursuant to Clause 12.1.1, the Issuer shall submit to the Agent a Compliance Certificate, attaching copies of any notices sent to the Regulated Market on which the Notes are admitted to trading. If the Compliance Certificate is provided to the Agent following a request by the Agent, it shall be delivered within twenty (20) calendar days from such request.

- 12.1.4 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.

12.2 Information from the Agent

- 12.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 12.2.2, 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.
- 12.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

12.3 Publication of Finance Documents

- 12.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- 12.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

13. GENERAL UNDERTAKINGS

13.1 Compliance with laws

The Issuer shall (and shall procure that each Group Company will) (i) comply in all material respects with all relevant laws and regulations applicable from time to time in the jurisdictions where the Group from time to time conducts business, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

13.2 Nature of business

The Issuer shall procure that no material change is made to the general nature or scope of the business of it and the Group taken as a whole from that carried on as at the Issue Date.

13.3 Distributions and other transactions

No Group Company shall, unless permitted by the Finance Documents (i) grant any guarantees or other financial assistance, (ii) make any dividend payment, (iii) repurchase of its shares, (iv) redeem its share capital or other restricted equity with repayment to shareholders, (v) repay principal or pay interest under any shareholder loans, (vi) grant any loans or (vii) make other distributions or transfers of value to its shareholders or affiliates (items (i)-(vii) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or

would result from such Restricted Payment, (a) by any Unrestricted Group Company if such Restricted Payment is made to another Unrestricted Group Company (in which case also distributions to minority shareholders in such Unrestricted Group Companies shall be allowed *pro rata* to their shareholdings) or to the Issuer, (b) by any wholly-owned Restricted Company if such Restricted Payment is made to another wholly-owned Restricted Company, (c) by the Issuer provided that, it is a Permitted Guarantee or immediately following the making of any Restricted Payment the Issuer Incurrence Test (tested *pro forma* including such Restricted Payment) is met and (d) by the Parent by way of group contributions (*koncernbidrag*) provided that it is made to service the Issuer's payment obligations under the Notes or immediately following the making of such Restricted Payment the Restricted Group Incurrence Test (tested *pro forma* including such Restricted Payment) is met.

13.4 **Financial Indebtedness**

The Issuer shall not (and shall procure that no Restricted Company will) incur any new, or maintain or prolong any existing, Financial Indebtedness, provided however that the Issuer and the Restricted Companies have a right to incur, maintain and prolong Financial Indebtedness constituting Permitted Financial Indebtedness or Permitted Guarantees.

13.5 **Negative pledge**

The Issuer shall not (and shall procure that no Restricted Company will), create or allow to subsist, retain, provide, prolong or renew any guarantee or security over any of its/their present or future assets to secure any Financial Indebtedness, provided however that the Issuer and Restricted Companies have a right to retain, provide, prolong and renew any Permitted Security or Permitted Guarantees.

13.6 **Dealings with related parties**

The Issuer shall (and shall procure that each Group Company will), conduct all dealings with the management and the direct and indirect shareholders of the Group Companies (in case of any Unrestricted Group Company, excluding other Unrestricted Group Companies) and/or any affiliates of such management or direct and indirect shareholders, at arm's length terms.

13.7 **Disposal of assets**

13.7.1 The Issuer shall not (directly or indirectly) enter into a single transaction or a series of transactions (whether related or not) to sell or otherwise dispose of all or some of the shares in any Restricted Company unless (i) the Issuer has provided the Agent with ten (10) Business Days prior notice of such disposal and has delivered to the Agent such information regarding the disposal as the Agent may reasonably require; (ii) no Event of Default is continuing or would result from that disposal; (iii) the disposal is made on arm's-length terms, to an unrelated party and for market value consideration, and that the disposal proceeds will be received by the Issuer in immediately available funds at completion of the transaction; (iv) the value of the shares (in aggregate with any other Permitted Partial Divestment) does not represent more than 25 per cent. of the book value (*bokförda värdet*) of all fixed assets (*anläggningstillgångar*) of the Restricted Group as set out in the *pro forma* balance sheet as per the Issue Date, calculated in accordance with the Accounting Principles; and (v) the Agent is satisfied that the net disposal proceeds can and will be utilised for (A) payment of any taxes incurred by in relation to the disposal, (B) payment of any amount due under any hedging arrangements resulting from such disposal, and (C) redemption of the Notes in an amount at least equal to the Prepayment Amount (a "**Permitted Partial Divestment**"). For the avoidance of doubt, the Issuer shall not (directly or indirectly) enter into a single transaction or a series of transactions (whether related or not) to sell or otherwise dispose of all or some of the shares in the Parent.

