

TERMS AND CONDITIONS FOR BONG AB (PUBL) CONVERTIBLE BONDS 2013/2018

1 DEFINITIONS

In these terms and conditions, the following terms shall have the following meaning:

“**Agent**” means CorpNordic Sweden AB, corporate registration number 556625-5476, Sergels Torg 12, PO Box 162 85, 103 25 Stockholm, Sweden, or such bank, institute or agent which is appointed to act as Agent in accordance with these terms and conditions;

“**Bondholder**” means each holder of a Convertible Bond who is registered in an account in the Company’s CSD register as a Bondholder, or who is otherwise entitled to receive payment in respect of a Convertible Bond standing to the credit of such account;

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Conditions 17 and 18.

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks in Sweden are open for general business;

“**Change of Control**” means an occurrence where any person or persons acting in concert acquires control of the Company, where “control” means (i) an acquisition or control of Shares representing more than fifty (50) percent of the total number of voting rights in the Company at such time, or (ii) the right to appoint or remove all or the majority of the members of the Company’s Board of Directors;

“**Change of Control Maturity Date**” shall have the meaning ascribed to it in Condition 6.1;

“**Change of Control Notice**” shall have the meaning ascribed to it in Condition 6.1(i);

“**Change of Control Notice Period**” means the period commencing on the day a Change of Control occurs and ending on the day occurring sixty (60) days thereafter or, if later, sixty (60) days following the date on which a Change of Control Notice is given as required by Condition 6.1(i) or, in any such case, if that is not a Business Day, the next following Business Day;

“**Clean-up Event**” means conversion, repayment of some of the Convertible Bonds or any other corresponding event resulting in less than 10 per cent of the Convertible Bonds under these terms and conditions still being outstanding;

“**Company**” means Bong AB (publ), corporate registration number 556034-1579;

“**Conversion**” means an exchange of Convertible Bond(s) for Shares;

“**Conversion Effective Date**” shall have the meaning ascribed to it in Condition 9(f);

“**Conversion Price**” means the price at which a Conversion shall take place pursuant to Condition 9(b);

“**Convertible Bond**” means a debt obligation carrying rights to conversion into Shares pursuant to Chapter 15 of the Swedish Companies Act (2005:551) and which forms part of the Loan and which is issued for the benefit of a person or its order;

“**CSD register**” means the central securities depository register (Sw. *avstämningsregister*), kept by Euroclear as set forth in the Swedish Act on Account-keeping of Financial Instruments (1998:1479);

“**De-listing Event**” shall occur if (i) at any time the Shares are not listed and admitted to trading on NASDAQ OMX Stockholm or trading of the Shares on NASDAQ OMX Stockholm is suspended for a period of fifteen (15) consecutive Business Days or (ii) if the Company’s undertaking in Condition 27 is not fulfilled or, if initially fulfilled, but trading of the Convertible Bonds on such regulated market thereafter is suspended for a period of fifteen (15) consecutive Business Days;

“**De-listing Event Maturity Date**” shall have the meaning ascribed to it in Condition 6.2;

“**De-listing Event Notice**” shall have the meaning ascribed to it in Condition 6.2(i);

“**De-listing Event Period**” means the period commencing on the day a De-listing Event occurs and ending on the day occurring sixty (60) days thereafter or, if later, sixty (60) days following the date on which a De-listing Event Notice is given as required by Condition 6.1(i) or, in any such case, if that is not a Business Day, the next following Business Day;

“**Euroclear**” means Euroclear Sweden AB;

“**Event of Default**” shall have the meaning ascribed to it in Condition 16;

“**Extraordinary Resolution**” shall have the meaning ascribed to it in Condition 17;

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

- a) moneys borrowed;
- b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- c) any amount raised pursuant to any notes purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP as applicable by the date of issuance of these Convertible Bonds, be treated as finance or capital lease;
- e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing according to GAAP;
- g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- h) 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 institution; and
- i) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs a) to h) above;

“**GAAP**” means generally accepted accounting principles, standards and practices in relevant jurisdiction(s), including IFRS;

“**Group**” means the Company and its Subsidiaries;

“**Independent Financial Adviser**” means a recognised independent financial institution appointed by the Company upon need for such adviser;

“**Interest Payment Date**” means [27] June and [27] December of each year or, to the extent such day is not a Business Day, the Business Day following an application of Condition 5(d). The first Interest Payment Date shall be [27] December 2013 and the last Interest Payment Date shall be the Maturity Date;

“**Issuing Agent**” means ABG Sundal Collier Norge ASA, corporate registration number 961 095 026, or such bank or institute which the Company, from time to time, appoints to act as Issuing Agent in accordance with these terms and conditions;

“**Loan**” means the Company’s convertible loan 2013/2018 or, as the case may be, the aggregate principal amount of such Loan outstanding from time to time;

“**Material Group Member**” means the Company or a Material Subsidiary;

“**Material Subsidiary**” means, at any time, a Subsidiary of the Company whose gross assets, earnings before interest and tax or turnover (excluding intra-Group items) then equal or exceed 10 percent of the gross assets, earnings before interest and tax or turnover of the Group.

For this purpose:

- a) the gross assets, earnings before interest and tax or turnover of a Subsidiary of the Company will be determined from its financial statements (consolidated if it has Subsidiaries) upon which the latest audited financial statements of the Group have been based;
- b) if a Subsidiary of the Company becomes a member of the Group after the date on which the latest audited financial statements of the Group have been prepared, the gross assets, earnings before interest and tax or turnover of that Subsidiary will be determined from its latest financial statements;
- c) the gross assets, earnings before interest and tax or turnover of the Group will be determined from its latest audited financial statements, adjusted (where appropriate) to reflect the gross assets, earnings before interest and tax or turnover of any company or business subsequently acquired or disposed of; and
- d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Company, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Company will be, in the absence of manifest error, conclusive;

“**Maturity Date**” means [27] June 2018, except to the extent of prior Conversions or early redemptions being made as provided in Conditions 6, 7, 8, 9, 11 or 16, in which case the Maturity Date shall be the Conversion Effective Date or the date on which early redemption shall occur in accordance with said provisions (including, but not limited to, on the Change of Control Maturity Date, as the case may be);

