

14 September 2020

To the bondholders in:

ISIN: SE0013486057 – Host Property AB (publ) SEK 500,000,000 Senior Secured and Guaranteed Floating Rate Bonds 2019/2022 (the “Bonds”)

NOTICE OF WRITTEN PROCEDURE – REQUEST FOR AMENDMENT

This voting request for procedure in writing has been sent on 14 September 2020 to bondholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (“Euroclear”). If you are an authorised nominee under the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding Bonds on behalf of someone else on a securities account (*i.e.* an account for dematerialised securities maintained by Euroclear pursuant to the Financial Instruments Account Act), please forward this notice to the holder you represent as soon as possible. For further information, please see below under Section 5.2 (*Voting rights*).

Key information

Record Date for being eligible to vote:	18 September 2020
Deadline for Voting:	15:00 (CET) on 1 October 2020
Voting Fee:	Subject to the approval of the Proposal and the satisfaction of the conditions set out in Section 6.1, a voting fee of 0.25 per cent. of the Nominal Amount of each Bond for which a complete and duly executed Voting Form has been submitted will be paid.
Consent Fee:	A consent fee of 0.75 per cent. of the Nominal Amount of each Bond held will be paid in consideration of approval of the Proposals.
Record Date for the Consent Fee:	Three (3) Business Days after approval of the Proposals.

All capitalised terms used herein and not otherwise defined in this notice (the “**Notice**”) shall have the meanings assigned to them in the terms and conditions of the Bonds (the “**Terms and Conditions**”).

Nordic Trustee & Agency AB (publ) acts as agent (the “**Agent**”) for the holders of the Bonds (the “**Bondholders**”) in the above mentioned bond issue ISIN SE0013486057, issued by Host Property AB (publ) (the “**Issuer**”). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Bondholders can vote for or against the Issuer’s proposals (see further in Section 3.1 (*Proposed changes to the Terms and Conditions*)).

All Bondholders are strongly encouraged to review and consider the Proposal.

Bondholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the “**Voting Form**”), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the “**Power of Attorney**”), or other sufficient evidence, if the Bonds are held in custody other than by Euroclear, to the Agent. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate. By signing and submitting a Voting Form the Bondholders explicitly acknowledge, agree and authorise the Agent to disclose to the Issuer and Nordea Bank acting as solicitation agent such Voting Form and its contents.

The Agent must receive the Voting Form no later than 15:00 (CET) on 1 October 2020 either by mail, courier or email to the Agent using the contact details set out in Section 5.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Bondholder on 18 September 2020 (the “**Record Date**”). This means that the person must be registered on a Securities Account with Euroclear, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

Bondholders may be required to take certain actions in order to be eligible to vote in the Written Procedure. For further information regarding who is eligible to participate and what steps that may need to be taken to participate, please see Section 5 (*Written Procedure*) below.

Notwithstanding anything to the contrary contained herein or in any other document related to the Proposal, the Issuer reserves the right, in its sole discretion to terminate the solicitation of consent to the Proposal for any reason.

Disclaimer: *The Proposal is presented to the Bondholders from the Issuer, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Proposal (and its effects, should it be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Proposal (and its effects, should it be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Proposal (and its effect) is acceptable or not.*

1. INDICATIVE TIMETABLE

14 September 2020	Announcement of Written Procedure
18 September 2020	Record Date for the Bondholders to be eligible to vote and to be able to receive the Voting Fee
15:00 (CET) 1 October 2020 (at the latest)	Deadline for receipt by the Agent of a valid vote from Bondholders to participate in the Written Procedure
1 October 2020 (at the latest)	Day for announcement of result of the

Written Procedure

Three (3) Business Days following approval of the Proposals	Expected Fee Record Date for the Consent Fee (each term as defined below)
Eight (8) Business Days following approval of the Proposals (at the latest)	Expected date for payment of the Consent Fee
Ten (10) Business Days following approval of the Proposals (at the latest)	Expected date for payment of the Voting Fee

2. BACKGROUND

2.1 Current market situation and the COVID-19 impact

As announced by the Issuer in previous press releases, market updates and quarterly reports, the economic effects of COVID-19 are materially negative to the travel industry in general and the regional hotel market in Sweden. Hotel bookings in Sweden have been running at historic low levels since late February 2020, and are still running at historic low levels. The historic weak market sentiment is causing significant challenges for hotel operators to comply with their rents and other obligations for the time being. The Issuer, as an owner of nine hotel properties in regional Sweden, is expected to be materially negatively affected by the general lower activity level at our hotels both in the short term, but also in the coming years.

2.2 Financial overview and Issuer estimates going forward

The Issuer expects a reduction in Revenue Per Available Room (RevPAR) for 2020 of 60 per cent. compared to 2019 before gradually improving from 2021 and onwards. Even though the market is slowly starting to open up – and activity is expected to increase from current levels – the hotel and travel industry will likely be heavily impacted for a long time going forward. In line with reduced activity for most hotel operators in Sweden, the materially reduced travel activity at the hotels is affecting the main tenant (Tribe) and is likely to require changes in the lease agreements. Terms of the new lease contracts is expected to have materially lower hotel rent revenues than over the last couple of years and as a result of reduced cash flow estimates going forward, the Issuer will focus on cash preservation and preserve values to reflect the prevailing market conditions. As of 8 September 2020 the Issuer has SEK 102 million in the Refurbishment Account.

2.3 Rationale for the proposed amendments

In light of the Issuer's current situation, the Issuer requests that Bondholders allow for additional flexibility under the Terms and Conditions with respect to its covenants and lease agreements. The Issuer views the proposed amendments as the best way to preserve the long term values in the Issuer. The ability to negotiate new lease terms on a best effort basis and undertaking critical Capital Expenditure (CAPEX) activities should significantly improve the future cash flow potential and property values. Moreover, sufficient liquidity

will be important in order to conduct basic refurbishment in terms of technical, regulatory and legal requirements.

2.4 Continuing obligations

Regardless of whether the Proposal is approved, the Bonds will remain outstanding in accordance with all other provisions of the Terms and Conditions. The changes to be affected by the Proposal do not negatively alter the Issuer's obligation to repay the principal of the Bonds or pay interest on the Bonds or lower the interest rate thereof, and are effective only upon the terms contained herein.

3. PROPOSAL

3.1 Proposed changes to the Terms and Conditions

With reference to Section 1 (*Background*) above, the Issuer hereby kindly proposes and requests that the Bondholders vote to amend the Terms and Conditions as presented in Schedule 3 (*Proposed Amended and Restated Terms and Conditions*) where blue and underlined text indicates additions whereas red and crossed-out text indicates removals (the "**Proposal**"), the main changes being as follows:

- (a) Clause 10.1 (*Redemption at Maturity*) is amended so that the Bonds, on the Maturity Date, shall be redeemed with an increased amount per Bond equal to 103 per cent. of the Nominal Amount together with accrued but unpaid interest;
- (b) Clause 10.3.1 is amended so that the Issuer may redeem all, but not some only, of the outstanding Bonds in full at (i) any time from and including the First Call Date to, but excluding, the Business Day falling two (2) months prior to the Maturity Date at an increased amount per Bond equal to 104.50 per cent. of the Nominal Amount, and (ii) any time from and including the Business Day falling two (2) months prior to the Maturity Date to, but excluding, the Maturity Date at an increased amount per Bond equal to 103.50 per cent. of the Nominal Amount, in each case together with accrued but unpaid Interest;
- (c) A new clause 10.4 is included to allow for the Issuer to make voluntary partial redemptions of Bonds, on one or several occasions, in an amount not exceeding cash actually received by the Issuer from the Parent (i) in exchange for fully paid ordinary shares in the Issuer or (ii) by way of an unconditional shareholders contribution (*aktieägartillskott*) (such amount referred to as the "**Equity Injection**"). Any such partial redemption shall reduce the Nominal Amount of each Bond pro rata at a price equal to 102.00 per cent. of the Nominal Amount. The amount of an Equity Injection used to partially redeem Bonds must be at least SEK 10,000,000 and integral multiples thereof.
- (d) Clause 10.5.2 is amended so that the Issuer shall ensure that the Prepayment Amount is used to partially to prepay the Bonds by applying the Prepayment Amount towards reduction of the Nominal Amount of each Bond *pro rata* at an increased price equal to 102.00 per cent. of the Nominal Amount;

- (e) Clause 10.8 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*) is amended so that each Bondholder following the occurrence of a Change of Control Event or Listing Failure Event have the right to request that all, or some only, of its Bonds shall be repurchased at an increased price per Bond equal to 102.00 per cent. of the Nominal Amount together with accrued but unpaid interest;
- (f) In Clause 11.1 a new paragraph (c) is included regarding certain additional security to be granted in favour of the Bondholders on or before the Amendment Date. Such new security will consist of a pledge over all shares in the Issuer's wholly owned subsidiary Statt Söderhamn Aktiebolag (Swedish Reg. No. 556499-4910) and a pledge by Statt Söderhamn Aktiebolag of mortgage certificates in an amount of SEK 18,200,000 in its real property Söderhamn Oxen 7 (jointly the "**New Security Documents**").
- (g) Clause 13.1 (*Maintenance Test*) is amended so that the Issuer is given a financial covenant holiday from the date of approval of the Proposals until the Reference Period ending, and the Reference Date falling on, 31 December 2021. During this period the Issuer shall be under no obligation to maintain neither Interest Coverage Ratio nor Issuer Group LTV but shall still be under an obligation to provide the Agent with the ratios for each Reference Period or per each Reference Date ending or falling up and until the end of the financial covenant holiday. After 30 September 2021, the Issuer shall maintain:
 - (i) an Interest Coverage Ratio of no less than:
 - (A) 0.20:1.0 for the Reference Period ending on 31 December 2021;
 - (B) 0.35:1.0 for the Reference Period ending on 31 March 2022;
 - (C) 0.55:1.0 for the Reference Period ending on 30 June 2022;
 - (D) 0.65:1.0 for the Reference Period ending on 30 September 2022; and
 - (E) 0.80:1.0 for the Reference Period ending on 31 December 2022; and
 - (ii) the Issuer Group LTV at a maximum of:
 - (A) 75.00 per cent. for the Reference Date on 31 December 2021;
 - (B) 70.00 per cent. for each Reference Date falling thereafter.
- (h) Clause 14.14 (*Distribution restrictions*) is amended so that no distributions other than Permitted Management Fee Payments or distributions from a Property Company to the Issuer is permitted;
- (i) Clause 14.15 (*Hotel Lease Agreement*) is amended so that the Issuer shall use its best efforts to ensure that the Hotel Lease Agreements are maintained or renewed on as

favourable terms as are reasonably obtainable for the Property Companies. For as long as no Event of Default is continuing, the Property Companies shall be free to amend or replace the Hotel Lease Agreements when it is in their reasonable opinion in the best interests of the Issuer, the Property Companies and the Bondholders;

- (j) Clause 16.2 (*Payments from the Lessees*) is deleted in its entirety;
- (k) Clause 16.8 (*Refurbishment Proceeds and Refurbishment Plan*) shall be amended so that the Issuer shall procure that the Refurbishment Proceeds held on the Refurbishment Account on the Amendment Date are applied towards funding Refurbishment of the Properties in accordance with the Refurbishment Plan and towards costs as an effect of the amendments of the Finance Documents; and
- (l) Paragraph (i) of Clause 17.1 is amended so that no acceleration event will occur if there is a material breach of a Lease Agreement if such agreement is either replaced or amended with a new lease agreement with the same tenant or with another tenant, provided in each case that the Bondholders will not be materially negatively affected.

Please note that the description in paragraphs (a)-(k) above is only a summary of the main proposed changes and the full Proposal is presented in Schedule 3 (*Proposed Amended and Restated Terms and Conditions*).

3.2 Effective date

The Proposal shall be deemed to be approved:

- (a) immediately upon expiry of the voting period and receipt of the required quorum and majority as set forth in Section 5.4 and 5.5 below; or
- (b) if earlier, when a requisite majority of consents from the Bondholders have been received by the Agent.

Provided that the requisite majority has voted in favour of the Proposal, the Issuer and the Agent shall, upon the Issuer's request and subject to the fulfilment of the Conditions Precedent (as defined below), amend and restate the Terms and Conditions accordingly as well as enter into and deliver any other agreements and/or documents that are necessary and/or desirable for the purpose of effectuating the proposals and requests set out in this Notice. The Issuer shall, following the execution of such amendment and restatement, procure that the duly executed amended and restated Terms and Conditions are registered with the CSD.

The Agent's obligation to amend and restate the Terms and Conditions in accordance with this Section 3.2 is subject to the following documents being received by the Agent (the "**Condition Precedent**"):

- (i) certificate of registration and articles of association for the Issuer and each other party to the Confirmation Letter (as defined below);

- (ii) corporate resolutions (approving the transaction contemplated by this Written Procedure) for the Issuer and each other party to the Confirmation Letter;
- (iii) duly executed copies of the New Security Documents and evidence that the security subject to such documents have been duly perfected; and
- (iv) a duly executed confirmation letter whereby the each pledgor under any Security Document, each guarantor under the Guarantee Agreement and the Issuer confirm that the Security Documents and the Guarantee Agreement will remain in full force and effect and shall continue to secure and/or guarantee, as applicable, and shall extend to secure or guarantee the Secured Obligations as modified by the amendments proposed pursuant to this Written Procedure (the “**Confirmation Letter**”).

Please note that although the Issuer intends to implement the amendments as proposed pursuant to the Proposal, it has no obligation to do so even if the Proposal is approved by the Bondholders.

The Agent may assume that the documents delivered to it pursuant to this Section 3.3 are 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 or review it from a legal or commercial perspective.

4. NON-RELIANCE

The Proposal is presented to the Bondholders by the Issuer, without any evaluation, advice or recommendations from the Agent whatsoever. No independent advisor has been appointed to review and/or analyse the Proposal (and its effects) from the Bondholders’ perspective. The Bondholders are recommended to seek legal advice to independently evaluate whether the Proposal from the Issuer (and its effects) is acceptable or not.

5. WRITTEN PROCEDURE

The following instructions need to be adhered to under the Written Procedure.

5.1 Final date to participate in the Written Procedure

The Agent must have received the votes by mail, courier or email to the address indicated in Section 5.7 below no later than 15:00 (CET), 1 October 2020. Votes received thereafter may be disregarded.

5.2 Voting rights

Anyone who wishes to participate in the Written Procedure must on the Record Date in the debt register:

- (a) be registered as a direct registered owner of one or several Bonds on a Securities Account; or

- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way.

5.3 Bonds registered with a nominee

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee or another intermediary, you may have two different options to influence the voting for the Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you.
2. You can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as bondholder of the Securities Account on the Record Date, or from each intermediary in the chain of bondholders, starting with the intermediary that is registered in the debt register as a Bondholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate.

5.4 Quorum

To approve the Proposal, Bondholders representing at least fifty (50) per cent. of the Adjusted Nominal Amount must reply to the request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

Bonds owned by the Issuer, a Group Company or any Affiliate of the Issuer or a Group Company do not entitle to any voting rights.

5.5 Majority

Seventy-five (75) per cent. of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to the Proposal.

Bonds owned by the Issuer, another Group Company or an Affiliate are not entitled to any voting rights.

5.6 Decision procedure

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Proposal shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will: (a) be sent by notice to the Bondholders, and (b) be published on the websites of (i) the Issuer and (ii) the Agent.

A matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

5.7 Address for sending replies

Return the Voting Form and, if applicable, the Power of Attorney or other sufficient evidence, if the Bonds are held in custody by other than Euroclear Sweden, by regular mail, by courier or with scanned copy by email to:

By regular mail:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure Host Property AB (publ)
P.O. Box 7329
S-103 90 Stockholm

By courier:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure Host Property AB (publ)
Norrandsgatan 23
111 43 Stockholm

By email:

Email: voting.sweden@nordictrustee.com

6. FEES

6.1 Voting Fee

Subject to the approval of the Proposal and the satisfaction of the conditions set forth below, the Issuer will pay a voting fee to Bondholders eligible to receive such fee. The voting fee will be zero point twenty-five (0.25) per cent. of the Nominal Amount of each Bond (equal to SEK 625 per Bond) and shall be calculated on the principal amount which the relevant Bondholder has provided a Voting Form for (the “**Voting Fee**”). For the avoidance of doubt, also Bondholders voting against the Proposal are eligible to receive the Voting Fee.

In order to be eligible to receive the Voting Fee, a Bondholder must be eligible to vote in the Written Procedure and the following conditions for payment of the Voting Fee must be satisfied (unless waived by the Issuer):

- (a) the Bondholder has issued a complete and duly executed Voting Form using the designated format of voting form set out in Schedule 1;
- (b) the Voting Form issued by the Bondholder includes the full payment details of a bank account to which the Voting Fee may be paid, details of which the Bondholder expressly consents therein to be disclosed by the Agent to the Issuer and its advisors; and
- (c) the Agent has received the Bondholder’s complete and duly executed Voting Form prior to the deadline for receipt by the Agent of a valid vote from Bondholders to participate in the Written Procedure.

Payment of the Voting Fee will be made by the Issuer. In relation to eligible Bondholders that (i) are direct registered owners, (ii) qualify for payment of the Voting Fee and (iii) submitted a Voting Form to the Agent prior to the deadline for receipt by the Agent of a valid vote from Bondholders to participate in the Written Procedure, payment will be made to the account designated by the relevant Bondholder in its Voting Form. In relation to Nominees that (i) have voted on behalf of their customers (sub-holders of Bonds), (ii) qualify for payment of the Voting Fee and (iii) submitted a Voting Form to the Agent prior to the deadline for receipt by the Agent of a valid vote from Bondholders to participate in the Written Procedure, payment will be made to the account designated by the relevant Nominee in its Voting Form and such Nominee will receive the Voting Fee and will be responsible for distributing the Voting Fee among its relevant customers (sub-holders of Bonds).

The expected settlement date for payment of the Voting Fee will be within ten (10) Business Days following the deadline for receipt by the Agent of a valid vote from Bondholders to participate in the Written Procedure. Payments will be made without withholding or deduction for any applicable taxes and each Bondholder must make its own determination as to whether or not it is required to pay tax on any amounts it receives in connection with the Proposals.

For the purpose of payment of the Voting Fee in accordance with this Notice, the Bondholders explicitly acknowledge that the Agent may disclose to the Issuer, Nordea Bank acting as solicitation agent and any of their subdelegates any relevant Voting Form and its contents and by signing and submitting a Voting Form, the Bondholder expressly consents to such disclosure.