13.7.2 The Issuer shall procure that no Restricted Company enter into a single transaction or a series of transactions (whether related or not) to sell, lease, transfer or otherwise dispose of any asset, except electrical power, green certificates (*elcertifikat*) or other related benefits for cash (including under any Permitted Lease).

13.8 **No amendments to the Finance Documents**

The Issuer shall ensure that no amendments which may have an impact on the Issuer's ability to repay or pay interest under the Notes and/or which might impair the Agent and the Noteholders' security position as it is purported to be created under the Finance Documents are made to the Finance Documents without the Agent's prior written consent.

13.9 **Maintenance, operations and management of the assets**

The Issuer shall procure (and shall ensure that the Group Companies procure) that its assets are kept in a state of good and safe condition and state of repair consistent with good industry standard and law.

13.10 **Insurance**

The Issuer shall (and shall procure that each Group Company will) maintain adequate risk protection through insurances (including business interruption and third party risk insurance) on and in relation to its business and assets to the extent reasonably required on the basis of good business practice, taking into account, *inter alia*, the financial position of the Group and the nature of its operations. All insurances that are not in the form of self-insurance must be with reputable independent insurance companies or underwriters.

13.11 **Treasury Transactions**

The Issuer shall ensure that all Treasury Transactions entered into by any Group Company are implemented in accordance with the terms of the Group's finance policy as adopted by the board of directors of the Issuer from time to time.

13.12 **Listing of Notes**

13.12.1 The Issuer shall use its best efforts to ensure that within sixty (60) calendar days after the Issue Date, the loan constituted by these Terms and Conditions and evidenced by the Notes is listed on the corporate bond list of NASDAQ OMX Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

13.12.2 Following an admission to trading on the corporate bond list of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable), the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding (however, taking into account the rules and regulations of NASDAQ OMX Stockholm (or any other Regulated Market, as applicable) and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

13.13 **Merger and de-mergers**

13.13.1 The Issuer shall not carry out any merger or other business combination or corporate reorganisation involving consolidating assets and obligations, other than where the Issuer is the surviving entity.

13.13.2 The Issuer shall procure that no Restricted Company will (excluding as a result of a Permitted Partial Divestment):

- (a) carry out any merger or other business combination or corporate reorganisation involving consolidating assets and obligations, other than (1) with another Restricted Company or (2) a solvent reorganisation of any Restricted Company; or
- (b) carry out any de-merger or other corporate reorganisation involving splitting any of the Restricted Companies, provided in each case that the Parent is the surviving entity.

13.14 **Undertakings relating to the Agency Agreement**

13.14.1 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.

13.14.2 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.

14. **FINANCIAL UNDERTAKINGS**

14.1 **Interest Coverage Ratio**

14.1.1 The Issuer shall ensure that the Interest Coverage Ratio for the Relevant Period ending on each Quarter Date is not less than 1.25:1.

14.1.2 In the event that the Interest Coverage Ratio is less than (i) 1.50:1 for any Relevant Period ending on a Quarter Date occurring on or before the third anniversary of the Issue Date and (ii) 1.75:1 for any Relevant Period ending on a Quarter Date thereafter (each being a “**Trigger Level**”) and until the Interest Coverage Ratio is equal to or exceeds the relevant Trigger Level, the Issuer shall procure that it will not incur any capital expenditure (other than operating and maintenance expenditure) or make any Restricted Payment unless the amount of Cash (calculated *pro forma* as if such expenditure or Restricted Payment being made) is equal to or exceed the aggregate amount of all the Issuer’s interest-bearing obligations in relation to Financial Indebtedness which are due and payable during the immediately following 12 month period.