“**Record Date for Payment**” shall have the meaning ascribed to it in Condition 5(a);

“**Relevant Price Trigger**” means when the intraday, volume weighted, average price paid per share for the Company’s Shares for twenty (20) out of the prior thirty (30) consecutive Business Days on NASDAQ OMX Stockholm has amounted to at least 160 percent of the Conversion Price applicable on the last day of such twenty days;

“**Shares**” means fully paid shares in the capital of the Company. Each Share confers on the holder one vote at general meetings of the Company;

“**Subsidiary**” means a subsidiary (Sw. *dotterföretag*) within the meaning given to that term in the Swedish Companies Act (2005:551);

“**Tax Redemption Date**” shall have the meaning ascribed to it in Condition 7.2(a); and

“**Tax Redemption Notice**” shall have the meaning ascribed to it in Condition 7.2(a).

2 LOAN AMOUNT, MATURITY DATE, STATUS, INTEREST RATE AND DEBT OBLIGATION

- (a) The Loan shall be issued in a maximum principal amount of SEK [•] and is represented by Convertible Bonds in principal amounts of SEK 1,000,000 each (or integral multiples thereof).
- (b) The Company undertakes to make payments in respect of the Convertible Bonds in accordance with these terms and conditions.
- (c) The Loan shall be repaid on the Maturity Date.
- (d) The Convertible Bonds shall, in the event of the Company’s bankruptcy, liquidation or public composition, rank after all other unsubordinated obligations of the Company, and *pari passu* with other subordinated obligations of the Company not expressly subordinated to this Loan.
- (e) The Loan will bear interest at a rate of [•] per cent per annum as from [27] June 2013 up to and including the Maturity Date. Interest will be calculated on the basis of a 360 day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed. Pursuant to Condition 10(b) below, the right to receive interest will be extinguished in all cases of Conversion.
- (f) Payment of interest in respect of the Convertible Bonds shall be made to the Bondholders semi-annually in arrears on each Interest Payment Date.

3 NEGATIVE PLEDGE

So long as any of the Convertible Bonds remain outstanding, the Company will not create or permit to subsist any mortgage, lien, pledge or other charge encumbrance or security interest to secure any present or future indebtedness, in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, and which are, or are capable of being, listed or ordinarily dealt in on any regulated market or other recognized marketplace, unless, simultaneously with, or prior to, the creation of such indebtedness, all amounts

payable by the Company under the Convertible Bonds (i) are secured equally and rateably by such indebtedness to the satisfaction of the Agent or (ii) are secured by such other security, guarantee, indemnity or other arrangement as the Agent shall in its absolute discretion deem not materially less beneficial to the Bondholders.

4 ACCOUNT-KEEPING INSTITUTION, REGISTRATION ETC.

- (a) Following due registration of the Convertible Bonds with the Swedish Companies Registration Office (Sw. *Bolagsverket*), the Convertible Bonds shall be registered with Euroclear in a CSD register in accordance with Chapter 4 of the Swedish Act (1998:1479) on Account Keeping of Financial Instruments. No Convertible Bond certificates will thus be issued. The Convertible Bonds will be freely transferable following registration with Euroclear as set forth in the preceding sentence.
- (b) The Convertible Bonds will be registered on behalf of each Bondholder in an account in the Company's CSD register. Registrations with respect to Convertible Bonds following Conversion shall be effected by the Issuing Agent.
- (c) The Company (and the Agent when permitted under Euroclear's applicable regulations) shall be entitled to obtain information from the Company's CSD Register and the debt register (Sw. *skuldbok*) kept by Euroclear. At the request of the Agent, the Company shall promptly obtain such information and provide it to the Agent.
- (d) The Company shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the CSD register kept by Euroclear in respect of the Convertible Bonds. The Company may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- (e) Other registration measures with respect to the Convertible Bonds as a consequence of actions in accordance with Conditions 10 or 11 will be made by the Company or the Issuing Agent.

5 PAYMENT OF INTEREST AND REPAYMENT OF PRINCIPAL

- (a) Payments in respect of interest on, and repayment of, the Loan will be made by Euroclear to persons who are registered in an account in the Company's CSD register as a Bondholder or as otherwise being entitled to receive payments of interest and principal on the fifth Business Day prior to the relevant Interest Payment Date or Maturity Date, as the case may be, or in each case such other Business Day falling prior to the Interest Payment Date or Maturity Date, as the case may be, if generally applicable on the Swedish bond market (the "**Record Date for Payment**").
- (b) If a Bondholder or a person otherwise entitled to receive payments of interest and principal, has made arrangements through an account-keeping institute that the interest amount and principal should be paid into a specific bank account, such payment will be made by Euroclear on the Interest Payment Date or the Maturity Date, as the case may be. In the absence of such an arrangement, Euroclear will transmit the payment of the interest and of the principal on the Interest Payment Date or the Maturity Date, as the case may be, to the address of such Bondholder which is registered with Euroclear on the Record Date for Payment.

- (c) If Euroclear is unable to pay the interest amount or principal on an Interest Payment Date or on the Maturity Date, as the case may be, due to a delay on the part of the Company or due to any other obstacle, the interest amount and principal, respectively, will be paid by Euroclear as soon as such obstacle has ceased to subsist, to the Bondholder or to the person otherwise entitled to receive interest payments and payment of principal on the Record Date for Payment.
- (d) If an Interest Payment Date or the Maturity Date, as the case may be, falls on a day which is not a Business Day, it shall be postponed to the immediately following Business Day unless such day could thereby fall in the next calendar month, in which event such Interest Payment Date or the Maturity Date shall be brought forward to the immediately preceding Business Day.