The Agent does not administer the Voting Fee and is not involved in or in any way responsible for the Voting Fee.

6.2 Consent fee

Subject to the approval of the Proposal, the Issuer will pay a consent fee in an amount equal to zero point seventy-five (0.75) per cent. of the Nominal Amount of each Bond equal to SEK 1,875 per Bond) (the “**Consent Fee**”) to the Bondholders.

For the avoidance of doubt, also Bondholders receiving a Voting Fee, Bondholders voting against the Proposal and Bondholders not voting at all are eligible to receive the Consent Fee.

The Agent does not administer the Consent Fee and is not involved in or in any way responsible for the Consent Fee.

To be eligible to receive of the Consent Fee, you must be a Bondholder on the date falling three (3) Business Days from the date on which the amendments proposed pursuant to the Proposal have been deemed approved in accordance with Section 3.2 (*Effective date*) above (the “**Fee Record Date**”)

The Consent Fee shall be calculated based on the aggregate principal amount held by the relevant Bondholder on the Fee Record Date and settlement of the Consent Fee is expected to occur on the date falling five (5) Business Days from the Fee Record Date.

Any payment of the Consent Fee will be effected to the Bondholders through Euroclear Sweden AB, which will credit the income account (Sw. *avkastningskonto*) to which interest payments on the Bonds are made to the relevant Bondholder.

Payment is expected to be made without withholding or deduction for any applicable taxes and each Bondholder must make its own determination as to whether or not it is required to pay tax on any amounts it receives in connection with the Proposal.

7. ROLE OF THE AGENT

The role of the Agent under this Written Procedure is solely mechanical and administrative in nature. The information set out herein is presented to the Bondholders without any evaluation, advice or recommendations from the Agent whatsoever. The Agent is not an adviser to any party and has not reviewed or assessed the information set out herein from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice (or the effect(s) of the Proposal,

should it be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Proposal (and its effects) is acceptable or not.

8. FURTHER INFORMATION

For further questions to the Issuer, regarding the Proposal, please contact the Issuer at christian.fuhr@host.no, +47 98 22 85 16 or Nordea Bank acting as solicitation agent at nordealiabilitymanagement@nordea.com or +45 61 61 29 96.

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at voting.sweden@nordictrustee.com or +46 8 783 79 00.

Stockholm, 14 September 2020

NORDIC TRUSTEE & AGENCY AB (PUBL)

as Agent at the request of Host Property AB (publ)

Enclosed:

Schedule 1	Voting Form
Schedule 2	Power of Attorney/Authorisation
Schedule 3	Proposed Amended and Restated Terms and Conditions
Schedule 4	Investor Presentation

Schedule 1

VOTING FORM

For the Written Procedure in Host Property AB (publ) up to SEK 500,000,000 Senior Secured and Guaranteed Floating Rate Bonds due 2022, ISIN: SE0013486057

The undersigned Bondholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Proposal by marking the applicable box below.

NOTE: If the Voting Person is not directly registered as a Bondholder on the relevant Securities Account held with Euroclear Sweden (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2. Bondholders should note that a Voting Form given in respect of the Written Procedure shall remain valid for any second Written Procedure initiated, should the quorum requirement not be met.

The undersigned hereby unconditionally and irrevocably approve that the Agent may disclose this Voting Form and any Power of Attorney/Authorisation to the Issuer, Nordea Bank acting as solicitation agent and its respective advisors.

<input type="checkbox"/>	For the Proposals
<input type="checkbox"/>	Against the Proposals

The undersigned hereby confirms (by putting a cross in the appropriate box above) that this Voting Form shall constitute a vote also for a second Written Procedure (if any) pursuant to the Terms and Conditions with respect to the Proposal.

Name of the Voting Person: _____

Capacity of the Voting Person: Directly registered ¹ Indirect holder: ²
(tick the applicable box) holder:

Voting Person’s reg.no/id.no and country of incorporation/domicile: _____

Securities Account number at Euroclear Sweden: _____
(if applicable)

Name and Securities Account number of custodian(s): _____
(if applicable)

¹ When voting in this capacity, no further evidence is required

² When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (Schedule 2) from the Bondholder or other proof of authorisation showing the number of votes held on the Record Date.

Identity of beneficial owner of the Bonds
(only relevant if this Voting Form is
submitted by a nominee)³:

Nominal Amount voted for (in SEK):

Account details for payment of the Voting
Fee (as applicable):

Recipients bank:

Account number:

Clearing number:

IBAN:

SWIFT:

Contact person, daytime telephone
number and e-mail address:

Place, date: _____

Name:

(Authorised signature)⁴

³ Please note that any Bondholder who acts as nominee must also submit a complete list of the underlying beneficial owners (including the respective Nominal Amount of Bonds per each such beneficial owner) voted for by such nominee together with this Voting Form. Nominees can (i) include the information in the box above, or (ii) append a separate list or spreadsheet and submit such list/spreadsheet together with this Voting Form or by sending such by email to the Agent at voting.sweden@nordictrustee.com.

⁴ If the undersigned is not a Bondholder according the Terms and Condition and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Bondholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

POWER OF ATTORNEY/AUTHORISATION

For the Written Procedure in Host Property AB (publ) up to SEK 500,000,000 Senior Secured and Guaranteed Floating Rate Bonds due 2022, ISIN: SE0013486057

NOTE: This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Bondholder on the Securities Account, held with Euroclear Sweden. It must always be established a coherent chain of power of attorneys derived from the Bondholder. I.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Bondholder.

Name of person/entity that is given authorisation (Sw. <i>befullmäktigad</i>) to vote as per the Record Date:
Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:
Name of Bondholder or other intermediary giving the authorisation (Sw. <i>fullmaktsgivaren</i>):

We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK _____

We are:

Registered as Bondholder on the Securities Account.

Other intermediary and holds the Bonds through (specify below):

Place, date: _____

Name:

Authorised signature of Bondholder/ other intermediary (Sw. *Fullmaktsgivaren*).

Schedule 3

PROPOSED AMENDED TERMS AND CONDITIONS



**TERMS AND CONDITIONS FOR
HOST PROPERTY AB (publ)
SEK 500,000,000
SENIOR SECURED AND GUARANTEED FLOATING RATE
BONDS
ISIN: SE0013486057**

[Originally dated 26 November 2019, as amended on \[●\] 2020](#)

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

Solely for the purposes of each Manager's (for the purposes of this paragraph, the "manufacturers") product approval process, the target market assessment in respect of the Bonds has led to the conclusion that:

- (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and
- (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate.

An investment in the Bonds is not compatible with investors looking for full capital protection or full repayments of the amount invested, are fully risk adverse / have no risk tolerance, or need a fully guaranteed income or fully predictable return profile. No PRIIPs key information document (KID) has been prepared as not deemed within scope. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIVACY NOTICE

The Issuer and the Bond Trustee may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer and the Bond Trustee for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer and the Bond Trustee in relation to items (a)-(c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer or Bond Trustee. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Bond Trustee, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's and the Bond Trustee's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.flyingelephant.com/host and www.nordictrustee.se.

TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION	1
2.	STATUS OF THE BONDS	13
3.	USE OF PROCEEDS.....	13
4.	PRE-SETTLEMENT CONDITIONS.....	14
5.	ESCROW OF PROCEEDS	15
6.	BONDS IN BOOK-ENTRY FORM.....	16
7.	RIGHT TO ACT ON BEHALF OF A BONDHOLDER	17
8.	PAYMENTS IN RESPECT OF THE BONDS	17
9.	INTEREST.....	19
10.	REDEMPTION AND REPURCHASE OF THE BONDS	19
11.	TRANSACTION SECURITY AND GUARANTEE.....	23
12.	INFORMATION TO BONDHOLDERS.....	24
13.	FINANCIAL COVENANTS.....	27
14.	ISSUER GROUP UNDERTAKINGS	2728
15.	PARENT UNDERTAKINGS.....	34
16.	PROPERTY COVENANTS	3436
17.	ACCELERATION OF THE BONDS.....	3638
18.	DISTRIBUTION OF PROCEEDS	40
19.	DECISIONS BY BONDHOLDERS.....	41
20.	BONDHOLDERS' MEETING.....	44
21.	WRITTEN PROCEDURE.....	4345
22.	AMENDMENTS AND WAIVERS.....	45
23.	APPOINTMENT AND REPLACEMENT OF THE BOND TRUSTEE	4446
24.	APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT	50
25.	APPOINTMENT AND REPLACEMENT OF THE CSD	4850
26.	NO DIRECT ACTIONS BY BONDHOLDERS	4850
27.	PRESCRIPTION.....	51
28.	NOTICES AND PRESS RELEASES.....	4951
29.	FORCE MAJEURE AND LIMITATION OF LIABILITY	5052
30.	GOVERNING LAW AND JURISDICTION	52

SCHEDULE 1**SCHEDULES**

<u>1.</u>	1. PROPERTY COMPANIES AND PROPERTIES	56
-----------	---	----

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**Account Bank**” means Swedbank AB (publ).

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

“**Accounting Principles**” means the generally accepted accounting principles, standards and practices in Sweden.

“**Additional Amounts**” has the meaning as ascribed to the term in Clause 8.6.

“**Additional Property**” means [the real property Söderhamn Oxen 7 owned by the Additional Property Company.](#)

“**Additional Property Company**” means [Statt Söderhamn Aktiebolag, a limited liability company incorporated under the laws of Sweden with Reg. No. 556499-4910.](#)

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

“**Affiliate**” means (i) an entity controlling or under common control with the Parent, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds 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.

“**Amendment Date**” means [\[●\] 2020.](#)

“**Bond**” 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.

“**Bond Loan**” means the loan constituted by these Terms and Conditions and evidenced by the Bonds.

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

“**Bond Trustee Agreement**” means the agreement entered into on or before the Settlement Date, between the Issuer and the Bond Trustee, or any replacement bond trustee agreement entered into after the Settlement Date between the Issuer and a bond trustee.

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 20 (*Bondholders’ Meeting*).

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

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

“**Change of Control Event**” means that (i) Mr. Asmund Haare and his direct lineal descendants cease to own (legally and beneficially) and/or directly or indirectly control the Parent or (ii) any person or group (other than Mr. Asmund Haare and his direct lineal descendants) gains direct or indirect control of the Parent, whereby “**control**” means (i) the power to cast more than 50% of the maximum number of votes that might be cast at a general meeting of the Parent or (ii) the power to appoint or remove all, or the majority, of the members of the board of directors of Parent.

“**Compliance Certificate**” means a certificate, in the form agreed between the Issuer and the Bond Trustee.

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

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Bond Trustee and the Bonds.

~~“**Distributions**” has the meaning ascribed to the term in Clause 14.14.1.~~

“**EBITDA**” means, for any Reference Period or other calculation period, earnings before interest, tax, depreciation and amortisation (without double counting) of the Issuer determined in accordance with the Accounting Principles.

“**Escrow Account**” means a bank account held by the Issuer with the Account Bank for the purpose of the arrangement specified in Clause 4.1, blocked for the Issuer from the time of fulfilment of the conditions set out in Clause 4.1(j).

“**Escrow Account Pledge Agreement**” means the agreement for Transaction Security over the funds from time to time standing to the credit on the Escrow Account, entered into between the Issuer and the Bond Trustee on or prior to the Settlement Date.

“**Event of Default**” means an event or circumstance specified in Clause 17.1 (*Acceleration of the Bonds*).

“**Existing External Debt**” means the Financial Indebtedness incurred under the SEK 300,000,000 senior secured and guaranteed floating rate bonds issued by the Issuer on 8 December 2016 as further described in the Funds Flow Statement.

“**Existing Security**” means the security granted over the assets of any Issuer Group Company as collateral for the Existing External Debt.

“**Exchange**” means:

- (a) Nasdaq First North Bond Market, which is a self-regulated marketplace organised and operated by Nasdaq Stockholm; or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or any Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

“**Finance Documents**” means these Terms and Conditions, the Security Documents (including the Guarantee Agreement) and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) moneys borrowed, including acceptance credit;
- (b) any bond, note, debenture, loan stock or other similar instrument;
- (c) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (d) receivables sold or discounted (other than any receivables sold on a non-recourse basis);
- (e) any sale and lease-back transaction, or similar transaction which is treated as indebtedness under Accounting Principles;
- (f) the acquisition cost of any asset to the extent payable after its acquisition or possession by the party liable where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price, including without limitation currency or interest rate swaps, caps or collar transactions (and, when calculating the value of the transaction, only the mark-to-market value shall be taken into account);
- (h) any amounts raised under any other transactions having the commercial effect of a borrowing (including any forward sale or purchase agreement);
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institutions; and
- (j) (without double counting) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any of the items referred to in paragraph (a) through (i) above.

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

“**First Call Date**” means the Interest Payment Date after thirty (30) months from the Settlement Date.

“**Force Majeure Event**” has the meaning ascribed to the term in Clause 29.1 (*Force Majeure and Limitation of Liability*).

~~“**Free Cash**” means:~~

~~(a) — all cash and bank deposit of the Issuer; less~~

~~(b) — any amount standing to the credit on the Escrow Account; less~~

~~(c) — any unspent Refurbishment Proceeds.~~

“**Funds Flow Statement**” means a funds flow statement for all fund flows in connection with the issuing of the Bonds, including a statement of sources and uses and a specification of the Existing External Debt to be refinanced in connection with such issuance.

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

“**Group Property Portfolio**” means the properties owned by a Group Company from time to time, excluding the Properties and the Property Companies.

“**Guarantee**” means the unconditional and irrevocable guarantee by the Parent and the Property Companies in favour of the Secured Parties represented by the Bond Trustee, pursuant to which each of the Parent and the Property Companies, as principal obligors (*proprieborgen*), guarantee the Issuer’s punctual performance of the Secured Obligations.

“**Guarantee Agreement**” means the agreement for the Guarantee entered into between the Parent, the Property Companies and the Bond Trustee.

“**Host Billingshus**” means Host Billingshus i Skövde AB (reg. no. 556548-1776).

“**Hotel Lease Agreement**” means an agreement to lease all or part of a Property from the relevant Property Company (including all appendices thereto) for the purpose of conducting hotel operations.

“**Hotel Lessees**” means each of the lessees under the Hotel Lease Agreements.

~~“**Incurrence Test**” means the test of the financial incurrence covenants as set out in Clause 14.14 (*Distribution Restrictions*).~~

“**Initial Nominal Amount**” has the meaning ascribed to the term in Clause 2.3.

“**Initial Refurbishment Plan**” means the initial investments and refurbishment plan of the Refurbishment, established in line with good industry practice, approved by Tribun AS or other project hospitality project company and delivered by the Issuer to the Bond Trustee as a Disbursement Condition.

“**Initial Valuation Report**” means the initial valuation report prepared and issued by Cushman & Wakefield and Nordic Hotel Consulting on 30 December 2018 setting out the market value of each Property.

“**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 Bondholders) 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.

“**Insurance Proceeds**” has the meaning ascribed to the term in Clause ~~10.5.3~~10.6.3.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 9.1 to ~~9.29.3~~.

“**Interest Coverage Ratio**” means ~~-~~ for any Reference Period, the ratio of EBITDA to Total Interest Expenses.

“**Interest Payment Date**” means 28 February, 28 May, 28 August and 28 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 28 February 2020 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the Settlement 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 the percentage rate *per annum* which is the aggregate of STIBOR plus the Margin.

“**Issuer**” means Host Property AB (publ), a limited liability company incorporated under the laws of Sweden with Reg. No. 556987-4158.

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

“**Issuer Group LTV**” means the ratio of:

- (a) the total aggregate Nominal Amount outstanding under the Bonds;
- to
- (b) the aggregate of:
 - (i) the Properties Market Value;

- (ii) ~~the amount cash~~ standing to the credit on ~~the Escrow Account;~~an account in the name of an Issuer Group Company and to which only an Issuer Group Company is beneficially entitled; and
- ~~(iii) — the amount standing to the credit on the Refurbishment Account; and~~
- (iii) ~~(iv)~~ the value of any Supplementary Security.

“**Issuing Agent**” means Swedbank AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations applicable to the Bonds.

“**Land Parcel**” means any part of a Property that has been parcelled (*avstyckad*) for the purpose of a Permitted Land Parcel Divestment.

“**Lease Agreement**” means an agreement to lease all or part of a Property from the relevant Property Company, including all appendices thereto (including the Hotel Lease Agreement).

“**Lessee**” means each of the lessees under the Lease Agreements (including the Hotel Lessees).

“**Listing Failure Event**” means that:

- (a) the Bonds have not been listed and admitted to trading on an Exchange within sixty (60) calendar days following the Settlement Date; or
- (b) in the case of a successful listing and admission to trading, that a period of sixty (60) calendar days has elapsed since the Bonds ceased to be listed and admitted to trading on an Exchange.

“**Loss Event**” means that:

- (a) there is a total or material loss of all of the Properties;
- (b) any of the Properties (or a part of any Property) is damaged to the extent that hotel operations at the Property will not be feasible for a period exceeding six (6) months; or
- (c) damages (and related repair costs) to any of the Properties exceed 30.00 per cent. of the Properties Market Value as set out in the Initial Valuation Report.

“**Maintenance Test**” means the test of the financial covenants as set out in Clause 13.1 (*Maintenance Test*).

“**Margin**” means 6.50 per cent.

“**Material Adverse Effect**” means any event which has, or reasonably likely will have, a material adverse effect on:

- (a) the business operations and financial condition of the Parent, any Issuer Group Company, or the Group (taken as a whole);

- (b) any of the Issuer Group Companies' or the Parent's ability to perform and comply with their respective obligations under the Finance Documents or the Hotel Lessees' ability to perform and comply with its obligations under its respective Hotel Lease Agreement, or
- (c) the validity or enforceability of any Finance Document.

“**Maturity Date**” means 28 November 2022, being 3 years after the Settlement Date.

“**Missing Share Certificates**” means the share certificate issued by Host Billingeus representing the shares 1–1,000.

“**Net Proceeds**” means the proceeds from the issuance of Bonds which, after deduction has been made for the Transaction Costs and subject to satisfaction of the Disbursement Conditions shall be transferred to the Issuer and used in accordance with Clause 3 (*Use of Proceeds*) and the Escrow Account Pledge Agreement.

“**New Investments**” means cash actually received by the Issuer from the Parent (i) in exchange for fully paid ordinary shares in the Issuer, (ii) by way of an unconditional shareholders contribution (*aktieägartillskott*) or (iii) any shareholder loans from the Parent to the Issuer which is subject to Transaction Security.