14.2 **Debt to Assets**

14.2.1 The Issuer shall on each Quarter Date ensure that the Group Debt to Assets Ratio is not greater than 0.75.

14.2.2 The Issuer shall on each Quarter Date ensure that the Restricted Group Debt to Assets Ratio is not greater than 0.75.

15. **ACCELERATION OF THE NOTES**

15.1 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 15.4, 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:

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- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (iii) is caused by technical or administrative error; and
 - (iv) is remedied within five (5) Business Days from the due date;
 - (c) any of the financial undertakings set out in Clause 14 (*Financial undertakings*) is not complied with;
 - (d) Any Group Company does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a)-(c) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within thirty (30) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
 - (e) any Financial Indebtedness of a Material Group Company is not paid when due, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph d) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 10,000,000;
 - (f) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), or the Security created thereby is varied, and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Secured Parties;
 - (g) any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
 - (h) any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised) in relation to (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (*företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or (iii) any analogous procedure or step is taken in any jurisdiction;
 - (i) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value exceeding SEK 5,000,000 and is not discharged within thirty (30) calendar days;
 - (j) an environmental permit or any other authorisation relevant for the Issuer or any Restricted Company is limited (to the extent that the limitation has a material negative impact on the interests of the Noteholders), revoked or terminated in part or in full;
 - (k) the Issuer or any Restricted Company suspends or ceases (or threatens to suspend or cease) to carry on all or substantially all of its business;
 - (l) any of the conditions subsequent set out in Clause 5 (*Conditions subsequent*) is not satisfied during the time frame set out in the Finance Documents; or

- (m) any other event or series of events occurs other than as set out in paragraphs (a)-k) above which is likely to have a Material Adverse Effect on the Issuer or the Group.
- 15.2 The Agent may not accelerate the Notes in accordance with Clause 15.1 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).
- 15.3 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 17 (*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.
- 15.4 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.
- 15.5 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.
- 15.6 In the event of an acceleration of the Notes in accordance with this Clause 14, the Issuer shall redeem all Notes at an amount per Note equal to the redemption amount specified in Clause 10.4 (*Voluntary total redemption (call option)*).

16. DISTRIBUTION OF PROCEEDS

- 16.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 15 (*Acceleration of the Notes*) and any proceeds received from an enforcement of the Transaction Security and/or the Guarantee 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 and/or the Guarantee 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 21.2.5, 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 17.13;
 - (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)-(d) above shall be paid to the Issuer.

- 16.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1(a).
- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security and/or the Guarantee 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 16 as soon as reasonably practicable.
- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, 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 8.1 shall apply and for any partial redemption in accordance with Clause 10.5 (*Mandatory partial redemption*) due but not made, the Record Date specified in Clause 10.5.5 shall apply.

17. DECISIONS BY NOTEHOLDERS

- 17.1 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.
- 17.2 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 of 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.
- 17.3 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.
- 17.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 (*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 19.3, 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.
- 17.5 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 19.3:

- (a) the issue of any Notes after the Issue Date, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 1,100,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.4 to 2.6;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 10 (*Redemption and repurchase of the Notes*);
- (d) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause 10.1 (*Scheduled redemption*) or Clause 10.5 (*Mandatory partial redemption*));
- (e) a change to the terms for the distribution of proceeds set out in Clause 16 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 17;
- (g) 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;
- (h) a release of the Transaction Security or the Guarantee, except in accordance with the terms of the Finance Documents;
- (i) a mandatory exchange of the Notes for other securities; and
- (j) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 15 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

17.6 Any matter not covered by Clause 17.5 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 19.3. 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 20.1(a) or (b)), an acceleration of the Notes or the enforcement of any Transaction Security or the Guarantee.