6 BONDHOLDERS' RIGHTS IN CONNECTION WITH CHANGE OF CONTROL AND DE-LISTING

6.1 Change of Control

Notwithstanding Condition 2(c), each Bondholder shall, in the event of a Change of Control, be entitled to (i) require early redemption of the Convertible Bonds at their principal amount prior to the Maturity Date on the day falling fourteen (14) days after the expiry of the Change of Control Notice Period (the “**Change of Control Maturity Date**”) along with interest accrued up to and including such day, or (ii) exercise their Conversion rights at an adjusted Conversion Price during the Change of Control Notice Period as set forth in Condition 11.10. In this connection, the following shall apply;

- (i) the Company shall within one (1) week after the Change of Control has occurred notify the Agent thereof, in accordance with Condition 22 (a “**Change of Control Notice**”). Such notification shall include the following information:
 - (A) material information concerning the Change of Control;
 - (B) a reminder of the Bondholders’ right to exercise their Conversion rights at an adjusted Conversion Price or the right to require early redemption of the Convertible Bonds as of the Change of Control Maturity Date;
 - (C) the relevant adjusted Conversion Price that in accordance with Condition 11.10 will apply during the Change of Control Notice Period;
 - (D) the closing price of the Shares as derived from NASDAQ OMX Stockholm as at the latest practicable date prior to the occurrence of the Change of Control; and
 - (E) the last date in the Change of Control Notice Period.
- (ii) Bondholders who wish to exercise their right to require the Company to redeem the Convertible Bonds as of the Change of Control Maturity Date shall, prior to the expiry of the Change of Control Notice Period, provide a notice (in the form determined by the Company) to the Company and the Agent. Such notice of exercise of the right to early redemption is binding and irrevocable.
- (iii) Bondholders who wish to exercise their Conversion rights at an adjusted Conversion Price shall request Conversion prior to the expiry of the Change of Control Notice Period. Upon request for Conversion, the relevant application form for registration purposes shall be duly completed and filed with the Company and the Agent. A request for Conversion is binding and irrevocable.

6.2 De-listing

Notwithstanding Condition 2(c), each Bondholder shall, in the event of a De-listing Event, be entitled to require early redemption of the Convertible Bonds at their principal amount prior to the Maturity Date on the day falling fourteen (14) days after the expiry of the De-listing Event Period (the “**De-listing Event Maturity Date**”) along with interest accrued up to and including such day. In this connection, the following shall apply;

- (i) Upon the occurrence of a De-listing Event, the Company shall within one (1) week after the De-listing Event has occurred notify the Agent thereof in accordance with Condition 22 (a “**De-listing Event Notice**”). Such notification shall include the following information:
 - (A) material information concerning the De-listing Event;
 - (B) a reminder of the Bondholders’ right to require early redemption of the Convertible Bonds as of the De-listing Event Maturity Date;
 - (C) the Conversion Price immediately prior to the occurrence of the De-Listing Event;
 - (D) the closing price of the Shares or the Convertible Bonds, as applicable, as derived from NASDAQ OMX Stockholm as at the latest practicable date prior to the occurrence of the De-listing Event; and
 - (E) the last date in the De-listing Event Period.
- (ii) Bondholders who wish to exercise their right to require the Company to redeem the Convertible Bonds as of the De-listing Event Maturity Date shall, prior to the expiry of the De-listing Event Period, provide a notice (in the form determined by the Company) to the Company and the Agent. Such notice of exercise of the right to early redemption is binding and irrevocable.

7 REDEMPTION IN THE EVENT OF A CLEAN-UP EVENT OR FOR TAXATION REASONS

7.1 Clean-up Event

Notwithstanding Condition 2(c), the Company shall, in the event of a Clean-up Event, be entitled to require early redemption of the remaining Convertible Bonds at their principal amount prior to the Maturity Date on the day falling fourteen (14) days after the occurrence of the Clean-up Event, along with (i) interest accrued up to and including such day and (ii) an additional payment of one (1) per cent of the principal amount of the Convertible Bonds thus redeemed.

In this connection, the Company shall as soon as possible but no later than one (1) week after the Clean-up Event has occurred notify the Agent thereof, in accordance with Condition 22. Such notification shall include material information concerning the Clean-up Event and the date on which redemption of the remaining Convertible Bonds shall occur.

7.2 Taxation reasons

- (a) At any time the Company may, having given not less than forty-five (45) nor more than sixty (60) calendar days’ notice (a “**Tax Redemption Notice**”) to the Agent, redeem (subject to the second following paragraph) all, and not some only, of the Convertible Bonds for the time being outstanding on the date (the “**Tax Redemption Date**”) specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to such date, if (i) the Company has or will become

obliged to pay additional amounts in respect of payments of interest on the Convertible Bonds pursuant to Condition 14 as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after date of issuance of these Convertible Bonds, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than ninety (90) calendar days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Convertible Bonds then due. Prior to the publication of any Tax Redemption Notice, the Company shall make available at its registered office (a) a certificate signed by two directors of the Company stating that the obligation referred to in (i) above cannot be avoided by the Company taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised standing to the effect that such change or amendment has occurred and that the Company has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective).

- (b) On the Tax Redemption Date the Company shall (subject to the next following paragraph) redeem the Convertible Bonds at their principal amount, together with accrued and unpaid interest to such date.
- (c) Any Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Tax Redemption Date which shall be a Business Day, (ii) the Conversion Price, the aggregate principal amount of the Convertible Bonds outstanding and the closing price of the Shares as derived from NASDAQ OMX Stockholm, in each case as at the latest practicable date prior to the publication of the Tax Redemption Notice and (iii) the last calendar day on which the right to Conversion may be exercised by the Bondholders.

8 CONVERSION AT COMPANY'S OPTION

- (a) At any time as from the date of issuance of these Convertible Bonds up to thirty (30) calendar days before the Maturity Date, provided that a Relevant Price Trigger has occurred, the Company may, at its sole discretion, convert all, and not some only, of the Convertible Bonds, conditional upon (i) notice having been given to the Swedish Companies Registration Office of Conversion within five (5) Business Days from the occurrence of the Relevant Price Trigger and (ii) on the Business Day prior to notification to the Swedish Companies Registration Office of Conversion the closing price of the Company's Shares, as derived from NASDAQ OMX Stockholm, exceeded 160 percent of the Conversion Price applicable on such day. In this connection the following shall apply;
 - (i) The Company shall simultaneously with the notice to the Swedish Companies Registration Office of Conversion notify the Agent that a Relevant Price Trigger has occurred and that the Company has exercised its right to convert the Convertible Bonds. Such notification shall include the following information:
 - (A) material information concerning the Relevant Price Trigger including the closing price of the Shares as derived from NASDAQ OMX Stockholm as at the latest practicable date prior to the notification to the Swedish Companies Registration Office of Conversion;
 - (B) the relevant Conversion Price; and
 - (C) the Conversion Effective Date.