“**Nominal Amount**” means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 10.4 (*Voluntary partial redemption due to an equity injection (call option)*) and Clause 10.5 (*Mandatory Prepayment due to Permitted Partial Divestment*).

“**Optional Early Redemption Amount**” means an amount equal to the sum of:

- (a) the present value on the relevant Redemption Date of ~~101.50~~ 104.50 per cent. of the Nominal Amount of the redeemed Bonds as if such payment had taken place on the First Call Date; and
- (b) the present value on the relevant Redemption Date of the remaining interest payments of the redeemed Bonds up to and including the First Call Date (excluding any accrued but unpaid Interest up to the relevant Redemption Date).

where the present value shall be calculated using a discount rate of 0.70 per cent and the Interest Rate for the remaining interest periods until the First Call Date shall be the applicable Interest Rate on the relevant Repayment Date.

“**Parent**” means Host AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 556455-6271.

“**Permitted Land Parcel Divestment**” has the meaning ascribed to the term in Clause 14.6 (*Disposal*).

“**Permitted Management Fee Payment**” means payment of general and administrative expenses to the Parent or any Affiliate of the Parent up to an aggregate amount of SEK 500,000 per year.

“**Permitted Partial Divestment**” has the meaning ascribed to the term in Clause 14.6 (*Disposal*).

“**Pre-Disbursement Security**” means the Transaction Security pursuant to paragraph (c) to (h) of the definition “Security Documents”.

“**Pre-Settlement Security**” means the Transaction Security pursuant to paragraph (a) and (b) of the definition “Security Documents”.

“**Prepayment Amount**” has the meaning ascribed to the term in Clause ~~10.4.1~~10.5.1.

“**Properties Market Value**” means the market value of the Properties, as determined by the Property Advisor (applying the Property Valuation Method) in the latest available Valuation Report obtained by the Issuer and delivered to the Bond Trustee plus the nominal amount of any Refurbishment Proceeds applied in the Refurbishment of the Properties after the date of the latest available Valuation Report.

“**Property**” each of the real properties set out opposite the respective Property Company which is the owner of such real property in Schedule 1 (*Property Companies and Properties*), excluding any Property that has been disposed by way of a Permitted Partial Divestment or a Permitted Land Parcel Divestment.

“**Property Advisor**” means Cushman & Wakefield, Nordic Hotel Consulting or any other reputable independent property advisor appointed by the Issuer, acceptable to the Bond Trustee.

“**Property Company**” each of the companies set out in Schedule 1 (*Property Companies and Properties*), excluding any Property Company that has been disposed by way of a Permitted Partial Divestment.

“**Property Valuation Method**” means a valuation method using the principles and assumptions as set out in the Initial Valuation Report to determine the market value of the Properties.

“**Rebuild Criteria**” has the meaning ascribed to the term in Clause ~~10.5~~10.6.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 18 (*Distribution of proceeds*), (iv) the date of a Bondholders’ Meeting or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Bonds*) or a distribution are to be made pursuant to Clause 18 (*Distribution of proceeds*), as applicable.

“**Reference Banks**” means Swedbank AB (publ), Nordea Bank Abp, filial Sverige and Svenska Handelsbanken AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

“**Reference Date**” means each of 31 March, 30 June, 30 September and 31 December, in each year.

“**Reference Period**” means, at any calculation date, the period of twelve months preceding such date.

“**Refinancing Proceeds**” has the meaning ascribed to the term in Clause 3.1(a) (*Use of Proceeds*).

“**Refurbishment**” means the refurbishments and upgrades to be carried out after the Settlement Date and which shall be made for the purpose of maintaining or enhancing the Properties Market Value.

“**Refurbishment Account**” means a bank account held in the name of the Issuer with the Account Bank for the credit of the Refurbishment Proceeds.

“**Refurbishment Plan**” means the Initial Refurbishment Plan or, following the Bond Trustee notifying the Issuer that it and Tribun AS have approved a Revised Refurbishment Plan, such Revised Refurbishment Plan.

“**Refurbishment Proceeds**” means up to SEK 180,000,000 of the Net Proceeds from the Bonds subject to the Refinancing Proceeds having been applied in accordance with Clause 3 (*Use of Proceeds*).

“**Release Price**” means in relation to a Property or a Property Company the higher of (i) all intra-group loans granted by the Issuer to the relevant Property Company plus unspent Refurbishments Proceeds (if any) allocated to the relevant Property or Property Company pursuant to the Refurbishment Plan multiplied with 1.10 and (ii) 75.00 per cent. of the value of that Property or Property Company pursuant to the Properties Market Value.

“**Replacement Share Certificates**” means the replacement share certificates to be issued by Host Billingeus in accordance with Clause 14.22 (*Replacement Share Certificates undertaking*), replacing the Missing Share Certificates.

“**Revised Refurbishment Plan**” means a revised Refurbishment Plan, prepared on the same basis as the Initial Refurbishment Plan, approved by Tribun AS or other relevant hospitality project company and delivered by the Issuer to the Bond Trustee, pursuant to which plan the Issuer sets out any material changes to the Refurbishments planned to be carried out in pursuant to the Initial Refurbishment Plan.

“**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.

“**Secured Obligations**” means all present and future obligations and liabilities of the Issuer Group Companies to the Secured Parties represented by the Bond Trustee under the Finance Documents and the Bond Trustee Agreement.

“**Secured Parties**” means the Bondholders and the Security Agent (including in its capacity as Bond Trustee under the Bond Trustee Agreement).

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

“**Securities Market Act**” means the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*).

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

“**Security Agent**” means the Bond Trustee acting in its capacity as Security Agent under the Security Documents.

“**Security Documents**” means:

Pre-Settlement Security

- (a) the pledge over the Escrow Account pursuant to the Escrow Account Pledge Agreement;
- (b) the Guarantee issued by the Parent under the Guarantee Agreement;

Pre-Disbursement Security

- (c) the Guarantee issued by each Property Company under the Guarantee Agreement;
- (d) the share pledges over the shares of the Issuer and the Property Companies (the “**Share Pledge Agreements**”);
- (e) the insurance pledges over each of the Property Companies’ rights under its respective insurance policy relating to its respective Property (the “**Insurance Pledge Agreement**”);
- (f) the receivables pledge over each of the Property Companies’ receivables relating to its respective Hotel Lease Agreement (the “**Receivables Pledge Agreement**”);
- (g) the loan pledges over:
 - (i) the rights of the Issuer under the intra group loans owed to the Issuer by each Property Company;
 - (ii) the rights of the Issuer under the loans owed to the Issuer by the Parent; and
 - (iii) the rights of the Parent under the loans owed to the Parent by the Issuer, (each a “**Loan Pledge Agreement**”);
- (h) the real property mortgages in respect of each of the Properties with an aggregate face value of not less than SEK 689,036,250 (the “**Real Property Mortgage Agreement**”); ~~and~~

Amendment Date Security

- (i) the share pledge over the shares of the Additional Property Company;
- (j) the real property mortgages in respect of the Additional Property with an aggregate face value of not less than SEK 18,200,000; and

(k) any other documents pursuant to which Transaction Security is provided (including any security document governing Supplemental Security).

“**Settlement Date**” means 28 November 2019.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; 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 the Reference Banks, 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.

However, if STIBOR is negative, it shall be deemed to be zero for the purposes of calculating the Interest Rate.

“**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)*).

“**Supplemental Security**” means:

- (a) the face value of the mortgage certificates issued in any property in the Group Property Portfolio; and
- (b) any other Security,

offered as additional security in favour of the Secured Parties, in each case acceptable to the Bond Trustee in its sole discretion. Only the face value of any mortgage certificates issued in a relevant property shall count as Supplemental Security pursuant to paragraph (a) above. Only the value of any Security which is not subject to any corporate benefit restrictions or other similar restrictions pursuant to any law, regulation or agreement which reduces the value of such Supplemental Security shall count as Supplemental Security pursuant to paragraph (a) and (b) above.

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

“**Total Interest Expenses**” means the interest accrued in respect of all interest bearing Financial Indebtedness of the Issuer during the Reference Period (including any interest which is capitalised, rolled-up or deferred during such period).

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

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer Group Companies in connection with the issue of the Bonds, the listing and admission to trading of the Bonds on an Exchange, and the refinancing of the Existing External Debt as specified in the Funds Flow Statement.

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

“**Tribun AS**” means Tribun AS, Norwegian Reg. No. 922 344 248.

“**Valuation Date**” means 30 June and 31 December each year, with the first Valuation Date occurring on 31 December 2019.

“**Valuation Report**” means the Initial Valuation Report as updated from time to time on each Valuation Date in accordance with Clause 12.1.4(h).

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 21 (*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) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 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.

1.2.4 No delay or omission of the Bond Trustee or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.2.5 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Bond Trustee.

2. STATUS OF THE BONDS

- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, the initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The initial nominal amount of each Bond is SEK 250,000 (the “**Initial Nominal Amount**”). The aggregate nominal amount of the Bonds as of the Settlement Date is SEK 500,000,000. All Bonds issued on the Settlement Date are issued on a fully paid basis at an issue price of 100.00 per cent. of the Initial Nominal Amount.
- 2.4 The Bonds constitute direct, unconditional, unsubordinated, senior secured and guaranteed obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated, senior secured and guaranteed obligations of the Issuer.
- 2.5 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulations to which a Bondholder or the Bonds may be subject. Each Bondholder 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 Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden or Norway, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.
- 2.7 The Parent irrevocably appoints the Issuer to act on its behalf as its agent in relation to the Finance Documents. The Issuer may on behalf of the Parent (i) supply information to the Bond Trustee and the Bondholders, (ii) give and receive notices, instructions and other communications under the Finance Documents, and (iii) make agreements and effect amendments, supplements and variations relating to the Finance Documents.

3. USE OF PROCEEDS

- 3.1 Upon release from the Escrow Account, the Issuer shall exclusively employ the Net Proceeds from the issue of the Bonds, as follows:
- (a) *first*, the repayment of Existing External Debt in full (the “**Refinancing Proceeds**”);
 - (b) *secondly*, Refurbishments, capital expenses, expenditures and investments relating to the Properties in accordance with the Initial Refurbishment Plan [and Clause 16.7 \(Refurbishment Proceeds and Refurbishment Plan\)](#) up to the Refurbishment Proceeds; and
 - (c) *thirdly*, any remaining amount to be used for general corporate purposes of the Issuer Group, including working capital.

3.2 The use of the Net Proceeds pursuant to Clause 3.1 shall be satisfactory evidenced to the Bond Trustee.

3.3 The Issuer irrevocably and unconditionally instruct the Bond Trustee and the Account Bank to pay any fees and costs (including legal costs) due and owing related to the issuance of the Bonds as evidenced through invoice from the Issuing Agent or the Bond Trustee (confirmed by the Issuer) using the proceeds on the Escrow Account, to the extent such fees and costs have not been deducted from the proceeds transferred to the Escrow Account.

4. PRE-SETTLEMENT CONDITIONS

4.1 The Issuing Agent shall pay the Net Proceeds from the issuance of the Bonds into the Escrow Account on the Settlement Date, provided that the Bond Trustee pursuant to Clause 4.3 has notified the Issuing Agent that it is satisfied that it has received the following:

- (a) the Bond Trustee Agreement duly executed by the Issuer and the Bond Trustee;
- (b) these Terms and Conditions duly executed by the Issuer and the Bond Trustee;
- (c) constitutional documents of the Issuer and the Parent including the articles of association (*bolagsordning*) and certificate of registration (*registreringsbevis*) and necessary corporate resolutions in respect of the Issuer and the Parent pursuant to which they resolves to enter into the relevant Finance Documents and authorising one or several persons to sign, execute and deliver the relevant Finance Documents to which it is a party;
- (d) the latest financial statements and reports of the Issuer;
- (e) a group structure chart showing that the Issuer is the direct 100.00 per cent. owner of the Property Companies detailing company names, registration numbers and ownership percentages in respect of the Property Companies;
- (f) a certificate issued by the Parent confirming that all vendor loans to the Issuer arising as a result of the Issuer's acquisition of Host Billingeus from the Parent have been converted to unconditional shareholder contributions and constitute equity;
- (g) due execution of the Guarantee Agreement by the Parent;
- (h) signed copies of the nine Hotel Lease Agreements;
- (i) a copy of the Initial Valuation Report; and
- (j) the Escrow Account Pledge Agreement duly executed and perfected in accordance with its terms by all parties thereto (including all applicable notices, acknowledgements and consents from the Account Bank).

4.2 The Bond Trustee 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 Bond Trustee does not have to verify the contents of any such documentation or review it from a legal or commercial perspective.

4.3 The Bond Trustee shall confirm to the Issuing Agent when the conditions in Clause 4.1 have been satisfied. The Settlement Date shall not occur (i) unless the Bond Trustee makes such confirmation to the Issuing Agent no later than 14.00 a.m. two (2) Business Days before the Settlement Date (or later, if the Issuing Agent so agrees), or (ii) if the Issuing Agent and the Issuer agree to postpone the Settlement Date.

4.4 The Net Proceeds shall be paid by the Issuing Agent into the Escrow Account. Subject to Clause 4.1, the Net Proceeds standing to the credit on the Escrow Account shall be blocked and pledged by the Issuer in favour of the Secured Parties and form part of the Transaction Security pursuant to the Escrow Account Pledge Agreement.

5. ESCROW OF PROCEEDS

5.1 When the Bond Trustee is satisfied that it has received the following documents and evidence, the Bond Trustee shall instruct the Account Bank to promptly release the Net Proceeds from the Bonds from the Escrow Account and transfer (i) an amount sufficient to redeem the Existing External Debt to the Issuer's bank account with the Account Bank registered with the CSD for the purpose of redeeming the Existing External Debt in full, (ii) up to SEK 180,000,000 to the Refurbishment Account and (iii) the residual amount to the account designated by the Issuer:

- (a) a Compliance Certificate executed by the Issuer;
- (b) a copy of an insurance letter confirming that (i) insurances required pursuant to Clause ~~16.7~~ 16.6 (*Insurance*) have been taken out by the Issuer with reputable insurance companies or underwriters and are in force, (ii) the necessary premium of the insurance cover has been paid, and (iii) that such insurances are in line with industry standard and the level of cover is appropriate;
- (c) constitutional documents of each Property Company (including the articles of association (*bolagsordning*) and certificate of registration (*registreringsbevis*)) and necessary corporate resolutions in respect each Property Company pursuant to which each such company resolves to enter into the relevant Finance Documents and authorising one or several persons to sign, execute and deliver the relevant Finance Documents to which it is a party;
- (d) due execution of all Security Documents together with evidence of the establishment and perfection (as applicable) of such Transaction Security in accordance with the terms of the respective Security Document, meaning:
 - (i) due execution of the Guarantee Agreement by each of the Property Companies;
 - (ii) in respect of each Share Pledge Agreements, delivery of (i) a copy of the shareholder register (*aktiebok*) of the Issuer and each of the Property Companies with a notation stating that all its respective shares are pledged in favour of the Security Agent on behalf of the Secured Parties, (ii) all share certificates in the Issuer and the Property Companies other than the Missing Share Certificates, duly endorsed in blank to the Security Agent and (iii) a notice of pledge duly signed by each pledgor and acknowledged by the relevant Issuer Group Company;
 - (iii) in respect of the Insurance Pledge Agreement, (i) delivery of a notice from each of the Property Companies to its insurer stating that its insurance

policy relating to its Property is pledged in favour of the Security Agent on behalf of the Secured Parties and (ii) evidence in written form (e.g. by email, letter or fax) that the insurer has received the notice referred to in (i);

- (iv) in respect of the Receivables Pledge Agreement, delivery of (i) a notice from each of the Property Companies to its respective Hotel Lessee stating that its receivables under its respective Hotel Lease Agreement are pledged in favour of the Security Agent on behalf of the Secured Parties and (ii) an acknowledgement of receipt from the respective Hotel Lessee;
- (v) in respect of each Loan Pledge Agreement, delivery of (i) a notice from each of the pledgors to each of the borrowers stating that its receivables are pledged in favour of the Security Agent on behalf of the Secured Parties and (ii) an acknowledgement of receipt from the borrowers;
- (vi) in respect of the Real Property Mortgage Agreement, delivery of original copies of all existing mortgage certificates issued in the Properties in written form and in computerised form (*datapantbrev*) having been made available in the Mortgages Certificates Register (*Pantbrevsregistret*) (as the case may be), together with applications for the issuance of new mortgage certificates in the Properties with an aggregate face value of no less than SEK 156,276,250;

- (e) the latest financial statements and reports of the Parent and each of the Property Companies;
- (f) a release notice executed by the security agent for the Existing External Debt evidencing that all Existing Security over the assets of the relevant Issuer Group Companies has been or will be released on the date of disbursement;
- (g) a search with the Swedish Land Registration Authority, in each case showing that (i) no mortgage certificates are issued in the Properties other than the mortgage certificates which are subject to Transaction Security pursuant to the Real Property Mortgage Agreement and the mortgage certificate in the amount of SEK 500,000 issued in the property Kalmar Krögaren 10 and (ii) that the Property Companies are the registered owners of the Properties;
- (h) due execution of relevant standard agreements for all loans within the Issuer Group and between the Issuer and the Parent;
- (i) the Funds Flow Statement; and
- (j) a copy of the Initial Refurbishment Plan.

5.2 The Bond Trustee may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Bond Trustee does not have to verify the contents of any such documentation or review it from a legal or commercial perspective.

6. BONDS IN BOOK-ENTRY FORM

6.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in

accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

- 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 Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer and the Bond Trustee shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Bond Trustee, the Issuer shall promptly obtain such information and provide it to the Bond Trustee. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- 6.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Bond Trustee, as notified by the Bond Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Bond Trustee or unless consent thereto is given by the Bondholders.
- 6.5 The Issuer and the Bond Trustee may use the information referred to in Clause 6.3 and 6.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 7.1 If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- 7.2 A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- 7.3 The Bond Trustee 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 or the Bond Trustee has actual knowledge to the contrary.