17.7 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 17.5, 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.

17.8 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 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), 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 17.7 shall not apply to such second Noteholders' Meeting or Written Procedure.

- 17.9 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.
- 17.10 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.
- 17.11 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.
- 17.12 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.
- 17.13 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.
- 17.14 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.
- 17.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

18. NOTEHOLDERS' MEETING

- 18.1 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).
- 18.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 18.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4.3, 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 18.1.
- 18.3 The notice pursuant to Clause 18.1 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.

- 18.4 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- 18.5 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.

19. WRITTEN PROCEDURE

- 19.1 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 Business Day prior to the date on which the communication is sent.
- 19.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19.1 to each Noteholder with a copy to the Agent.
- 19.3 A communication pursuant to Clause 19.1 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 19.1, for avoidance of doubt the three (3) Business Days set out in Clause 25.1.2 shall be deemed to be included in the required minimum fifteen (15) Business Days). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 19.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17.5 and 17.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5 or 17.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

20. AMENDMENTS AND WAIVERS

- 20.1 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 17 (*Decisions by Noteholders*).
- 20.2 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.
- 20.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 20.1, 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 12.3 (*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.

- 20.4 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.

21. APPOINTMENT AND REPLACEMENT OF THE AGENT

21.1 Appointment of Agent

- 21.1.1 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 and/or the Guarantee. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 21.1.2 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.

- 21.1.3 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.

- 21.1.4 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.

- 21.1.5 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.

21.2 Duties of the Agent

- 21.2.1 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 or the Guarantee on behalf of the Noteholders.

- 21.2.2 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.

- 21.2.3 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.

- 21.2.4 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.

21.2.5 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, any Restricted Company, the Transaction Security or the Guarantee 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 16 (*Distribution of proceeds*).

21.2.6 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.

21.2.7 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.

21.2.8 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 21.2.7.

21.3 **Limited liability for the Agent**

21.3.1 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.

21.3.2 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.

21.3.3 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.

21.3.4 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 17 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 15.1.

21.3.5 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.

21.4 **Replacement of the Agent**

21.4.1 Subject to Clause 21.4.6, 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.

- 21.4.2 Subject to Clause 21.4.6, 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.
- 21.4.3 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.
- 21.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) calendar 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.
- 21.4.5 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.
- 21.4.6 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.
- 21.4.7 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.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, 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.

22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 22.1 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.
- 22.2 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.

23. NO DIRECT ACTIONS BY NOTEHOLDERS

- 23.1 A Noteholder may not take any steps whatsoever against the Issuer, any Restricted Company or with respect to the Transaction Security or the Guarantee 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 or the Parent in relation to any of the liabilities of the Issuer or the Parent under the Finance Documents.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 21.1.2), 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 21.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.8 before a Noteholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 10.7 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

24. PRESCRIPTION

- 24.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

25. NOTICES AND PRESS RELEASES

25.1 Notices

- 25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or by email to mail@swedishtrustee.se;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch; 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 the websites of the Issuer and the Agent.

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

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

25.2 **Press releases**

25.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 10.4 (*Voluntary total redemption (call option)*), 10.5 (*Mandatory partial redemption*), 10.6 (*Early redemption due to illegality*), 12.1.2, 15.3, 17.15, 18.1, 19.1 and 20.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Notes, the Issuer 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.

26. **FORCE MAJEURE AND LIMITATION OF LIABILITY**

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

26.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

26.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

27. **GOVERNING LAW AND JURISDICTION**

27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

27.2 The Issuer submits to the non-exclusive jurisdiction of the Swedish courts and the City Court of Stockholm (*Stockholms tingsrätt*) shall be the court of first instance.

ADDRESSES

Issuer

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Visiting address

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Postal address

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Telephone: +46 35 20 20 900

www.arise.se

Lead Manager

DNB Markets, DNB Bank ASA, Sverige filial

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Postal address

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www.dnb.no

Agent

Nordic Trustee & Agency AB (publ)

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Postal address

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