- (b) A notice having being given by the Company to the Swedish Companies Registration Office of Conversion is binding and irrevocable.
- (c) If a Relevant Price Trigger occurs, but the conditions mentioned in Condition 8(a) above are not satisfied, this shall not prejudice the right of the Company to effect a Conversion on a further Relevant Price Trigger occurring, but subject always to the conditions as set forth in Condition 8(a) above.

9 **CONVERSION AT BONDHOLDER'S OPTION**

- (a) Bondholders have the right to require Conversion of some or all of their Convertible Bonds into new Shares in the Company at any time during the period set forth in Condition 9(d) below by sending a request for Conversion to the Company and the Agent.
- (b) The Conversion Price per Share shall initially be the amount set forth in the issue resolution. The Conversion Price is subject to adjustment in the circumstances described in Condition 11 below.
- (c) The number of Shares to be issued upon Conversion shall be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the relevant date of Conversion. No fractions of Shares will be delivered. Bondholders will not receive cash compensation for any amount not corresponding to a complete Share.
- (d) A Bondholder may request Conversion during the last month of each calendar quarter during the period commencing on the date of registration of these terms and conditions with the Swedish Companies Registration Office and ending thirty (30) calendar days before the Maturity Date, or up to and including such earlier date as set forth in Condition 11 below. Upon request for Conversion, the relevant application form for registration purposes as specified by the Company shall be duly completed and filed with the Company and the Agent. A request for Conversion is binding and irrevocable.

Conversion may also be required by the Company in the circumstances and subject to the provisions set forth in Condition 8 above.

- (e) The Bondholders shall pay any taxes or charges that may be imposed on the Bondholders in relation to the transfer, holding or Conversion of a Convertible Bond pursuant to Swedish or foreign laws or regulations, or the decision of a Swedish or foreign authority.
- (f) Conversion is effected, at the end of each calendar quarter, by the Shares being recorded as interim shares in the share register of the Company kept by Euroclear (the date on which such event occurs in respect of a Convertible Bond shall be the “**Conversion Effective Date**” in respect of such Convertible Bond). Once registration has taken place at the Swedish Companies Registration Office, the registration in the share accounts will become final. As described in Conditions 10 and 11 below, such final registration may be deferred in certain cases.

10 **DIVIDENDS AND INTEREST IN CONNECTION WITH CONVERSION**

- (a) Shares issued upon Conversion carry rights to dividends commencing from and including such record date for dividends which falls immediately after the Conversion Effective Date.
- (b) Upon Conversion a Bondholder will lose the right to receive accrued interest as from the Interest Payment Date preceding the Conversion Effective Date.

11 ADJUSTMENT OF THE CONVERSION PRICE, ETC

11.1 Bonus issue

If the Company effects a bonus issue, a Conversion – which is requested on a date that does not permit it to be effected prior to or on the tenth day preceding the general meeting of shareholders on which resolutions will be passed to approve the bonus issue – will not be effected until after the meeting has passed such resolutions. Shares issued pursuant to a Conversion and effected following approval of the bonus issue shall be entered on the securities account on an interim basis and shall not be entitled to participate in the issue. Final registration of such Shares in the securities account takes place after the record date for the bonus issue.

Upon Conversion effected following approval of any bonus issue, scrip dividend or capitalization issue (*Sw. fondemission*), an adjusted Conversion Price shall apply. The adjustment shall be made by the Independent Financial Adviser in accordance with the following formula:

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

The adjusted Conversion Price calculated as above shall be determined by the Independent Financial Adviser as soon as possible after the resolution of the general meeting of shareholders regarding the bonus issue, but shall not apply until following the record date for the bonus issue.

11.2 Consolidation or split

If the Company effects a consolidation or a split of its Shares, Condition 11.1 above shall apply correspondingly, in which case the record date shall be considered to be the date upon which such consolidation or split is registered with Euroclear at the request of the Company.

11.3 New shares issue

If the Company issues new shares – with pre-emptive rights for all shareholders to subscribe for new shares with cash payment or with payment by set-off – the following shall apply with respect to the rights to participate in the new issue that accrue to shares to be issued upon Conversion:

1. If the new issue is resolved by the Board of Directors subject to the approval of the general meeting of shareholders or as authorized by such meeting, the Board of Director's resolution shall specify the latest date when Conversion shall have to have been effected in order for shares issued upon Conversion to have rights to participate in the new issue. Such date may not be earlier than the tenth calendar day following the date of the resolution.
2. If the new issue is resolved by the general meeting of shareholders, a Conversion – which is requested on a date that does not permit it to be effected prior to or on the tenth day preceding the general meeting of shareholders on which resolutions will be passed to approve the issue – will not be effected until the Independent Financial Adviser has set the adjusted Conversion Price in accordance with what is set forth below in this Condition 11.3. Shares issued upon such Conversion will be recorded as interim shares on the securities account, and shall not entitle the Bondholders to participate in the new issue.

Upon Conversion which is effected on such a date that rights to participate in the new issue do not accrue, an adjusted conversion price shall apply. The adjustment shall be made by the Independent Financial Adviser in accordance with the following formula:

$$\text{adjusted Conversion Price} = \frac{\text{previous Conversion Price} \times \text{the Share's average market price during the subscription period as established in the issue resolution}}{\text{(average share price)}} \div \text{average share price increased by the theoretical value of the subscription right calculated on the basis thereof}$$

The average share price shall upon listing be considered to correspond to the average of the mean of the daily highest and lowest paid prices for the Share for each trading day during the subscription period as recorded in the market place's official list of prices or other applicable market quotation. In the absence of a quotation for paid prices, the last bid price quoted for such day shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average share price.