8. PAYMENTS IN RESPECT OF THE BONDS

- 8.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 8.2 If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 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 9.2-9.3 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 shall pay any stamp duty and other public fees accruing in connection with the perfection of the Transaction Security, but, for the avoidance of doubt, not in respect of trading in the primary or secondary market.
- 8.6 All amounts payable by the Issuer to the Bondholders shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or any authority thereof or therein unless such withholding or deduction is required by law or regulation or the interpretation or application of such regulations. If such withholding or deduction is required, the Issuer will at the request of the relevant Bondholder pay such additional amounts (the “**Additional Amounts**”) as are necessary in order that the net amount received by the relevant Bondholder, after such withholding or deduction, shall be equal to the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.
- 8.7 Notwithstanding Clause 8.5, no Additional Amounts shall be payable on account of any taxes or duties which:
- (a) are payable by reason of any relevant person having, or having had, some connection with Sweden other than the mere holding of the Bond(s);
 - (b) would not be payable if a relevant person made a declaration of non-residence or similar claim for exemption to the relevant tax authority;
 - (c) would not be payable if a relevant person could claim an exemption under a tax treaty;
 - (d) are withheld or deducted pursuant to any European Union Directive or Regulation concerning the taxation of interest income or any provision of law implementing or complying with such Directive or Regulation; or
 - (e) gives rise to a tax credit that may be effectively used by a relevant person.

9. INTEREST

9.1 Each Bond carries Interest at the Interest Rate calculated on the Nominal Amount from (but excluding) the Settlement Date up to (and including) the relevant Redemption Date. Interest accrues during an Interest Period.

9.2 Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

9.3 ~~9.2~~ Interest shall be calculated on the basis of the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

9.4 ~~9.3~~ If the Issuer fails to pay any amount payable by it under the Finance Documents 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 2.00 per cent. 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 Bond Trustee or the CSD, in which case the Interest Rate shall apply instead.

10. REDEMPTION AND REPURCHASE OF THE BONDS

10.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Maturity Date with an amount per Bond equal to 103.00 per cent. of the Nominal Amount together with accrued but unpaid Interest. If the Maturity Date is not a Business Day, then the redemption shall occur on the Business Day following from an application of the Business Day Convention.

10.2 Purchase of Bonds by the Issuer

The Issuer may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. Bonds held by the Issuer may at the Issuer's discretion be retained or sold by the Issuer, but not cancelled, except in connection with a full redemption of the Bonds.

10.3 Voluntary total redemption (call option)

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

- (a) any time from and including the Settlement Date to, but excluding, the First Call Date at a price equal to the Optional Early Redemption Amount together with accrued but unpaid Interest;
- (b) any time from and including the First Call Date to, but excluding, the Business Day falling two (2) months prior to the Maturity Date at an amount per Bond equal to ~~101.50~~ 104.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (c) any time from and including the Business Day falling two (2) months prior to the Maturity Date to, but excluding, the Maturity Date at an amount per Bond equal to ~~100.50%~~ 103.50 per cent. of the Nominal Amount together with accrued but unpaid Interest.

10.3.2 Redemption in accordance with Clause 10.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Bond Trustee. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Redemption Date.

10.4 Voluntary partial redemption due to an equity injection (call option)

10.4.1 The Issuer may, on one or several occasions, make partial redemptions of Bonds in an amount not exceeding cash actually received by the Issuer from the Parent (i) in exchange for fully paid ordinary shares in the Issuer or (ii) by way of an unconditional shareholders contribution (*aktieägartillskott*) (such amount referred to as the "Equity Injection"). Any such partial redemption shall reduce the Nominal Amount of each Bond *pro rata* at a price equal to 102.00 per cent. of the Nominal Amount. The amount of an Equity Injection used to partially redeem Bonds must be at least SEK 10,000,000 and integral multiples thereof. The amount to be prepaid shall be rounded down to the nearest SEK 1.00 per Bond.

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 Bondholders and the Bond Trustee. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in part at the applicable amount on the specified Redemption Date.

10.5 **10.4 Mandatory Prepayment due to Permitted Partial Divestment or a Permitted Land Parcel Divestment**

10.5.1 ~~10.4.1~~ The Issuer shall ensure that, upon a Permitted Partial Divestment or a Permitted Land Parcel Divestment, an amount at least equal to the Release Price for each Property, Property Company or Land Parcel divested (such amount referred to as the "Prepayment Amount") is transferred to the Escrow Account. When the Prepayment Amount has been transferred to the Escrow Account, the Bond Trustee shall release the security interest over the divested asset (as applicable). The Prepayment Amount shall remain on the Escrow Account until the Bond Trustee instructs the Account Bank to transfer such amount for the purpose of prepayment of the Bonds as set out in this Clause ~~10.4~~10.5.

10.5.2 ~~10.4.2~~ The Issuer shall ensure that the Prepayment Amount is used to partially to prepay the Bonds by applying the Prepayment Amount towards reduction of the Nominal Amount of each Bond *pro rata* at a price equal to 102.00 per cent. of the Nominal Amount. The amount to be prepaid shall be rounded down to the nearest SEK 1.00 per Bond.

10.5.3 ~~10.4.3~~ The prepayment of the Bonds 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 end of the notice period set out in the notice delivered to the Bondholders pursuant to paragraph (iv) below, (iii) include accrued but unpaid Interest and (iv) be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Bond Trustee. The notice from the Issuer shall specify the relevant Interest Payment Date and also the Record Date on which a person shall be registered as a Bondholder to

receive the amounts due on such Interest Payment Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to prepay the Bonds in accordance with Clause ~~10.4.2~~10.5.2 on the specified Interest Payment Date.

10.6 ~~10.5~~ **Mandatory Prepayment due to a Loss Event**

10.6.1 ~~10.5.1~~ In the event of a Loss Event, the Issuer shall as soon as insurance proceeds are available but not later than one hundred and eighty (180) calendar days following the occurrence of a Loss Event, redeem all, but not some only, of the outstanding Bonds in full at a price per Bond equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

10.6.2 ~~10.5.2~~ Notwithstanding the above, following a Loss Event described in paragraph (b) or (c) in the definition of Loss Event, the Issuer may instead of a redemption rebuild the relevant Property, subject to:

- (a) delivery of an investment plan to the Bond Trustee, approved by the Property Advisor (acting reasonable), describing how the insurance proceeds shall be applied; and
- (b) the Issuer demonstrating to the Bond Trustee's satisfaction that the Issuer will have sufficient funds to comply with its obligations under the Finance Documents and to complete the proposed repair or reinstatement and rebuild of the relevant Property,

prior to one hundred and fifty (150) calendar days following the occurrence of a Loss Event (paragraph (a) and (b) jointly referred to as the "**Rebuild Criteria**").

10.6.3 ~~10.5.3~~ The Issuer shall ensure that the proceeds out of a Loss Event are paid directly to the Escrow Account as soon as they become available (the "**Insurance Proceeds**"). The Bond Trustee may release the Insurance Proceeds to the Issuer to either (i) fund the redemption of the Bonds in full; or (ii) subject to satisfaction of the Rebuild Criteria, fund the rebuild of each affected Property.

10.6.4 ~~10.5.4~~ Redemption in relation to a Loss Event shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Bond Trustee. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Redemption Date.

10.7 ~~10.6~~ **Early redemption due to illegality and repurchase due to a tax event (call option)**

10.7.1 ~~10.6.1~~ The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

10.7.2 ~~10.6.2~~ The Issuer may repurchase the relevant Bonds if, as a result of any change in, or amendment to regulations in Sweden, or any change in the interpretation or application of such regulations, which amendment or change is effective on or after the Settlement Date,

the Issuer has or will become required to pay any Additional Amount in relation to such Bonds and this obligation cannot be avoided by reasonable measures available to the Issuer. The Bonds shall be repurchased at an amount per Bond equal to the amount specified in Clause 10.3 (*Voluntary total redemption (call option)*), as applicable considering when the repurchase takes place.

10.7.3 ~~10.6.3~~ The Issuer may give notice of redemption and repurchase pursuant to Clause ~~10.6.1~~ 10.7.1 and ~~10.6.2~~ 10.7.2 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). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem, or repurchase (in which case each relevant Bondholder is bound to sell), as the case may be, the Bonds in full at the applicable amount on the specified Redemption Date.

10.8 ~~10.7~~ **Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)**

10.8.1 ~~10.7.1~~ Upon the occurrence of a Change of Control Event, each Bondholder shall during a period of thirty (30) calendar days from the effective date of a notice from the Issuer of the Change of Control Event pursuant to Clause 12.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to ~~101.00~~ 102.00 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event.

10.8.2 ~~10.7.2~~ Upon the occurrence of a Listing Failure Event, each Bondholder shall during a period of thirty (30) calendar days from the effective date of a notice from the Issuer of the Listing Failure Event pursuant to Clause 12.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to ~~101.00~~ 102.00 per cent. of the Nominal Amount together with accrued but unpaid Interest.

10.8.3 ~~10.7.3~~ The notice from the Issuer pursuant to Clause 12.1.2 shall specify the Record Date on which a person shall be registered as a Bondholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 12.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause ~~10.7.1~~ 10.8.1 and Clause ~~10.7.2~~ 10.8.2.

10.8.4 ~~10.7.4~~ If Bonds representing more than 90.00 per cent. of the Total Nominal Amount have been repurchased following a Change of Control Event, the Issuer is entitled to repurchase all the remaining outstanding Bonds at the price per Bond equal to ~~101.00~~ 102.00 per cent. of the Nominal Amount together with accrued but unpaid Interest by notifying the remaining Bondholders of its intention to do so no later than twenty (20) calendar days after the redemption date referred to in Clause ~~10.7.3~~ 10.8.3. The Redemption Date in relation to such repurchase may occur at the earliest on the 15th calendar day following the date of such notice and no later than forty (40) Business Days after the end of the period referred to in Clause ~~10.7.1~~ 10.8.1.

10.8.5 ~~10.7.5~~ Any Bonds repurchased by the Issuer pursuant to this Clause ~~10.7~~-10.8 may at the Issuer's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

10.8.6 ~~10.7.6~~ No repurchase of Bonds pursuant to this Clause ~~10.7~~-10.8 shall be required if the Issuer has given notice of a redemption pursuant to Clause 10.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

11. TRANSACTION SECURITY AND GUARANTEE

11.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Parent and the Issuer Group Companies (as applicable) grant:

- (a) on or before the Settlement Date, the Pre-Settlement Security; ~~and~~
- (b) on or before any disbursement of the Net Proceeds from the Bonds is made from the Escrow Account, the Pre-Disbursement Security; ~~;~~ and
- (c) on or before the Amendment Date, the Amendment Date Security.

to the Secured Parties as represented by the Security Agent. The Transaction Security shall be provided and, as applicable, perfected or unperfected pursuant to, and subject to the terms of, the Security Documents entered into or to be entered into between the Parent or an Issuer Group Company (as applicable) and the Security Agent (acting on behalf of the Secured Parties). The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.

11.2 The Security Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.

11.3 The Transaction Security shall, subject to applicable mandatory law only, be first ranking. Following the occurrence of an Event of Default and for as long as it is continuing, the Transaction Security pursuant to the Receivables Pledge Agreement, the Loan Pledge Agreement referred to in paragraph (g) item (ii) in the definition of the "Security Documents" shall be perfected in accordance with the relevant Security Documents. In addition, the share pledge over the shares in Host Billingeus will be subject to delayed perfection in accordance with the terms of the Share Pledge Agreement over the Property Companies.

11.4 Unless and until the Bond Trustee has received instructions from the Bondholders in accordance with Clause 19 (*Decisions by Bondholders*), the Bond Trustee shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Parent, an Issuer Group Company or a third party or take any other actions, if it is, in the Bond Trustee's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security or the Guarantee, creating further Security or guarantees for the benefit of the Secured Parties or for the purpose of settling the Bondholders', the Parent's or an Issuer Group Company's rights to the Transaction Security or the Guarantee, in each case in accordance with the terms of the Finance Documents.

11.5 For the purpose of exercising the rights of the Secured Parties, the Bond Trustee may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD to another bank account. The Issuer shall immediately upon request by the Bond

Trustee provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 11.5.

- 11.6 The Bond Trustee shall be entitled to release all Transaction Security when the Bond Trustee has received evidence to its satisfaction of the full discharge of the Secured Obligations. The Bond Trustee may rely on information received by it in this respect from relevant third parties, unless it has actual knowledge that the information is incorrect.

12. INFORMATION TO BONDHOLDERS

12.1 Information from the Issuer

- 12.1.1 The Issuer will procure that the following information is made available to the Bondholders by publication on the website of the Issuer or provision of copies thereof to the Bondholders and the Bond Trustee:
- (a) as soon as the same become available, but in any event within one hundred and twenty (120) calendar days after the end of each financial year, the audited consolidated financial statements for that financial year for the Issuer, prepared in accordance with the Accounting Principles;
 - (b) as soon as the same become available, but in any event within one hundred and twenty (120) calendar days after the end of each financial year, the audited unconsolidated financial statements for that financial year for the Parent, the Issuer and each Property Company, prepared in accordance with the Accounting Principles;
 - (c) as soon as the same become available, but in any event within thirty (30) calendar days after the end of each quarter of the Issuer's financial year, its consolidated unaudited financial statements for such period prepared in accordance with the Accounting Principles; and
 - (d) any other information required by the Securities Markets Act (if applicable) and the rules and regulations of the Exchange on which the Bonds are listed and admitted to trading.
- 12.1.2 The Issuer shall immediately notify the Bondholders and the Bond Trustee upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.
- 12.1.3 The Parent and the Issuer Group Companies, as applicable, shall without being requested to do so, immediately notify the Bond Trustee (with full particulars) in writing upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which could reasonably be expected to lead to an Event of Default, and any other event which could reasonably be expected to have a Material Adverse Effect, and shall provide the Bond Trustee with such further information as it may reasonably request in writing following receipt of such notice. Should the Bond Trustee not receive such information, the Bond Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Bond Trustee does not have actual knowledge of such event or circumstance.

- 12.1.4 The Issuer shall (and shall procure that each Property Company will (as applicable)):
- (a) without being requested to do so, inform the Bond Trustee in writing in respect of any details as to a redemption or repurchase pursuant to Clause 10 (*Redemption and Repurchase of the Bonds*);
 - (b) at the request of the Bond Trustee, report the aggregate Nominal Amount held by Group Companies, or, to the knowledge of the Issuer, an Affiliate;
 - (c) without being requested to do so, send the Bond Trustee copies of any statutory creditors' notifications of any Issuer Group Companies, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
 - (d) when the Bonds has been listed and admitted to trading on an Exchange, without being required to do so pursuant to these Terms and Conditions, send a copy to the Bond Trustee of its notices to the relevant Exchange;
 - (e) if the Issuer and/or the Bonds are rated, without being required to do so pursuant to these Terms and Conditions, inform the Bond Trustee of its and/or the rating of the Bond Loan, and any changes to such rating;
 - (f) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the register kept by the CSD;
 - (g) within a reasonable time, provide such information about the Issuer's business, assets and financial condition as the Bond Trustee may reasonably request subject to any restrictions that may follow from mandatory regulations and Exchange rules applicable to the Issuer;
 - (h) deliver no later than sixty (60) calendar days after each Valuation Date an up-to-date Valuation Report from the Property Advisor evidencing the Properties Market Value in form and substance satisfactory to the Bond Trustee;
 - (i) without being requested to do so, promptly notify the Bond Trustee of:
 - (i) the proposed terms of any future renewal of any of the insurances;
 - (ii) any amendment, supplement, extension, termination, avoidance or cancellation of any of the insurances made or, to its knowledge, threatened or pending; and
 - (iii) any substantial claim, and any actual or threatened refusal of any substantial claim, under any of the insurances,

in each case relating to any of the insurances taken out in accordance with Clause ~~16.7~~16.6 (*Insurance*),

provided that any information delivered pursuant to paragraphs (a) to (i) above shall be subject to any restrictions that may follow from mandatory regulations and Exchange rules applicable to the Company.

- 12.1.5 When the financial statements and other information are made available to the Bondholders pursuant to Clause 12.1.1, the Issuer shall send copies of such financial

statements and other information to the Bond Trustee. Together with the Issuer's consolidated financial statements, the Issuer shall submit to the Bond Trustee a Compliance Certificate and copies of any notices sent to the Exchange on which the Bond Loan is admitted to trading.

- 12.1.6 When the financial statements are made available to the Bondholders pursuant to Clause 12.1.1(c), the Issuer shall provide the Bondholders with written information which, as a minimum, shall include:
- (a) a description of the operations and activities of the Issuer Group;
 - (b) profitability reporting for each Property Company; and
 - (c) an overview of each development project of the Issuer Group which has a total budget per project of above SEK 20,000,000.
- 12.1.7 The Issuer shall invite the Bondholders to physical or telephone conference investor meetings on a semi-annual basis. Such meetings to be held no later than sixty (60) calendar days after each 30 June and 31 December each year, as relevant, and shall be convened by the Issuer by notice on its website no later than five (5) Business Days before the relevant meeting. If a physical meeting is convened, the Issuer shall ensure that it is possible to participate in the meeting on equal terms by telephone. The purpose of such meetings is to provide the Bondholders with sufficient information of the operations and activities of the Issuer Group. At each such meeting the Issuer shall as a minimum present to the Bondholders a general company financial and operations overview including the progress and development of the Issuer Group since the last investor meeting referred to in this Clause 12.1.7. Each such presentation shall include an overview of the profitability and development of each development project of the Issuer Group that has a total budget per project of above SEK 20,000,000. The Bondholders shall at such meetings be provided the opportunity to ask questions about the presentation as they see fit and the Issuer shall use its best efforts to answer such questions to the satisfaction of the Bondholders.

12.2 Information from the Bond Trustee

- 12.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Bond Trustee in accordance with Clause 12.2.2, the Bond Trustee is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Group or the Bonds. Notwithstanding the foregoing, the Bond Trustee may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 12.2.2 If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 19 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Bond Trustee shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

12.3 Information among the Bondholders

Upon request by a Bondholder, the Bond Trustee shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds. The Bond

Trustee may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Bond Trustee in doing so (including a reasonable fee for the work of the Bond Trustee) before any such information is distributed.

12.4 Publication of Finance Documents

12.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the website of the Issuer and the Bond Trustee.

12.4.2 The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Bond Trustee during normal business hours.

13. FINANCIAL COVENANTS

13.1 Maintenance Test

(a) Interest Coverage Ratio: ~~the~~ The Issuer shall, ~~at all times,~~ maintain an Interest Coverage Ratio of no less than ~~1.3:1.0; and~~

(i) 0.20:1.0 for the Reference Period ending on 31 December 2021;

(ii) 0.35:1.0 for the Reference Period ending on 31 March 2022;

(iii) 0.55:1.0 for the Reference Period ending on 30 June 2022;

(iv) 0.65:1.0 for the Reference Period ending on 30 September 2022; and

(v) 0.80:1.0 for the Reference Period ending on 31 December 2022.