The theoretical value of the subscription right is calculated in accordance with the following formula:

$$\text{value of the subscription right} = \frac{\text{the maximum number of new Shares that may be issued pursuant to the issue resolution} \times (\text{the average share price less the issue price for the new share})}{\text{the number of Shares prior to the issue resolution}}$$

If the calculation produces a negative value, the theoretical value of the subscription right shall be deemed to be zero.

When performing calculations in accordance with the above formula, shares held by the Company shall be disregarded.

Should the Company's Shares not be listed, the adjusted Conversion Price shall be established by the Independent Financial Adviser in accordance with the principles set forth in this Condition 11.3. The recalculation shall be made on the basis that the value of the Convertible Bonds shall remain unchanged.

The adjusted Conversion Price as calculated and described above shall be determined by the Independent Financial Adviser two Business Days following the expiration of the subscription period and shall be applied for Conversions effected thereafter.

Until such time as the adjusted Conversion Price has been determined, Conversions shall be effected only on a provisional basis, whereby the full number of shares according to the as yet unadjusted Conversion Price shall be recorded in the securities account on an interim basis. Further, it shall be specifically noted that the Convertible claim pursuant to the adjusted Conversion Price may entitle to further shares. Final registration on the securities account shall occur after the adjusted Conversion Price has been determined.

11.4 Issue of warrants or convertible bonds

If the Company issues warrants or convertible bonds – with pre-emptive rights for all shareholders and with cash payment or with payment by set-off – the provisions in Condition 11.3, first paragraph, items 1 and 2 above, shall apply correspondingly with respect to the rights of shares issued upon Conversion to participate in such issue. Upon a Conversion which is effected on such a date that rights to participate in the new issue do not accrue, an adjusted Conversion Price shall apply. The adjustment shall be made by the Independent Financial Adviser in accordance with the following formula:

$$\text{adjusted Conversion Price} = \frac{\text{previous Conversion Price} \times \text{the Share's average market price during the subscription period as established in the issue resolution}}{\text{average share price increased with the value of the subscription right}}$$

The average share price shall be calculated as set forth in Condition 11.3 above.

The value of the subscription right shall upon listing be considered to correspond to the average of the mean of the daily highest and lowest paid prices for the subscription right for each trading day during the subscription period as recorded in the market place's official list of prices or other applicable market quotation. In the absence of a quotation for paid prices, the last bid price quoted for such day shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average share price.

Should the Company's Shares or subscription rights not be listed, the adjusted Conversion Price shall be established by the Independent Financial Adviser in accordance with the principles set forth in this Condition 11.4. The adjustment shall be made on the basis that the value of the Convertible Bonds shall remain unchanged.

The adjusted Conversion Price as calculated and described above shall be determined by the Independent Financial Adviser two Business Days following the expiration of the subscription period and shall be applied for Conversions effected thereafter.

As regards Conversions that are effected until such time as the adjusted Conversion Price has been determined, the provisions in Condition 11.3, last paragraph above shall apply correspondingly.

11.5 Offer to shareholders

Should the Company, in cases other than those set forth in Conditions 11.1–4 above make an offer to its shareholders, with pre-emptive rights in accordance with the principles stipulated in Chapter 13, Section 1 of the Swedish Companies Act, to acquire securities or rights of any type issued by the Company, an adjusted Conversion Price shall apply in connection with Conversions requested at any such time that the shares received do not carry rights to participate in the offer. The adjustment shall be made by the Independent Financial Adviser in accordance with the following formula:

$$\begin{aligned}
 \text{adjusted Conversion Price} &= \frac{\text{previous Conversion Price} \times \text{the Share's} \\
 &\quad \text{average market price during the subscription} \\
 &\quad \text{period as established in the issue resolution} \\
 &\quad \text{(average share price)}}{\text{average share price increased with the value of the} \\
 &\quad \text{right to participate in the offer (the value of the} \\
 &\quad \text{purchase right)}}
 \end{aligned}$$

The average share price shall be calculated as set forth in Condition 11.3 above.

In the event that the shareholders receive purchase rights and if trading of such rights has taken place, the value of the right to participate in the offer shall be considered to correspond to the value of the purchase right. The value of the purchase right shall upon listing be considered to correspond to the average of the mean of the daily highest and lowest paid prices for the subscription right for each trading day during the application period as recorded in the market place's official list of prices or other applicable market quotation. In the absence of a quotation for paid prices, the last bid price quoted for such day shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average share price.

In the event that the shareholders have not received purchase rights or trading in purchase rights as referred to in the preceding paragraph has otherwise not taken place, the adjustment of the Conversion Price shall be calculated by applying as far as possible the principles set forth above in this Condition 11.5, whereby the following shall apply. If there is a listing of the securities or rights offered to the shareholders, the value of the right to participate in the offer shall be considered to correspond to the average of the mean of the daily highest and lowest paid prices for such a security or right on each trading day for a period of twenty-five trading days from and including the first day for listing of transactions in these securities or rights as recorded in the market place's official list of prices or other applicable market quotation, less any consideration that is paid for these in conjunction with the offer. In the absence of a quotation for paid prices, the last bid price quoted for such day shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average share price. When calculating the adjustment of the Conversion Price in accordance with this paragraph, the said period of twenty-five trading days shall be deemed to correspond to the application period specified in the offer.

In the event that a listing does not take place with respect to the securities or rights offered to the shareholders, the value of the right to participate in the offer shall be determined as far as possible on the basis of the change in the market price of the Company's shares attributable to the offer.

Should the Company's Shares not be listed, the adjusted Conversion Price shall be established by the Independent Financial Adviser in accordance with the principles set forth in this Condition 11.5. The adjustment shall be made on the basis that the value of the Convertible Bonds shall remain unchanged.

The adjusted Conversion Price as calculated and described above shall be determined by the Independent Financial Adviser as soon as possible following the expiration of the offer period and shall be applied for Conversions effected thereafter.

As regards Conversions that are effected until such time as the adjusted Conversion Price has been determined, the provisions in Condition 11.3, last paragraph above shall apply correspondingly.

11.6 Pre-emptive rights for Bondholders

If the Company issues shares, warrants or convertible bonds – with pre-emptive rights for all shareholders and with cash payment or with payment by set-off – the Company shall have the right to resolve to extend such pre-emptive rights as accrue to the shareholders to all Bondholders. In such case each Bondholder, notwithstanding the fact that Conversion has not been effected, shall be deemed to be the owner of such number of shares in the Company that such Bondholder would have received upon Conversion at the Conversion Price applicable at the time of the resolution to effect the new issue.

Where the Company resolves to make an offer to the shareholders in accordance with Condition 11.5 above, the preceding section shall apply correspondingly save that the number of shares that each Bondholder shall be deemed to own shall be determined on the basis of the Conversion Price applicable at the time of the resolution to make the offer.

In the event that the Company extends pre-emptive rights to the Bondholders in accordance with this Condition 11.6, there shall be no adjustment in respect of the Conversion Price in accordance with Conditions 11.3, 4 or 5.

11.7 Reduction of share capital

If the Company's share capital should be reduced with repayment to the shareholders, and the reduction is mandatory, an adjusted Conversion Price shall be applied. The adjustment shall be made by the Independent Financial Adviser in accordance with the following formula:

$$\text{adjusted Conversion Price} = \frac{\text{previous Conversion Price} \times \text{the Share's average market price during a period of twenty-five trading days calculated as from and including the day the share is listed excluding right to repayment (average share price)}}{\text{average share price increased with the amount repaid per share}}$$

The average share price shall be calculated as set forth in Condition 11.3 above.

When making adjustment in accordance with the above, where the reduction is carried out through a redemption of shares, shall, instead of using the actual amount which is repaid for each share, an amount calculated as follows be applied:

$$\text{calculated repayment amount per share} = \frac{\text{the actual amount repaid on each redeemed share less the Share's average market price during a period of twenty-five trading days immediately prior to the day the share is listed excluding right to repayment (average share price)}}{\text{the number of shares in the Company which underlie the redemption of one share reduced by one (1)}}$$

The average share price shall be calculated as set forth in Condition 11.3 above.

The adjusted Conversion Price as calculated and described above shall be determined by the Independent Financial Adviser two Business Days following the expiration of the period of twenty-five trading days referred to above and shall be applied for Conversions effected thereafter.

As regards Conversions that are effected until such time as the adjusted conversion price has been determined, the provisions in Condition 11.3, last paragraph above shall apply correspondingly.

If the redemption is effected with payment of securities or rights of any kind, the actual amount repaid per share shall be established by the Independent Financial Adviser, where the principles for valuation of the right to participate in an offer set forth in Condition 11.5 above shall apply to the extent possible.

If the Company's share capital should be reduced by redemption of shares with repayment to the shareholders, and the reduction is not compulsory (or where the Company should resolve on buy-back of shares), but, where in the Independent Financial Adviser's opinion, in view of its technical structure and financial effects, the reduction (or the buy-back) is equivalent to a reduction which is compulsory, the Conversion Price shall be adjusted by applying, to the extent possible, the provisions set forth above in this Condition 11.7.

Should the Company's Shares not be listed, the adjusted Conversion Price shall be established by the Independent Financial Adviser in accordance with the principles set forth in this Condition 11.7. The adjustment shall be made on the basis that the value of the Convertible Bonds shall remain unchanged.

11.8 Adjustment of Conversion Price

Should the Company undertake any transaction or otherwise take any action or inaction including without limitation those stipulated in Conditions 11.1–5, 7 or 9 and if, in the Independent Financial Adviser's opinion, application of any relevant Conversion adjustment formula, taking into account the technical structure of such a transaction, action or inaction or for other reasons, may not take place or would not result in the Bondholders receiving financial compensation that is reasonable compared to the shareholders, the Independent Financial Adviser shall make the adjustment of the Conversion Price in such a manner that the Independent Financial Adviser determines is appropriate, in order to ensure that the result of the adjustment of the Conversion Price is reasonable.

11.9 Cash dividend

If the Company resolves to make a cash dividend to the shareholders of the Company, an adjusted Conversion Price shall be applied for Conversions requested at such a time that Shares thereby received do not carry rights to the receipt of such dividend. The adjustment shall be made by the Independent Financial Adviser in accordance with the following formula:

$$\text{adjusted Conversion Price} = \frac{\text{previous Conversion Price} \times \text{current market price} - \text{dividend amount}}{\text{current market price}}$$

where current market price is the volume weighted average price paid for the Shares on the trading day immediately prior to the day of which the Company resolves to make a dividend.

The adjusted Conversion Price calculated and described above shall be set by the Independent Financial Adviser two (2) Business Days after the date when the Shares were listed excluding rights to the dividend and shall be applied in Conversions effected thereafter.

In the event of Conversion executed during the time the adjusted Conversion Price has been determined, the provisions of the last paragraph of Condition 11.3 shall apply.

11.10 Change of Control Conversion Price

If a Change of Control would occur, then upon any exercise of Convertible Bonds where the date of Conversion falls during the Change of Control Notice Period, subject to the limits set forth in Condition 11.14, the Conversion Price (the “**Change of Control Conversion Price**”) shall be determined as set forth below:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

COCCP = means the Change of Control Conversion Price

OCP = means the Conversion Price in effect on the relevant date of Conversion

CP = means 20 percent (expressed as fraction)

c = means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date

t = means the number of days from and including the date of issuance of these Convertible Bonds to but excluding the Maturity Date,

provided however that the Change of Control Conversion Price may never be less than the quotient value (Sw. *kvotvärde*) of the Share.

11.11 Rounding

In adjusting the Conversion Price as described above, the price shall be rounded off to a whole hundredth of a SEK (Sw. *heltal öre*), whereby SEK 0.005 shall be rounded upwards to 0.01 SEK.

11.12 Liquidation

If it is decided that the Company is to enter into liquidation pursuant to Chapter 25 of the Swedish Companies Act, Conversion may not be requested thereafter, regardless of the grounds for the liquidation. The right to request Conversion ceases simultaneously with the decision to liquidate the Company, notwithstanding the fact that the decision may not have taken legal effect.