(b) Issuer Group LTV: ~~the~~ The Issuer Group shall, ~~at all times,~~ maintain the Issuer Group LTV at a maximum of ~~60.00 per cent.;~~

(i) 75.00 per cent. for the Reference Date falling on 31 December 2021;

(ii) 70.00 per cent. for each Reference Date falling after 31 December 2021.

13.2 Cure of Maintenance Test

13.2.1 If at any time there is a breach of Clause 13.1 (*Maintenance Test*), no Event of Default will occur if, within five (5) Business Days of the delivery of the Compliance Certificate evidencing that breach, the Issuer:

(a) place the amount of New Investments required to cure such breach into the Escrow Account;

(b) provide Supplementary Security; or

(c) effect any combination of paragraph (a) and (b).

13.2.2 After the New Investment has been credited to the Escrow Account and/or the Supplementary Security been provided to the Security Agent and perfected, the relevant Maintenance Test shall be recalculated giving effect to the following adjustments (in each case without double counting):

- (a) for the purpose of calculating the Interest Cover Ratio: the interest bearing Financial Indebtedness of the Issuer shall be deemed to have been reduced by the amount of the New Investment credited to the Escrow Account and the Total Interest Expenses shall be recalculated accordingly for the whole Reference Period (and reflected in the calculations for the next three Reference Dates); and
- (b) for the purpose of calculating the Issuer Group LTV: New Investment credited to the Escrow Account and/or the value of the Supplemental Security provided to the Security Agent and perfected shall be added to the Properties Market Value (as further set out in the definition of “Issuer Group LTV”).

13.2.3 In relation to the Interest Cover Ratio, no more than three (3) cures may be made prior to the Maturity Date and cures may not be made on two (2) consecutive Reference Dates.

13.2.4 Any breach of a Maintenance Test which is cured pursuant to this Clause 13.2 (*Cure of Maintenance Test*) shall not be considered a breach of that Maintenance Test.

13.2.5 Any New Investment placed into the Escrow Account pursuant to Clause 13.2.1(a) above or Supplemental Security posted pursuant to Clause 13.2.1(b) above, may at the Bond Trustee’s sole discretion be released and discharged at a subsequent measurement date provided that both the Maintenance Tests are complied with pursuant to Clause 13.1 (*Maintenance Test*) following such release and discharge.

13.3 **Financial testing**

The Issuer undertakes to comply with the Maintenance Test financial covenants at all times [specified in Clause 13.1 \(*Maintenance Test*\)](#). Such compliance shall be measured on each Reference Date and certified by the Issuer with each Compliance Certificate to the Bond Trustee pursuant to Clause 12.1.5.

14. **ISSUER GROUP UNDERTAKINGS**

14.1 ***Pari passu* ranking**

The Issuer shall ensure that its obligations under the Finance Documents at all times rank at least as set out in Clause 2.4.

14.2 **Mergers**

The Issuer shall not (and shall ensure that no other Issuer Group Company will) carry out any merger or other business combination or corporate reorganisation involving a consolidation of the assets and obligations of the Issuer or any of its Subsidiaries.

14.3 **De-mergers**

The Issuer shall not (and shall ensure that no other Issuer Group Company will) carry out any de-merger or other corporate reorganisation involving a split of the Issuer or any Issuer Group Company into two or more separate companies or entities.

14.4 **Continuation of business**

The Issuer shall not (and shall ensure that no Issuer Group Company) cease to carry on its business, and shall procure that no substantial change is made to the general nature of the

business of the Issuer Group from that carried on at the Settlement Date, and/or as set out in the Finance Documents.

14.5 **Transaction Security**

The Issuer shall ensure that:

- (a) all of its shares in the Property Companies are comprised by Transaction Security;
- (b) all intra-group loans granted by the Issuer to the Property Companies and the Parent are comprised by Transaction Security; and
- (c) the Security to be granted by the Property Companies pursuant to these Terms and Conditions is comprised by Transaction Security.

14.6 **Disposal**

14.6.1 The Issuer shall not (and shall procure that no other Issuer Group Company will) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any asset.

14.6.2 Clause 14.6.1 does not apply to any disposal:

- (a) of a Property or the shares in a Property Company, in each case in accordance with Clause 14.6.3 below, or a Land Parcel in accordance with Clause 14.6.4 below; or
- (b) of any other of its assets or operations unless such disposal is made on arm's length terms at fair market value and does not have a Material Adverse Effect.

14.6.3 The Issuer may dispose of the shares in a Property Company and a Property Company may dispose of its Property if:

- (a) no Event of Default is continuing or would result from that disposal;
- (b) the Issuer Group LTV will not increase as a result of the disposal;
- (c) that disposal is on arm's length terms at fair market value to an unrelated third party;
- (d) the net disposal proceeds are sufficient and will be used for the payment of any taxes incurred by the disposing company in relation to the disposal and redeeming the Bonds with an amount at least equal to the Release Price; and
- (e) the disposal together with any other disposal permitted pursuant to this Clause 14.6.3 and any Permitted Land Parcel Divestment does not represent more than 30.00 per cent. of the Properties Market Value as set out in the Initial Valuation Report,

a disposal in accordance with this Clause 14.6.3 is referred to as a "**Permitted Partial Divestment**".

14.6.4 A Property Company may dispose of a Land Parcel if:

- (a) the parcelling of the relevant Property will not adversely affect (i) the hotel operations on the Property, (ii) the rights of the Bondholders under the Finance Documents (including but not limited to the Transaction Security created under the Real Property Mortgage Agreement, whereby no mortgage certificates shall be allocated to the parcelled part of the Property that shall be disposed of by way of such parcelling) or (iii), any Issuer Group Company's obligations under the Finance Documents;
- (b) no Event of Default is continuing or would result from that disposal;
- (c) the Issuer Group LTV will not increase as a result of the disposal;
- (d) that disposal is on arm's length terms at fair market value to an unrelated third party;
- (e) the net disposal proceeds will be used for the payment of any taxes incurred by the disposing company in relation to the disposals; and
- (f) the disposal together with any other disposal permitted pursuant to this Clause 14.6.4 does not represent more than 5% of the Properties Market Value as set out in the Initial Valuation Report,

a disposal in accordance with this Clause 14.6.4 is referred to as a "**Permitted Land Parcel Divestment**".

14.6.5 For the purposes of this Clause 14.6, **net disposal proceeds** means the gross proceeds of any disposal permitted under Clause 14.6.3 and 14.6.4 less an amount of the reasonable costs and expenses associated with that disposal.

14.7 **Arm's length transactions and affiliated parties**

The Issuer shall not (and shall procure that no other Issuer Group Company will) enter into any transaction with any person except on arm's length terms and for fair market value.

14.8 **Corporate status**

The Issuer shall not (and shall ensure that no other Issuer Group Company will) change its type of organisation or jurisdiction of incorporation.

14.9 **Compliance with regulations**

The Issuer shall (and shall ensure that each other Issuer Group Company will):

- (a) carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all regulations it or they may be subject to from time to time; and
- (b) obtain, maintain and ensure compliance in all material respects with all requisite permits, licences, exemptions and other authorisations and fulfil any material obligation to file any notifications or reports under any regulations for the use of all Properties in accordance with the Lease Agreements.

14.10 **Financial Indebtedness restrictions**

The Issuer shall not (and shall ensure that no other Issuer Group Company will) incur or permit to remain outstanding any Financial Indebtedness (whether secured or unsecured) other than:

- (a) the Bonds;
- (b) any shareholder loans from the Parent to the Issuer which is subject to Transaction Security;
- (c) any intra-group loan from the Issuer to a Property Company which is subject to Transaction Security;
- (d) prior to release of the Net Proceeds from the Bonds from the Escrow Account, the Existing External Debt; and
- (e) arising as a result of the refinancing of the Bonds in full provided that such Financial Indebtedness is not incurred earlier than twenty (20) calendar days prior to the Redemption Date and held on a separate account.

14.11 **Negative pledge**

The Issuer shall not (and shall ensure that no other Issuer Group Company will) create, permit to subsist or allow to exist any Security over any of its present or future assets or revenues, other than:

- (a) Security granted (or to be granted) for the Secured Obligations;
- (b) any lien or right of set-off arising by operation of law in ordinary course of business and not as a result of any default or omission by an Issuer Group Company;
- (c) prior to the release of Net Proceeds from the Bonds from the Escrow Account, Existing Security;
- (d) any Security over proceeds which have been utilised by the Issuer for the purpose of refinancing the Bonds in full; and
- (e) Security over a property mortgage certificate in the amount of SEK 500,000 issued in the property Kalmar Krögaren 10.

14.12 **Financial support**

The Issuer shall not (and shall ensure that no other Issuer Group Company will) grant any loans, guarantees or other financial assistance to or on behalf of any party other than any intra-group loans to the Parent and the Property Companies which are subject to Transaction Security.

14.13 **Management fee**

The Issuer shall not (and shall ensure that no other Issuer Group Company will) make or agree to make any payment of general and administrative expenses to the Parent or any

other Issuer Group Company or any of their affiliates other than Permitted Management Fee Payments.

14.14 Distribution restrictions

~~14.14.1 Other than:~~

- (a) Permitted Management Fee Payments;
- (b) distributions from a Property Company to the Issuer,

the Issuer shall not (and shall ensure that no Issuer Group Company will) declare or make any dividend payment or distribution, whether in cash or in kind, repurchase of shares or make other similar transactions (including, but not limited to total return swaps related to its shares and reductions in its share capital or equity), grant loans or make cash payment (interest or amortisations) under intra-group loans, or other distributions to its (direct or indirect) shareholders or affiliates thereof ~~(collectively "Distributions") unless such Distribution is permitted by law and immediately after such Distribution:~~

- ~~(i) Issuer Group LTV is less than 55.00 per cent.;~~
- ~~(ii) Free Cash exceeds SEK 15,000,000; and~~
- ~~(iii) no Event of Default is outstanding or would result therefrom.~~

~~14.14.2 If the Issuer carries out a Distribution it shall include detailed information of such Distribution in the next following Compliance Certificate which is to be delivered after such Distribution was made.~~

14.15 Hotel Lease Agreement

~~The Issuer shall ensure that the Property Companies shall not amend or agree to amend any material terms of the Hotel Lease Agreements without the prior written consent from the Bond Trustee (such consent not to be unreasonably withheld or delayed) or assign, transfer, terminate or replace its respective Hotel Lease Agreements. However, the Hotel Lease Agreements may be amended or replaced without the prior written consent from the Bond Trustee provided that the amendment or replacement is not detrimental to the interests of any of the Issuer, the Property Companies or the Bondholders.~~

The Issuer shall use its best efforts to ensure that the Hotel Lease Agreements are maintained or renewed on as favourable terms as are reasonably obtainable for the Property Companies. For as long as no Event of Default is continuing, the Property Companies shall be free to amend or replace the Hotel Lease Agreements when it is in their reasonable opinion in the best interests of the Issuer, the Property Companies and the Bondholders.

14.16 Business and management agreements of the Property Companies

The Issuer shall ensure that the Property Companies procures that their payment obligations under any business and management agreements will be subordinated to their obligations under the Finance Documents.

14.17 **Issuer Holding Company**

The Issuer shall not trade, carry on any business, own any assets or incur any liabilities except for:

- (a) the provision of administrative services to other Issuer Group Companies of a type customarily provided by a holding company to its Subsidiaries;
- (b) the provision of asset management services in relation to the Properties customarily provided within the business of the Issuer Group;
- (c) ownership of shares in the Property Companies, intra-group debit balances, intra-group credit balances, credit balances in bank accounts provided that such events are not prohibited by the Finance Documents;
- (d) any liabilities under the Finance Documents to which it is a party and professional fees and administration costs in the ordinary course of business as a holding company;
- (e) incurring and discharging liabilities for or in connection with taxes; and
- (f) activities necessary to maintain its tax status.

14.18 **Single purpose company**

The Issuer shall ensure that each of the Property Companies remains special purpose vehicle with its sole purpose to own its respective Property and that no Property Company shall incur any liabilities except for in relation to the letting of the relevant Property pursuant to the relevant Lease Agreement maintenance (inclusive Refurbishment) of the Property and insuring the Property or if so required under any regulations or administrative orders or decisions.

14.19 **Undertakings relating to the Bond Trustee Agreement**

14.19.1 The Issuer shall in accordance with the terms of the Bond Trustee Agreement and to the extent required therein:

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

14.19.2 The Issuer shall not terminate the Bond Trustee Agreement and the Issuer and the Bond Trustee shall not agree to amend any provisions of the Bond Trustee Agreement, without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

14.20 **CSD related undertakings**

The Issuer shall from the Settlement Date keep the Bonds affiliated with a CSD and comply with all CSD Regulations applicable to the Issuer and the Bonds.

14.21 **Listing and admission to trading undertaking**

14.21.1 The Issuer intends to list and admit to trading the Bonds within thirty (30) calendar days from the Settlement Date and shall ensure that the Bonds are listed and admitted to trading on an Exchange within twelve (12) months following the Settlement Date, and that they remain listed and admitted to trading or, if such listing and admission to trading is not possible to obtain or maintain, listed and admitted to trading on another Exchange.

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

14.22 **Replacement Share Certificates undertaking**

14.22.1 The Issuer shall procure that the Parent cancel the Missing Share Certificates in accordance with Clause 15.11 (*Missing Share Certificates undertaking*). The Issuer shall also, at its own expense and at any time, comply with any request by the Swedish Companies Registration Office in relation to the application for the cancellation of the Missing Share Certificates

14.22.2 Once the cancellation of the Missing Share Certificates has been completed pursuant Clause 15.11 (*Missing Share Certificates undertaking*), the Issuer shall procure that Host Billingehus issues the Replacement Share Certificates and promptly deliver the Replacement Share Certificates to the Bond Trustee duly endorsed in blank by the Issuer.

15. **PARENT UNDERTAKINGS**

15.1 ***Pari passu* ranking**

The Parent shall ensure that its obligations under the Guarantee at all times rank at least *pari passu* with the unsecured and unsubordinated obligations of the Parent towards its other creditors, except for obligations which are mandatorily preferred by law.

15.2 **Mergers**

The Parent shall:

- (a) not carry out any merger or other business combination or corporate reorganisation involving a consolidation of the assets and obligations of the Parent with any other companies or entities if such transaction would (i) have a Material Adverse Effect or (ii) involve an Issuer Group Company; and
- (b) ensure that no Issuer Group Company shall carry out any merger or other business combination or corporate reorganisation involving a consolidation of the assets and obligations of any Issuer Group Company.

15.3 De-mergers

The Parent shall:

- (a) not carry out any de-merger or other corporate reorganisation involving a split of the Parent into two or more separate companies or entities, if such transaction would have (i) a Material Adverse Effect or (ii) involve an Issuer Group Company; and
- (b) ensure that no Issuer Group Company carry out any de-merger or other corporate reorganisation involving a split of any such Issuer Group Company into two or more separate companies or entities.

15.4 Continuation of business

The Parent shall not cease to carry on its business, and shall procure that no substantial change is made to the general nature of its business from that carried on at the Settlement Date.

15.5 Disposal of business

Subject to Clause 15.9 (*Ownership of the Issuer and Transaction Security*), the Parent shall not sell or dispose of all or substantially part of its assets or operation, unless the transaction is carried out at a fair market value, on terms and conditions customary for such transactions, and such transaction would not have a Material Adverse Effect.

15.6 Arm's length transactions and affiliated parties

The Parent shall not enter into any transaction with any person except on arm's length terms and for fair market value.

15.7 Corporate status

The Parent shall not change its type of organisation or jurisdiction of incorporation.

15.8 Compliance with regulations

The Parent shall carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all regulations it may be subject to from time to time.

15.9 Ownership of the Issuer and Transaction Security

15.9.1 The Parent shall maintain a direct 100.00 per cent. ownership and voting rights of the Issuer.

15.9.2 The Parent shall ensure that all of its shares in the Issuer and all loans granted by it to the Issuer are comprised by Transaction Security.

[15.9.3](#) [The Parent shall in its capacity as shareholder ensure that the Issuer complies with the undertaking in Clause 14.14 \(*Distribution restrictions*\).](#)

15.10 Subordination of certain intra-group payment obligations

The Parent shall ensure that all payment obligations owed by the Issuer to the Parent is subordinated to the Issuer's obligations under the Finance Documents.

15.11 Missing Share Certificates undertaking

The Parent shall without undue delay apply for the cancellation of the Missing Share Certificates. The Parent shall, at its own expense and at any time, comply with any request by the Swedish Companies Registration Office in relation to the application for the cancellation of the Missing Share Certificates. The Parent shall immediately notify the Bond Trustee when the application for cancellation of the Missing Share Certificates has been approved, denied or otherwise failed. If any Missing Share Certificates are found during the cancellation process, the Parent shall procure the immediate delivery of such share certificates to the Bond Trustee and withdrawal in whole or in part of the pending application for the cancellation of the Missing Share Certificates.

16. PROPERTY COVENANTS

16.1 Inspection

The Issuer shall ensure that each Property Company shall upon reasonable request of the Bond Trustee arrange for the Bond Trustee, and/or any persons appointed by the Bond Trustee, to have access to and to inspect the Properties at the reasonable expense of the relevant Property Company.

~~16.2 Payments from the Lessees~~

~~The Issuer shall on behalf of each Property Company quarterly provide satisfactory documentation to the Bond Trustee evidencing, that all payments from each Lessee to the Property Companies under the Lease Agreements are paid on time. Delayed payment from the Lessees of thirty (30) calendar days or more shall in any event be reported to the Bond Trustee. The Property Companies may not give any Lessees a grace period for any payments in excess of forty five (45) calendar days without the Bond Trustee's prior written approval.~~

16.2 ~~16.3~~ Lease default

The Issuer shall on behalf of each Property Company:

- (a) immediately inform the Bond Trustee of any notice of default or termination under any Lease Agreement;
- (b) provide information regarding the Lease Agreements which the Bond Trustee reasonably requests;
- (c) comply with all its material obligations under the Lease Agreements; and
- (d) use all reasonable efforts to ensure that the Hotel Lessees operates the Properties in accordance with good hotel industry standard.

16.3 ~~16.4~~ **Proper management and maintenance**

The Issuer shall ensure that each Property Company shall procure that its respective Property, including fittings, inventory, plant and machinery, are properly managed and maintained in accordance with good hotel industry standard, and where necessary replace the same with items of similar quality and value.