No later than four weeks prior to the general meeting of shareholders that determines whether the Company shall enter into voluntary liquidation, as provided in Chapter 25,

Section 1 of the Swedish Companies Act, the Bondholders shall be notified, as provided in Condition 22 below, of the proposed liquidation. The notice shall include a reminder that Conversion may not be requested after the meeting has passed a resolution on liquidation.

In the event that the Company provides notice of a proposed liquidation as provided above, the Bondholders shall request Conversion in such time that the conversion may be effected not later than on the tenth calendar day prior to the general meeting of shareholders at which the matter of the Company's liquidation is to be considered.

Should the right to request Conversion cease according to this Condition 11.12, it shall, however, re-enter into force if the liquidation lapses.

11.13 Bankruptcy

In the event the Company is declared bankrupt no Conversion may be requested from that point onwards. If, however, the bankruptcy order is revoked, Conversion may again be requested in accordance with these terms and conditions.

11.14 Squeeze out

In the event a majority shareholder holding more than nine-tenths of the Shares in the Company would exercise its right pursuant to Chapter 22, Section 1 of the Swedish Companies Act to compulsory acquisition of outstanding Shares in the Company, such majority shareholder is, pursuant to Chapter 22, Section 26 of the Swedish Companies Act, also entitled to compulsory acquisition of any convertible instruments issued by the Company. The Bondholders are then entitled to be bought out by such majority shareholder, notwithstanding that the latter does not exercise the right to compulsory acquisition of Shares.

Where the majority shareholder has requested that a dispute regarding a compulsory acquisition be resolved by arbitrators pursuant to Chapter 22, Section 6 of the Swedish Companies Act, the Convertible Bonds may not be exercised for Conversion until the compulsory acquisition dispute has been decided through an award or a decision has become final. Where the period of time within which Conversion may take place expires prior thereto or within three (3) months thereafter, the Bondholders shall nevertheless be entitled to Conversion during a period of three (3) months after the decision becomes final.

11.15 Miscellaneous

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Company and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on the Company and the Bondholders, save in the case of manifest error.

11.16 Notice

Notice of any adjustments to the Conversion Price shall be given by the Company to the Bondholders in accordance with Condition 22 promptly after the determination thereof.

12 COVENANTS BY THE COMPANY

- (a) The Company undertakes to consult with the Independent Financial Adviser well in advance before the Company takes any such measures as are described in Condition 11 above.
- (b) The Company further undertakes not to take any measures described in Condition 11 above, if they would result in a recalculated Conversion Price being less than the quotient value (Sw. *kvotvärde*) of one Share in the Company.

13 PURCHASE

Subject to the requirements (if any) of NASDAQ OMX Stockholm or any other regulated market or recognized market place on which the Convertible Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Company or any of its Subsidiaries may at any time purchase any Convertible Bonds in the open market or otherwise at any price. Any Convertible Bonds purchased by the Company or a Subsidiary of the Company may, to the extent permitted under the Swedish Companies Act and the relevant requirements as set out above, be held, re-sold or reissued or, at the option of the relevant purchaser, cancelled.

14 TAXATION

All payments made by on or behalf of the Company in respect of the Convertible Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law.

In the event that any such withholding or deduction is required to be made, the Company will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of interest on any Convertible Bond:

- a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Convertible Bond by reason of his having some connection with Sweden otherwise than merely by holding the Convertible Bond or by the receipt of amounts in respect of the Convertible Bond; or
- b) where such withholding or deduction is imposed on a payment to a holder and is required to be made pursuant to European Council Directive 2003/48/EC, including any amendments thereto, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these terms and conditions to principal and/or interest and/or any other amounts payable in respect of the Convertible Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition 14.

15 PRESCRIPTION

- (a) All rights to receive payment of principal shall lapse and become void ten (10) years from the Maturity Date. The right to receive payment of interest shall lapse and become void three (3) years after each relevant Interest Payment Date. Unclaimed interest amounts or principal amounts in respect of which rights to receive payments have lapsed shall revert to the Company.
- (b) In the event that the statute of limitations period should be interrupted, a new statute of limitation period of ten (10) years in respect of principals and three (3) years in respect of interest amounts will commence, in both cases, calculated as of the day set forth in the relevant provisions of the Swedish Act on Statutes of Limitations (1981:130).

16 EVENTS OF DEFAULT

Upon occurrence of any of the events set forth in Condition 16.1-16.5 below (each an “**Event of Default**”), the Agent, on behalf of the Bondholders, at its discretion may, and if so requested by Bondholders holding at least one-third in principal amount of the Convertible Bonds then outstanding or if so directed by an Extraordinary Resolution shall, terminate the Convertible Bonds in which case the entire unpaid principal amount of the Convertible Bonds plus all accrued and unpaid interest thereon shall all be immediately due and payable.

16.1 Non-payment

The Company fails to make timely payment of interest or any other amount on the Convertible Bonds, unless:

- i. its failure to pay is caused by administrative or technical error or any disruption to the payment, treasury or communications systems (internal or external) or to those financial markets which are, in each case, required to operate in order for such payment to be made, beyond the control of the Company; and
- ii. payment is made within ten (10) Business Days of its due date.

16.2 Breach of other obligations

The Company, in some respect other than that which is specified under Condition 16.1 fails to perform its obligations pursuant to these terms and conditions, or otherwise act in contravention of such terms and conditions, provided that the Agent, on behalf of the Bondholders, has demanded that the Company rectify such situation and the Company has failed to do so within thirty (30) Business Days thereafter.

16.3 Cross default

- (a) Any Financial Indebtedness of any of the Material Group Members is (i) not paid when due (after the expiry of any originally applicable grace period) or (ii) is declared to be or otherwise becomes prematurely due and payable as a result of an event of default (however described).
- (b) No Event of Default will however occur under this Condition 16.3 if the amount of the relevant Financial Indebtedness is less than SEK 20,000,000 (or its equivalent in the relevant currency of payment).

16.4 Insolvency

Any of the Material Group Members is (or is deemed for the purpose of any applicable law to be) insolvent or unable to pay its debts as they fall due, suspends or publicly announces its intention to stop or suspend payment of all or a material part of (or of a particular type of) its

debts, or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness or a moratorium is declared or comes into effect in respect of or affecting all or any substantial part of (or of a particular type of) the debts of the Company or any of the Material Group Members.