16.4 ~~16.5~~ **No structural alteration**

The Issuer shall procure that each Property Company shall not, and shall ensure that neither the Lessees will, make any structural changes or demolition of the Properties (in whole or in part) which is not included in the Refurbishment Plan or otherwise approved in writing by the Bond Trustee.

16.5 ~~16.6~~ **Access to staff and complying with instructions**

The Issuer shall procure that each Property Company, following an Event of Default and for as long as it is continuing, ensure that the relevant Hotel Lessee will, act in accordance with the Bond Trustee's instructions and provide the Bond Trustee, and/or any persons appointed by the Bond Trustee with access to staff, inventory and documentation for on-going hotel operations.

16.6 ~~16.7~~ **Insurance**

The Issuer shall procure that each Property Company ensure that in any event insurance (with reputable independent insurance companies or underwriters) shall be maintained on and in relation to its respective business and assets as is usual for companies carrying on the same or substantially similar business and to:

- (a) include comprehensive insurance cover (*fullvärdesförsäkring*) of all its Properties and the plant and machinery on such Property (including fixtures and improvements but excluding fittings owned by any tenant) on a full reinstatement value basis;
- (b) include comprehensive insurance cover for damages caused by natural forces (including all risk insurance cover for, but not limited to, fire, water leakage (including in respect of water pipes), storm, hail and flooding);
- (c) include third party liability insurance (*ansvarsförsäkring*);
- (d) provide cover for loss of rent (in respect of a period of not less than thirty-six (36) months), including provision for any increases in rent during the period of insurance;
- (e) insure such other risks as a prudent company in the same business, geography and market would insure; and
- (f) in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Bond Trustee and to an external insurance expert engaged by the Bond Trustee for the purpose of confirming the undertaking set out herein.

16.7 ~~16.8~~ Refurbishment Proceeds and Refurbishment Plan

16.7.1 ~~16.8.1~~ The Issuer shall procure that the Refurbishment Proceeds held on the Refurbishment Account on the Amendment Date are applied towards funding Refurbishment of the Properties in accordance with the Refurbishment Plan ~~and towards costs as an effect of the amendments of the Finance Documents.~~

~~16.8.2~~ ~~The Issuer shall hold all unspent Refurbishment Proceeds on the Refurbishment Account in its own name until all or part of such proceeds are lent to a Property Company for the purpose of being applied towards Refurbishment of the Properties in accordance with the Refurbishment Plan.~~

16.7.2 ~~16.8.3~~ If the Initial Refurbishment Plan contains any material fault, material omission or becomes obsolete, the Issuer shall without undue delay notify the Bond Trustee thereof and provide the Bond Trustee with the Issuer's suggestion for a Revised Refurbishment Plan for the Bond Trustee's approval. Following the Bond Trustee's and Tribun AS, or other relevant hospitality project company's approval of such Revised Refurbishment Plan, it shall become the Refurbishment Plan.

17. ACCELERATION OF THE BONDS

17.1 The Bond Trustee is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least 50.00 per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Bond Trustee and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 17.4, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Bond Trustee determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Parent or an Issuer Group Company 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 three (3) Business Days from the due date;
- (b) the Issuer breaches any financial covenant set out in Clause 13.1 (*Maintenance Test*) unless such breach has been cured in accordance with Clause 13.2 (*Cure of Maintenance Test*);
- (c) the Issuer does not comply with any of its information undertakings set out in Clause 12 (*Information to Bondholders*) and such non-compliance is not remedied within five (5) Business Days from its ~~occurrence~~ occurrence;
- (d) the Parent or an Issuer Group Company does not comply with any terms or conditions of the Finance Documents to which it is a party (other than the terms referred to in paragraph (a), (b) or (c) above), unless the misrepresentation or non-compliance:
 - (i) is capable of remedy; and

- (ii) is remedied within fifteen (15) Business Days of the earlier of the Bond Trustee giving notice and the Parent or any Issuer Group Company becoming aware of the non-compliance;
- (e) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Secured Parties;
- (f) the Parent or an Issuer Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (g) any corporate action, legal proceedings or other procedure or step (other than vexatious or frivolous and as disputed in good faith and discharged within thirty (30) Business Days) is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (*företagsrekonstruktion*) or similar (by way of voluntary arrangement or otherwise) of the Parent or an Issuer Group Company;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of an Issuer Group Company;
 - (iii) the appointment of a liquidator, administrator, or other similar officer in respect of the Parent or an Issuer Group Company or any of their assets or any analogous procedure; and
- (h) any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of the Parent or an Issuer Group Company;
- (i) any material breach of any of the Lease Agreements ~~occurs or any of the (other than a Hotel Lease Agreements is terminated Agreement) occurs~~ except (i) if a such Lease Agreement is replaced or amended with a new lease agreement with the same tenant ~~on equal or better terms for the relevant Issuer Group Company~~, or (ii) if a such Lease Agreement is replaced with a new lease agreement with another tenant ~~if such tenant is of at least the same financial standing and the new lease agreement is on equally or better terms for the relevant Issuer Group Company~~, provided in each case that the Bondholders will not be materially negatively affected;
- (j) any event or series of events occurs which has a Material Adverse Effect;
 - (i) any Financial Indebtedness of the Parent or an Issuer Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
 - (ii) any commitment for any Financial Indebtedness of the Parent or an Issuer Group Company is cancelled or suspended by a creditor as a result of an event of default (however described); or

- (iii) any creditor of the Parent or an Issuer Group Company declares any Financial Indebtedness of the Parent or an Issuer Group Company 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 (j) if the aggregate amount of Financial Indebtedness or the commitment for Financial Indebtedness referred to herein is less than SEK 10,000,000 in respect of the Issuer Group and SEK 30,000,000 in respect of the Parent.

- 17.2 The Bond Trustee may not accelerate the Bonds in accordance with Clause 17.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 17.3 The Bond Trustee shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Bond Trustee received actual knowledge of that an Event of Default has occurred and is continuing. The Bond Trustee shall, within twenty (20) Business Days of the date on which the Bond Trustee received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Bond Trustee decides not to accelerate the Bonds, the Bond Trustee shall promptly seek instructions from the Bondholders in accordance with Clause 19 (*Decisions by Bondholders*). The Bond Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 17.4 If the Bondholders instruct the Bond Trustee to accelerate the Bonds, the Bond Trustee shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Bond Trustee, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 17.5 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal 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.
- 17.6 In the event of an acceleration of the Bonds in accordance with this Clause 17, the Issuer shall redeem all Bonds at an amount per Bond equal to the redemption amount specified in Clause 10.3 (*Voluntary total redemption*) as applicable considering when the acceleration occurs.

18. DISTRIBUTION OF PROCEEDS

- 18.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 17 (*Acceleration of the Bonds*) 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 Bond Trustee:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Bond Trustee in accordance with the Bond Trustee Agreement or the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction

Security or the Guarantee or the protection of the Bondholders' rights as may have been incurred by the Bond Trustee, (iii) any costs incurred by the Bond Trustee for external experts that have not been reimbursed by the Issuer in accordance with Clause 23.2.5, and (iv) any costs and expenses incurred by the Bond Trustee in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 19.15, together with default interest in accordance with Clause ~~9.3~~9.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;

- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause ~~9.3~~9.4 on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 18.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 18.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 18.1(a).
- 18.3 Funds that the Bond Trustee receives (directly or indirectly) in connection with the acceleration of the Bonds 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 Bondholders and the other interested parties. The Bond Trustee shall arrange for payments of such funds in accordance with this Clause 18 as soon as reasonably practicable.
- 18.4 If the Issuer or the Bond Trustee shall make any payment under this Clause 18, the Issuer or the Bond Trustee, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

19. DECISIONS BY BONDHOLDERS

- 19.1 A request by the Bond Trustee for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Bond Trustee) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 19.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least 10.00 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Bond Trustee and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter

relating to the Finance Documents shall be directed to the Bond Trustee and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Bond Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Bond Trustee's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

19.3 The Bond Trustee may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Bond Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.

19.4 Should the Bond Trustee not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 19.3 being applicable, the Issuer or Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Bond Trustee shall upon request provide the convening Bondholder(s) with such information available in the debt register (*skuldbok*) kept by the CSD in respect of the Bonds as may be necessary in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be.

19.5 Should the Issuer want to replace the Bond Trustee, it may (i) convene a Bondholders' Meeting in accordance with Clause 20.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 21.1, in both cases with a copy to the Bond Trustee. After a request from the Bondholders pursuant to Clause 23.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 20.1. The Issuer shall inform the Bond Trustee before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Bond Trustee is proposed to be replaced is sent and shall, on the request of the Bond Trustee, append information from the Bond Trustee together with the notice or the communication.

19.6 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 Bondholder*) from a person who is, registered as a Bondholder:

- (a) on the Business Day specified in the notice pursuant to Clause 20.2, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 21.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or the communication, as the case may be.

19.7 The following matters shall require the consent of Bondholders representing at least 75.00 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 21.2:

- (a) a change to the terms of Clause 2.1, and any of Clauses 2.4 to 2.6;

- (b) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 10 (*Redemption and repurchase of the Bonds*);
- (c) a change to the Interest Rate or the Nominal Amount, other than as permitted or required by these Terms and Conditions;
- (d) a change to the terms for the distribution of proceeds set out in Clause 18 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 19;
- (f) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
- (g) a release of the Transaction Security or the Guarantee, except in accordance with the terms of the Security Documents;
- (h) a mandatory exchange of the Bonds for other securities; and
- (i) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 17 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

19.8 Any matter not covered by Clause 19.7 shall require the consent of Bondholders representing more than 50.00 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 21.2. 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 22.1(a) or (b)), an acceleration of the Bonds or the enforcement of any Transaction Security or the Guarantee.

19.9 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 50.00 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 19.7, and otherwise 20.00 per cent. of the Adjusted Nominal Amount:

- (a) if at a Bondholders' 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.

If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

19.10 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Bond Trustee or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 20.1) or initiate a second Written Procedure (in accordance with Clause 21.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 19.10, the date of request of the second Bondholders' Meeting pursuant to

Clause 20.1 or second Written Procedure pursuant to Clause 21.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 19.9 shall not apply to such second Bondholders' Meeting or Written Procedure.

- 19.11 Any decision which extends or increases the obligations of the Issuer or the Bond Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Bond Trustee, under the Finance Documents shall be subject to the Issuer's or the Bond Trustee's consent, as applicable.
- 19.12 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 19.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 19.14 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 19.15 All costs and expenses incurred by the Issuer or the Bond Trustee for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Bond Trustee, shall be paid by the Issuer.
- 19.16 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Bond Trustee provide the Bond Trustee with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Bond Trustee shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.
- 19.17 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Bondholder on the date referred to in Clause 19.6(a) or 19.6(b), as the case may be, and also be published on the website of the Issuer provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Bond Trustee, as applicable.

20. BONDHOLDERS' MEETING

- 20.1 The Bond Trustee shall convene a Bondholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Bondholder on a date selected by the Bond Trustee which is no more than five (5) Business Days earlier than the date on which the notice is sent.

- 20.2 The notice pursuant to Clause 20.1 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 Bondholders), (iv) the day on which a person must be Bondholder in order to exercise Bondholders' rights at the Bondholders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 20.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 20.4 Without amending or varying these Terms and Conditions, the Bond Trustee may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Bond Trustee may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

21. WRITTEN PROCEDURE

- 21.1 The Bond Trustee shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Bondholder on a date selected by the Bond Trustee which is no more than five (5) Business Days earlier than the date on which the communication is sent.
- 21.2 A communication pursuant to Clause 21.1 shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the communication pursuant to Clause 21.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 21.3 When consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 19.7 and 19.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 19.7 or 19.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

22. AMENDMENTS AND WAIVERS

- 22.1 The Issuer and the Bond Trustee (acting on behalf of the Bondholders) 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 Bondholders as a group, 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 Bondholders in accordance with Clause 19 (*Decisions by Bondholders*).
- 22.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 22.3 The Bond Trustee shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 22.1, 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 12.4 (*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.
- 22.4 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Bond Trustee, as the case may be.

23. APPOINTMENT AND REPLACEMENT OF THE BOND TRUSTEE

23.1 Appointment of the Bond Trustee

- 23.1.1 By subscribing for Bonds, each initial Bondholder appoints the Bond Trustee to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Bond Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantee. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Bond Trustee to act on its behalf.
- 23.1.2 Each Bondholder shall immediately upon request provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.
- 23.1.3 The Issuer shall promptly upon request provide the Bond Trustee with any documents and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 23.1.4 The Bond Trustee 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 Bond Trustee Agreement and the Bond Trustee's obligations as Bond Trustee under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 23.1.5 The Bond Trustee 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.

23.2 Duties of the Bond Trustee

- 23.2.1 The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security and the Guarantee pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and any claim under the Guarantee on behalf of the Bondholders. The Bond Trustee is not responsible for the content, due execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security and will not act as an advisor to the Bondholders (whether legal, commercial or otherwise).
- 23.2.2 The Bond Trustee is not obligated to actively assess or monitor (i) the financial condition of the Parent or an Issuer Group Company, (ii) the compliance by the Parent or the Issuer of the terms of the Finance Documents (unless expressly set out in the Finance Documents) or (iii) whether an Event of Default has occurred or not.
- 23.2.3 The Bond Trustee only acts in accordance with the Finance Documents, the Bond Trustee Agreement and upon instructions of the Bondholders, unless otherwise set out in the Terms and Conditions or the Bond Trustee Agreement. When acting in accordance with the Finance Documents, the Bond Trustee is always acting with binding effect on behalf of the Bondholders. The Bond Trustee shall act in the best interest of the Bondholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 23.2.4 The Bond Trustee is entitled to delegate its duties to other professional parties without having to first obtain any consent from the Issuer or the Bondholders, but the Bond Trustee shall remain liable for the actions of such parties under the Finance Documents.
- 23.2.5 The Bond Trustee is entitled to engage external experts, such as the Property Advisor or an insurance expert, when carrying out its duties under the Finance Documents. The Bond Trustee is entitled to be reimbursed for such cost by the Issuer, provided that such costs shall be approved by the Issuer (such consent not to be unreasonably withheld or delayed). Notwithstanding the above, no such approval shall be required if an Event of Default has occurred, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Parent or an Issuer Group Company or the Finance Documents which the Bond Trustee reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Bond Trustee 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 18 (*Distribution of proceeds*).
- 23.2.6 The Bond Trustee shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 23.2.7 The Bond Trustee shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Bond Trustee, as may be necessary in order for the Bond Trustee to carry out its duties under the Finance Documents.

- 23.2.8 Unless it has actual knowledge to the contrary, the Bond Trustee may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- 23.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee 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.
- 23.2.10 If in the Bond Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Bond Trustee) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer or the Bondholders (as applicable), the Bond Trustee 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.
- 23.2.11 The Bond Trustee shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents or the Bond Trustee Agreement or (ii) if it refrains from acting for any reason described in Clause 23.2.10.

23.3 **Limited liability for the Bond Trustee**

- 23.3.1 The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Bond Trustee shall never be responsible to the Bondholders for indirect damage.
- 23.3.2 The Bond Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Bond Trustee or if the Bond Trustee has acted with reasonable care in a situation when the Bond Trustee considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 23.3.3 The Bond Trustee 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 Bond Trustee to the Bondholders, provided that the Bond Trustee 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 Bond Trustee for that purpose.
- 23.3.4 The Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee when acting in accordance with instructions of the Bondholders or a demand by Bondholders given in accordance with the Finance Documents.
- 23.3.5 Any liability towards the Issuer which is incurred by the Bond Trustee in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

23.4 **Replacement of the Bond Trustee**

- 23.4.1 Subject to Clause 23.4.6, the Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Bond Trustee at

- a Bondholders' Meeting convened by the retiring Bond Trustee or by way of Written Procedure initiated by the retiring Bond Trustee.
- 23.4.2 Subject to Clause 23.4.6, if the Bond Trustee is Insolvent, the Bond Trustee shall be deemed to resign as Bond Trustee and the Issuer shall within ten (10) Business Days appoint a successor Bond Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 23.4.3 A Bondholder (or Bondholders) representing at least 10.00 per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Bond Trustee and appointing a new Bond Trustee. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Bond Trustee be dismissed and a new Bond Trustee appointed.
- 23.4.4 If the Bondholders have not appointed a successor Bond Trustee 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 Bond Trustee was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Bond Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 23.4.5 The retiring Bond Trustee shall, at its own cost, make available to the successor Bond Trustee such documents and records and provide such assistance as the successor Bond Trustee may reasonably request for the purposes of performing its functions as Bond Trustee under the Finance Documents.
- 23.4.6 The Bond Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Bond Trustee and acceptance by such successor Bond Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Bond Trustee.
- 23.4.7 Upon the appointment of a successor, the retiring Bond Trustee 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 Bond Trustee. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Bond Trustee.
- 23.4.8 In the event that there is a change of the Bond Trustee in accordance with this Clause 23.4, the Issuer shall execute such documents and take such actions as the new Bond Trustee may reasonably require for the purpose of vesting in such new Bond Trustee the rights, powers and obligation of the Bond Trustee and releasing the retiring Bond Trustee from its further obligations under the Finance Documents and the Bond Trustee Agreement. Unless the Issuer and the new Bond Trustee agree otherwise, the new Bond Trustee shall be entitled to the same fees and the same indemnities as the retiring Bond Trustee.

24. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 24.1 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 Bonds.
- 24.2 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.

25. APPOINTMENT AND REPLACEMENT OF THE CSD

- 25.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 25.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act and be authorised as a central securities depository in accordance with the Financial Instruments Account Act.

26. NO DIRECT ACTIONS BY BONDHOLDERS

- 26.1 A Bondholder may not take any steps whatsoever against the Issuer 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 Parent or an Issuer Group Company in relation to any of the obligations and liabilities of the Parent or an Issuer Group Company under the Finance Documents. Such steps may only be taken by the Bond Trustee.
- 26.2 Clause 26.1 shall not apply if the Bond Trustee has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 23.1.2), 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 of any fee or indemnity due to the Bond Trustee under the Finance Documents or the Bond Trustee Agreement or by any reason described in Clause 23.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 23.2.11 before a Bondholder may take any action referred to in Clause 26.1.
- 26.3 The provisions of Clause 26.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause ~~10.7~~10.8 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

27. PRESCRIPTION

- 27.1 The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- 27.2 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 Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

28. NOTICES AND PRESS RELEASES

28.1 Notices

- 28.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Bond Trustee, shall be given at the address specified on its website www.nordictrustee.com on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Bond Trustee to the Issuer from time to time;
 - (b) if to the Parent or an Issuer Group Company, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Bond Trustee, to the email address notified by the Issuer to the Bond Trustee from time to time; and
 - (c) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Bondholder in order to receive the communication, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the website of the Issuer.
- 28.2 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, or, if between the Issuer and the Bond Trustee, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 28.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 28.1, or, in case of email, when received in readable form by the email recipient.
- 28.3 Any notice pursuant to the Finance Documents shall be in English.
- 28.4 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

28.5 Press releases

- 28.5.1 Any notice that the Issuer or the Bond Trustee shall send to the Bondholders pursuant to Clauses 10.3 (*Voluntary total redemption (Call option)*), 10.4 (*Voluntary partial redemption due to an equity injection (call option)*), 10.5 (*Mandatory Prepayment due to Permitted Partial Divestment*), ~~10.5~~ 10.6 (*Mandatory Prepayment due to a Loss Event*), ~~10.6~~ 10.7 (*Early redemption due to illegality and repurchase due to a tax event (call option)*), ~~10.7~~ 10.8 (*Mandatory Prepayment due to a Change of Control Event or a Listing Failure Event (put option)*), 12.1.2, 12.1.3, 19.7, 20.1, 21.1, and 22.3 shall also be published by way of press release by the Issuer or the Bond Trustee, as applicable.
- 28.5.2 In addition to Clause 28.1.1, if any information relating to the Bonds or the Group contained in a notice the Bond Trustee may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Bond Trustee shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Bond Trustee considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Bond Trustee shall be entitled to issue such press release.

29. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 29.1 Neither the Bond Trustee 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, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Bond Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.
- 29.2 The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 29.3 Should a Force Majeure Event arise which prevents the Bond Trustee 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.
- 29.4 The provisions in this Clause 29 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

30. GOVERNING LAW AND JURISDICTION

- 30.1 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.
- 30.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

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

Place:

Date:

HOST PROPERTY AB (publ)
as Issuer

Name:

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

Place:

Date:

HOST AB
as Parent

Name:

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

Place:

Date:

NORDIC TRUSTEE & AGENCY AB (publ)
as Bond Trustee

Name:

Schedule 1

PROPERTY COMPANIES AND PROPERTIESInitial Property Companies and Properties

Property Company:	Property:
Host Grand i Falun AB (reg. no. 556548-1792)	Falun Cuprum 1
Host Strand i Sundsvall AB (reg. no. 556548-1826)	Sundsvall Neptunus 6
	Sundsvall Bacchus 7
Host Statt i Örnsköldsvik AB (reg. no. 556548-1750)	Örnsköldsvik Berlin 4
	Örnsköldsvik Berlin 5
	Örnsköldsvik Berlin 9
Host Munsken i Kalmar AB (reg. no. 556548-1099)	Kalmar Krögaren 10
Host Kabbelekan i Olofström AB (reg. no. 556548-1834)	Olofström Holje 176:1
Host Christian IV i Kristianstad AB (reg. no. 556742-9492)	Kristianstad Otto Marsvin 9
Host Stadt i Karlskrona AB (reg. no. 556742-9500)	Karlskrona Öresund 15
Fastighetsaktiebolaget Skeppsbron (reg. no. 556000-8038)	Härnösand Börsen 2
Host Billingeus i Skövde AB (reg. no. 556548-1776)	Skövde Billingeus 1

Additional Property Company and Property

<u>Property Company:</u>	<u>Property:</u>
<u>Statt Söderhamn Aktiebolag (reg. no. 556499-4910)</u>	<u>Söderhamn Oxen 7</u>

Schedule 4

INVESTOR PRESENTATION



JOY
CARE
INNOVATION

Host Property AB

Investor Presentation

14. September 2020



DISCLAIMER

IMPORTANT INFORMATION

This presentation (the "**Presentation**") has been produced by Host Property AB (publ) (the "**Company**" or the "**Issuer**") with assistance from Nordea Bank Abp, filial i Norge as sole lead manager (the "**Manager**") in connection with an amendment proposal in relation to the notes issued by the Company under the terms and conditions for the senior secured floating rate notes due 28 November 2022 with ISIN: SE0013486057 (the "**Offering**").

This Presentation has been prepared exclusively for information purposes and does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. Any potential transaction that may be related to the subject matter of this Presentation will be made pursuant to separate and distinct documentation and in such case the information contained herein will be superseded in its entirety by such documentation in final form. By attending a meeting where this Presentation is presented, or by reading the Presentation, you will be deemed to have (i) agreed to the following restrictions and made the following undertakings and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation. This Presentation (i) has not been approved, reviewed or registered with any public authority or stock exchange, (ii) is not a prospectus and does not contain the same level of information as the Presentation has not been subject to review or approval by any competent authority, and (iii) is private and confidential, has been furnished to you solely for your information and may not be disclosed, in whole or in part, or summarized or otherwise reproduced, distributed or referred to, in whole or in part, without prior written consent of the Company. Failure to comply with this restriction may constitute a violation of applicable laws, rules or regulations. To the best of the knowledge of the Company and its board of directors, the information contained in this Presentation is in all material respect in accordance with the facts as of the date hereof and contains no material omissions likely to affect its import.

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates or intends to operate. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company, the Manager or any of their parent or subsidiary undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The information about past performance given in this Presentation is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. Further, the Presentation does not contain a complete description of the Company or the market(s) in which the Company operates, nor does it provide an audited valuation of the Company.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company, the Manager nor any of their parent or subsidiary undertakings or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. Actual experience may differ, and those differences can be material. The Company and the Manager are under no obligation to submit further information and the Company nor the Manager does not intend to, and does not assume any obligation to, update or keep current the Presentation unless agreed and as a result of the amendment proposal to be discussed.

This Presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Persons in possession of this Presentation are required to inform themselves and to observe any such restrictions.

The Manager has not engaged any external advisors to carry out any due diligence investigations and has not taken any steps to verify any of the information contained herein. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or the Manager or any of their parent or subsidiary undertakings or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. By attending or receiving this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own investigations and analysis and be solely responsible for forming your own view of the future performance of the Company's business and its current and future financial situation. The content of this Presentation is not to be construed as legal, credit, business, investment or tax advice. Each recipient should consult with its own legal, credit, business, investment and tax advisers to receive legal, credit, business, investment and tax advice. The amended terms and conditions for the notes will be included in a separate document, which should be carefully examined before making any decision regarding the Offering.

Under no circumstances may the Company or its board or management be contacted without the Manager's prior permission.

This Presentation speaks as of 14 September 2020. There may have been changes in matters which affect the Company subsequent to the date of this Presentation. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date and neither the Company nor the Manager assumes any obligation to update this Presentation. This Presentation is governed by Swedish law. The courts of Sweden shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Presentation. The City Court of Stockholm (Stockholms tingsrätt) is court of first instance.



1. Company update

2. Proposed changes in Terms & conditions





HOST PROPERTY – MARKET UPDATE AUGUST 31, 2020

Taking control of hotel operations

- Host Hoteleiendom AS has as of July 30, 2020 taken ownership of the hotel operating companies of the nine Host Property AB hotel properties
- Tribe Hotels (hotel operations) have reduced costs substantially over the last months - Cost base going forward materially lower than the historic average
- A number of the hotels have been closed for a period during the last months due to negative hotel operating EBITDA before rent costs
- Estimated REVPAR for 2020E still trending down – Expected continued weak markets for the remainder of the second half of 2020
- Still historic high uncertainty as far as estimates for the remaining of 2020 and going forward
- Major investment plans still on hold until signs of more positive travel activity in the Swedish regional markets

Sundsvall – Renovation completed





HOST PROPERTY – TAKING CONTROL OF HOTEL OPERATIONS

Hotel operations – Tribe Hotels

- Host Hoteleiendom AS has as of July 30, 2020 taken ownership of the hotel operating companies of the nine Host Property AB hotel properties
- The Flying Elephant Group, the 100% owner of Host Hoteleiendom (and Host Property), has extensive knowledge of operating hotels in the Nordic region, from 1993 until 2018
- It has been important for Host Hoteleiendom to take action and ownership of the Tribe Hotels operating companies in the current situation to secure the long-term values of the hotel properties
- Host Hoteleiendom will in the coming months develop the strategy for Tribe Hotels – Still evaluating external operators
- There have not been made any changes in the lease contracts of the nine operating companies at the Host Property hotel properties in connection with the transaction



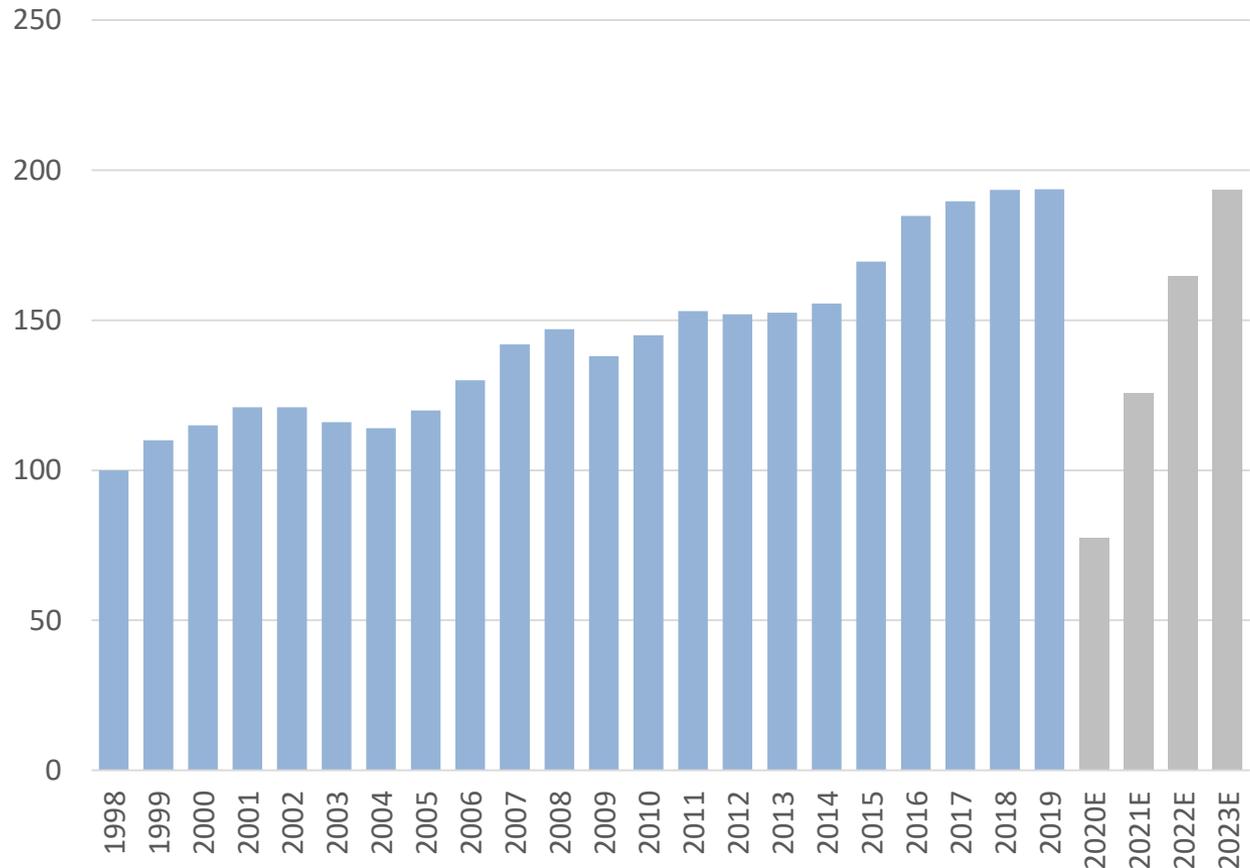


HOTEL MARKET SWEDEN – ESTIMATES GOING FORWARD

Assumptions – August 2020

- Minus 60% REVPAR for 2020E compared to 2019
- Minus 35% REVPAR 2021E compared to 2019
- Minus 15% REVPAR 2022E compared to 2019
- Normalized levels 2023E
- **There is historic high uncertainty regarding the estimates going forward**

Hotel market – Sweden – REVPAR (Index 100 in 1998)

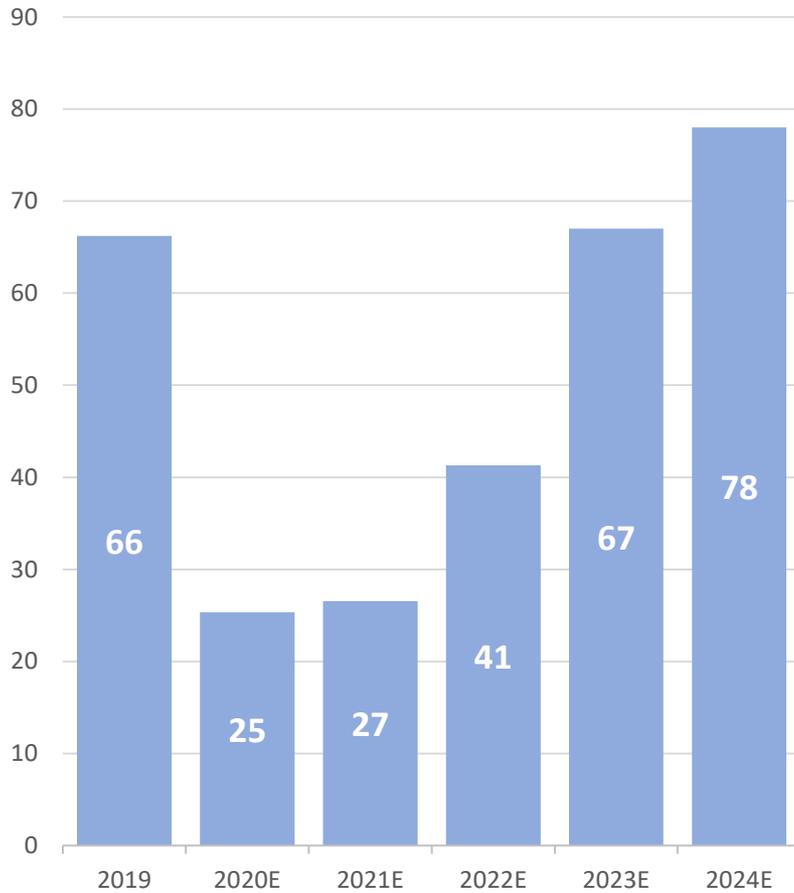


Source: Home Properties, SCB, Pangea Research, NHC, Tourist Economics and company estimates

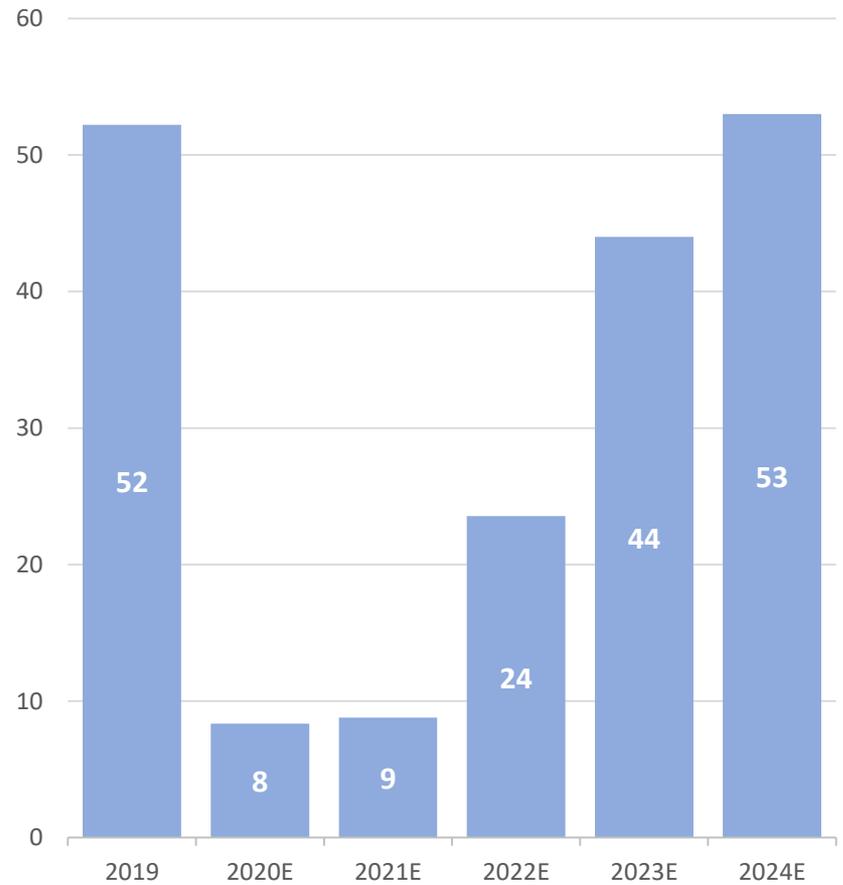


FINANCIAL FIGURES HOST PROPERTY - ESTIMATES

Gross revenue SEKm - Estimates



EBITDA SEKm - Estimates



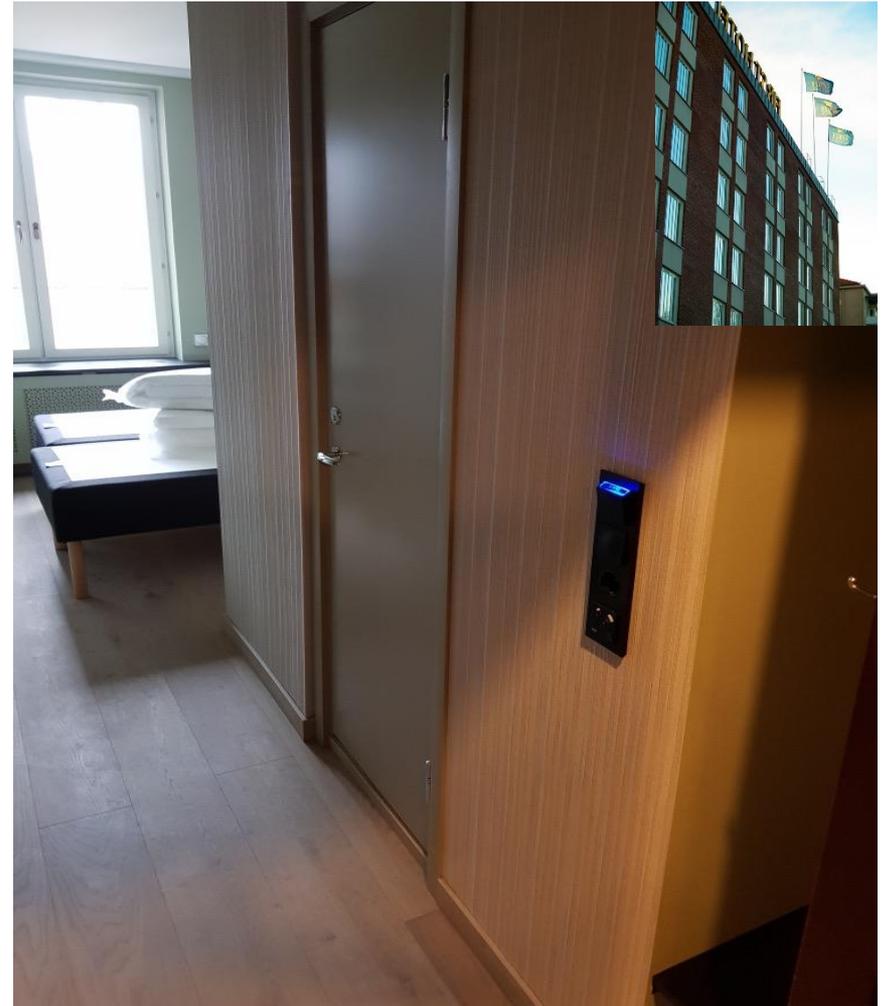


RENOVATION PROCESS AND CASH POSITION

Renovation process

- Sundsvall renovation finalized in May 2020
 - Renovation of 110 rooms, corridors and 70 windows
- Renovation of Karlskrona and Billingeus started in November 2019
 - Currently on hold
- Evaluating all major investments in regards of the new normal and general high uncertainty
 - Revised investment plans when travel and hotel markets normalize
- Smaller investments to keep the hotel properties in line with technical and commercial requirements
- SEK 103 million in cash position as of August 31, 2020

Sundsvall – Renovation completed



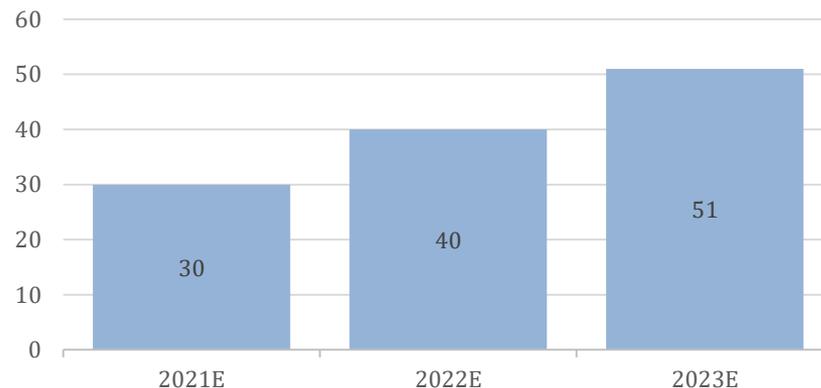


HOTEL OPERATIONS – INDICATIVE OFFERS HOTEL OPERATIONS

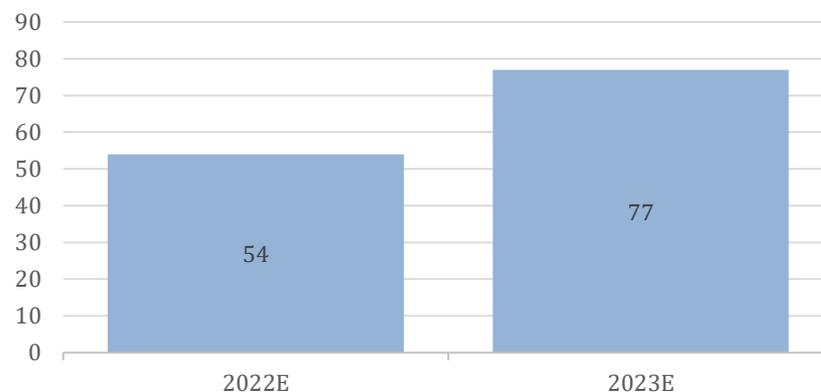
Minimum rent and revenue-based component

- Host Property is currently in the process of evaluating external hotel operations (indicative offers) of the nine hotels and has received indicative offers
- Estimates based on indicative offers. 2021E based on minimum rent. 2022E and 2023E based on minimum rent and revenue-based rent
- Rental levels expected below 2019 levels and current lease contracts - but still a step in the right direction as far as the new normal for the hotel market
- Host Property and potential new external hotel operator to invest 60-100 million each to put the hotels in position to reach the market potential over the next years (when market normalizes)
- **Host Property investments important to attract new attractive lease contracts in a historic challenging market**

Minimum rent SEKm – Based on indicative offers



Revenue based rent SEKm - Based on indicative offers





FLYING ELEPHANT - STRONG TRACK RECORD IN TURBULENT PERIODS

Flying Elephant Group has experience in challenging times

- Established both hotel operations and franchise during the 1990's in Sweden – took full control of the hotel ecosystem during a period when there were no alternative to outsource hotel operation
- Ownership and management of hotel properties during and the aftermath of the bank crisis in Sweden in the 1990's
- Maneuvered through the financial crisis during the 2008-2009 period and beyond as both hotel operator and hotel property owner
- **Significant knowledge and experience to manage and develop Host Property's hotel property portfolio in the coming challenging years**





THE FLYING ELEPHANT GROUP – 27 YEARS IN THE INDUSTRY

1993	First Hotels was established through the acquisition of Hotel Reisen and four other hotel properties in Sweden
1996	Division of hotel operations and property ownership (First Hotels and Host Hoteleiemdom). Expansion in Sweden with the acquisition of 19 hotels
1997	Opened Millennium in Oslo and Marin in Bergen
1999	Developed and opened the 403 room Vesterbro in Copenhagen, the city's first new hotel opening in 18 years
2003	Opened the five-star First Hotel Skt. Petri in Copenhagen
2006	Acquired Noble House in Oslo and Mogenstrup Kro in Næstved
2007	Hotel Statt Karlskrona and Hotel Christian IV in Kristianstad were acquired
2008	Noble House reopened as the boutique hotel Grims Grenka
2011	Issued first bond. Took over operation of 12 hotels in Denmark which became First Hotels
2012	Sold Ambassadeur in Drammen and Plaza in Västerås
2013	Completed restructuring of the Group by selling Skt Petri and Vesterbro in Copenhagen and Amaranten in Stockholm
2013	Tribe is new tenant in the portfolio due to a split of First Hotels into one hotel operations company (Tribe) and one brand company (First)
2015	First Hotels established in Spain through dual brand agreement with Petit Palace (31 hotels)
2016	Bond issue secured in eight Swedish hotels, financing partly to cover refurbishments
2017	Total refurbishment of Hotel Reisen initiated
2018	Merged hotel chain and hotel operations with Belvar, where Flying Elephant retains 33.3% ownership
2019	Property portfolio with market value of NOK 2.5 billion with a well diversified financing structure

Kristianstad



Kalmar



Grims Grenka

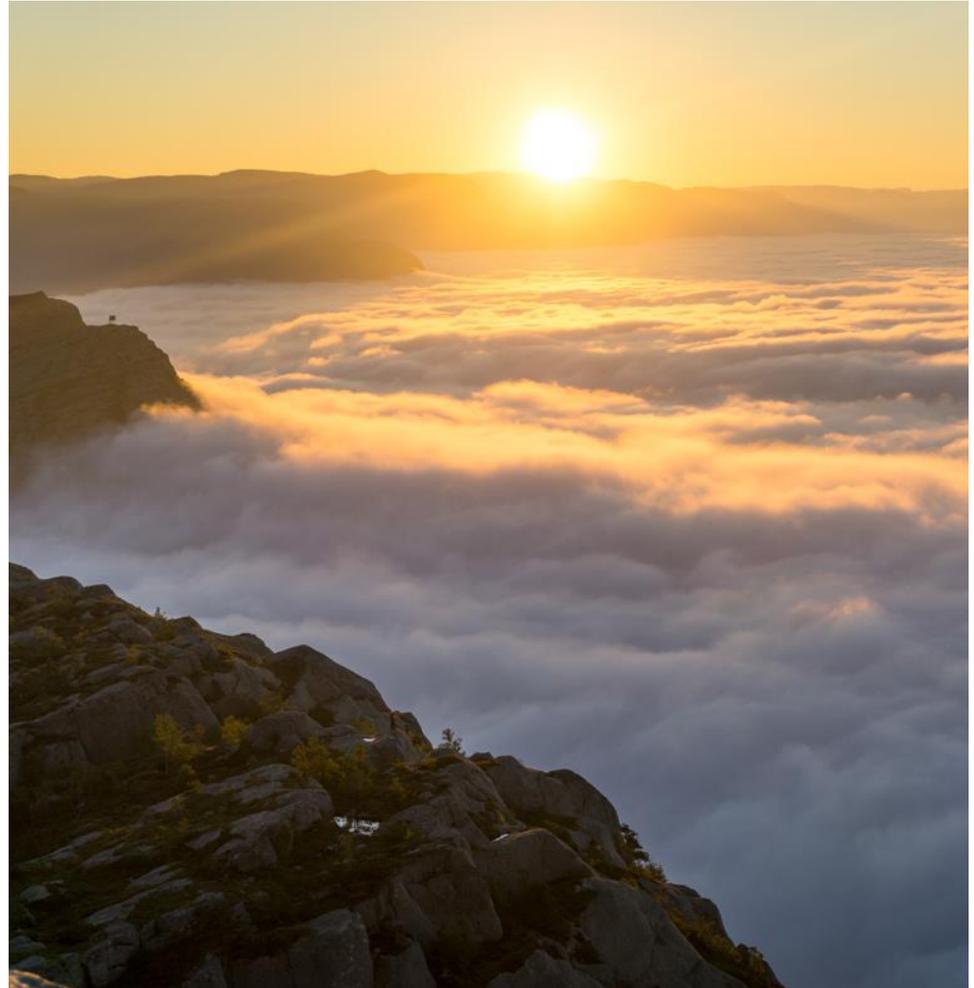




SUMMARY – HOST PROPERTY PLAN GOING FORWARD

The sun will rise again

- Host Property has over the last months worked on a number of initiatives to secure operations and long-term value
- Host Property sees positive results of these initiatives but needs some more time to align and coordinate to a new normal and basis going forward
- Host Property has confidence finding good long-term solutions to bondholders and other stakeholders
- Host Property is working for the bond investors to find the best possible solution – common interest to find good long-time solutions for bondholders and the equity owner (Flying Elephant)
- Host Property is working together with Nordea Bank Abp to bring forward an amendment plan in the Terms & Conditions (T&C) for the Host Property SEK 500 million bond issue
- Host Property will present the suggested amendments to the T&C in a bond holder meeting as soon as the amendment plan is ready
- Host Property will keep the investors updated on the bond amendment process and market development in general





Profit & Loss

Profit & Loss Host Property AB consolidated		
<i>(SEK 1,000)</i>		
	Host	Host
	2020	2019
	YTD Q2	YTD Q2
OPERATING INCOME		
	<i>(MM SEK)</i>	<i>(MM SEK)</i>
Rent income	32 377	27 528
Other operating income	0	381
Profit from property sale	0	0
Total operating income	32 377	27 909
OPERATING COSTS		
Depreciations	-4 051	-2 584
Other operating costs	-6 926	-5 909
Total operating costs	-10 977	-8 493
EBIT	21 400	19 416
Ebitda	25 451	22 000
FINANCIAL INCOME AND COSTS		
Other interest income	3 098	161
Other financial income	479	0
Net interest costs	-16 723	-10 525
Other financial costs	-2 317	-1 363
Net financial items	-15 463	-11 727
EBT	5 937	7 689
Tax payable	0	0
Taxes	148	0
NET PROFIT	6 085	7 689



Balance sheet

	2020 YTD Q2	2019 Year		2020 YTD Q2	2019 Year
LONG TERM ASSETS			EQUITY		
INTANGIBLE ASSETS			PAID-IN EQUITY		
Deferred taxes	0	0	Share capital	500	500
Licenses/rights/goodwill	0	0	Total paid-in equity	500	500
Total intangible assets	0	0	EARNED EQUITY		
FIXED ASSETS			Profit for period	6 084	31 885
Land and buildings	591 639	595 136	Other equity	385 227	353 343
Machines, inventory and equipment	8 657	9 211	Total earned equity	391 311	385 228
Projects	83 597	43 725	Total equity		
Total fixed assets	683 893	648 072	Total equity	391 811	385 728
FINANCIAL LONG TERM ASSETS			DEBT		
Investment in subsidiaries	0	0	PROVISIONS FOR COMMITMENTS		
Investments in shares	0	0	Deferred taxes	66 986	67 134
Other long term receivables	11 637	13 774	Total provisions for commitments	66 986	67 134
Total financial long term assets	11 637	13 774	OTHER LONG TERM DEBT		
Total Long Term Assets	695 530	661 846	Debt to financial institutions	500 000	500 000
CURRENT ASSETS			Other long term debt	144	144
RECEIVABLES			Total other long term debt	500 144	500 144
Accounts receivables	33 855	13 208	SHORT TERM DEBT		
Intercompany receivables	73 187	42 573	Debt to financial institutions	0	0
Other receivables	44 279	45 495	Accounts payables	6 393	8 569
Prepaid costs	16 390	17 557	Taxes payable	373	1 004
Total receivables	167 711	118 833	Intercompany debt	0	10 268
CASH AND BANK DEPOSITS			Other short term debt	6 921	4 434
Cash, bank deposits etc.	109 387	196 602	Total short term debt	13 687	24 275
Total cash and bank deposits	109 387	196 602	Total debt	580 817	591 553
Total Current Assets	277 098	315 435	TOTAL DEBT AND EQUITY	972 628	977 281
TOTAL ASSETS	972 628	977 281			



1. Company update

2. Proposed changes in Terms & conditions





HOST Property proposal

Proposal and amendment fees contingent on approval of the amendments		Price and fees to bondholders						
Upfront amendment fee to bondholders		Up to 1% on all outstanding bonds: <ul style="list-style-type: none"> 0.25% to investors voting, whether they vote yes or no (to be paid via cash transfer to the direct registered holders' income account) if the proposal is passed; and 0.75% to all investors if the proposal is passed (to be paid via Euroclear Sweden) 						
Amended redemption price for all outstanding bonds at maturity		103% of nominal value of the bonds						
T&C to be amended	Summary of current terms	Proposed amendment						
Transaction Security	First priority ranking Security provided for the Secured Obligations pursuant to the Security Documents	Property Söderhamn with a December 2019 value of SEK 35m (NHC valuation per 31 December 2019) added as extra security						
Interest rate p.a.	3mS+6.5%	3mS+6.5%*						
Dividend restrictions	Subject to incurrence test	No dividend, loans or other distribution until maturity						
Initial refurbishment plan	Locked funds to where SEK 180,000,000 to be used towards refurbishments	Remaining SEK 102m (per 14 September 2020) to be used for refurbishments and amendment transaction and fee costs						
Financial maintenance covenants	<ul style="list-style-type: none"> Interest coverage ratio of minimum 1.3x (LTM) LTV of maximum 60% 	Date	From amendment date	Q4' 2021	Q1' 2022	Q2' 2022	Q3' 2022	Q4' 2022
		ICR (LTM)	N/A	0.20x	0.35x	0.55x	0.65x	0.80x
		LTV	N/A	75%	70%	70%	70%	70%
Hotel lease agreements	Delayed payment of 30 days or more shall be reported to the trustee. The property companies may not give any lessees a grace period for any payments in excess of 45 days	Allow changes in terms of securing best effort on new lease terms, including operating the hotels in-house. Information covenant only						
Other relevant clauses:	<ul style="list-style-type: none"> Voluntary total redemption amount: 101.5% from first call date up to last two months and 100.5% the last two months (excl. maturity date) Mandatory Prepayment due to Permitted Partial Divestment (up 30% of initial market values): 102% CoC & Listing failure: 101% 	<ul style="list-style-type: none"> Voluntary total redemption amount: 104.5% from first call date up to last two months and 103.5% the last two months (excl. maturity date) Mandatory Prepayment due to Permitted Partial Divestment (up 30% of initial market values): 102% Prepayment Option due to new Equity Injections (in whole or in parts): 102% CoC & Listing failure: 102% Further clauses in T&C be aligned with the above sections where applicable 						

*Interest payments payable as under the current terms;

Issuer still not allowed to draw upon the capex account for interest payments;

The owner group intends to draw on any available funds in the group if needed to ensure interest payments are paid on time and in full

Please refer to the summons letter for detailed description of the proposed amendments



Participation and timetable

Participation

- Execution via Written Procedure in accordance with Clause 19 & 21 of the Terms and Conditions

How to participate in the Consent Solicitation:

- Directly registered owners and Nominees should submit a Voting Form to Nordic Trustee as Agent via email at voting.sweden@nordictrustee.com
- Owners of the Bonds holding Bonds through a Nominee should contact their Nominee to vote on their behalf in the Consent Solicitation
- Bondholders must be registered in the records of Euroclear Sweden (CSD) on the Record Date 18 September 2020 in order to be eligible to vote in the procedure
- To receive the Voting Fee of 0.25% Bondholders should submit their Voting Form to the Agent before voting deadline 1 October 2020
- All Bondholders will receive the Consent Fee of 0.75% irrespective of voting or not, subject to the Proposal passing

Transfer restrictions of Bonds:

- By submitting a Voting Instruction, Bondholders undertake that they will not trade or transfer their Bonds until the conclusion of the Written Procedure

Contacts:

- Solicitation Agent: Nordea
 - Email: NordeaLiabilityManagement@Nordea.com
 - Telephone: +45 61612996

Timetable

Consent process timetable

Announcement of Written Procedure	14 September 2020
Record date	18 September 2020
Deadline for Written Procedure	1 October 2020 (15:00 CET)
Results announcement	As soon as practically possible after the Written Procedure closes
Consent Fee Record Date	3 BD following approval of the written procedure
Expected date for payment of the Consent Fee	8 BD following approval of the written procedure (at the latest)
Expected date for payment of the Voting Fee	10 BD following approval of the written procedure (at the latest)