16.5 Creditor's process

Any expropriation, attachment, sequestration, distress or execution or any analogous process affects any asset or assets of a Material Group Member, having an aggregate value of at least SEK 100,000,000, and is not discharged within thirty (30) Business Days.

17 DECISIONS BY BONDHOLDERS

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to these terms and conditions shall (at the option of the Agent) be dealt with at a Bondholders' Meeting.
- (b) Any request from the Company or a Bondholder (or Bondholders) representing not less than one-tenth of the principal amount of outstanding Convertible Bonds (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 Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to these terms and conditions shall be directed to the Agent and dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting if (i) the suggested decision must be approved by any person or entity in addition to the Bondholders and such person or entity, as the case may be, has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney from a person who is, registered as a Bondholder on the fifth Business Day prior to the date of the Bondholders' Meeting and who is included in the principal amount of outstanding Convertible Bonds at such time may exercise voting rights as a Bondholder at such Bondholders' Meeting. Holders of nominee-registered Convertible Bonds shall be regarded as Bondholders instead of the nominee if the holder presents a certificate from the nominee showing that as of the fifth Business Day prior to the Bondholders' Meeting, the person in question was the holder of a Convertible Bond and stating the size of such person's holding.
- (e) The following types of matters shall require attendance of Bondholders representing not less than one-half of the principal amount of outstanding Convertible Bonds at the Bondholders' Meeting ("**Extraordinary Resolution**"):
 - (i) approval of termination of the Convertible Bonds due to an Event of Default as set forth in Condition 16, or approval of an agreement with the Company or a third party, regarding change of the Maturity Date, reduction of the Loan amount and change of the applicable Interest Payment Date or other interest terms and conditions; and
 - (ii) approval of an amendment of this Condition 17.

- (f) Any matter not covered by Condition 17(e) shall require attendance of Bondholders representing not less than one-fifth of the principal amount of outstanding Convertible Bonds at the Bondholders' Meeting.
- (g) Resolutions of the Bondholders' Meeting are adopted by means of a poll vote if any Bondholder so requests. Each Bondholder entitled to vote shall, in conjunction with voting, have one vote per each integral multiple of SEK 10 of Convertible Bonds which he holds. Extraordinary Resolutions are valid only if they are supported by not less than three quarters of the votes cast. For all other resolutions, the position which receives more than half of the votes cast shall prevail.
- (h) If a quorum does not exist at a Bondholders' Meeting, the Agent or the Company shall convene a second Bondholders' Meeting (in accordance with Condition 18(a)), provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Condition 17(e) or 17(f) (as applicable) shall not apply to such second Bondholders' Meeting.
- (i) Any decision which extends or increases the obligations of the Company, the Agent, the Independent Financial Advisor or the Issuing Agent, or limits, reduces or extinguishes the rights or benefits of the Company, the Agent, the Independent Financial Advisor or the Issuing Agent, under these terms and conditions shall be subject to the Company's, the Agent's, the Independent Financial Advisor or the Issuing Agent consent, as appropriate.
- (j) A Bondholder does not 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.
- (k) The Company 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 within the time period stipulated for the consideration to be payable.
- (l) A matter decided at a duly convened and held Bondholders' Meeting is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Company or the Agent for the purpose of convening a Bondholders' Meeting, including reasonable fees to the Agent, shall be paid by the Company.
- (n) If a decision shall be taken by the Bondholders on a matter relating to these terms and conditions, the Company shall promptly at the request of the Agent provide the Agent with a certificate specifying any Convertible Bonds owned by members of the Group, irrespective of whether such person is directly registered as owner of such Convertible Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether any Convertible Bonds are owned by a member of the Group.
- (o) Information about decisions taken at a Bondholders' Meeting shall promptly be sent by notice to the Bondholders and published on the websites of the Company and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting shall at the request of a Bondholder be sent to it by the Company or the Agent, as applicable.

18 BONDHOLDERS' MEETING

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Company or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Company want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Condition 18(a) with a copy to the Agent. After a request from the Bondholders pursuant to Condition 19.3(c), the Company shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Condition 18(a).
- (c) The notice pursuant to Condition 18(a) 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) and (iv) 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.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these terms and conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

19 APPOINTMENT AND REPLACEMENT OF THE AGENT

19.1 Appointment of Agent

- (a) By subscribing for Convertible Bonds, each initial Bondholder appoints the Agent to act as its Agent in all matters relating to the Convertible Bonds and these terms and conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these terms and conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder. By acquiring Convertible Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- (b) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these terms and conditions. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- (c) The Company shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these terms and conditions.

- (d) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these terms and conditions and the Agent's obligations as Agent under these terms and conditions are conditioned upon the due payment of such fees and indemnifications.
- (e) In relation to these terms and conditions, the Agent may act through its personnel and agents. The Agent may further engage, pay for and rely on the advice or services of any lawyers, accountants or other experts. The reasonable, evidenced and proper costs for such third party advice shall be borne by the Company.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Company and other members of the Group notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with these terms and conditions. However, the Agent is not responsible for the execution or enforceability of these terms and conditions.
- (b) When acting in accordance with these terms and conditions, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under these terms and conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these terms and conditions.
- (d) The Agent shall treat all Bondholders equally and, when acting pursuant to these terms and conditions, 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 these terms and conditions.
- (e) Notwithstanding any other provision of these terms and conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (f) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Company, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (g) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under these terms and conditions by reason of the non-payment by the Company of any fee or indemnity due to the Agent under these terms and conditions or (ii) if it refrains from acting for any reason described in Condition 19.2(f).

19.3 Replacement of the Agent

- (a) Subject to Condition 19.3(f), the Agent may resign by giving notice to the Company and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent.
- (b) Subject to Condition 19.3(f), if the Agent is insolvent or the subject of a similar event described in Condition 16.4, the Agent shall be deemed to resign as Agent and the Company shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as Agent under terms and conditions similar to these terms and conditions.
- (c) A Bondholder (or Bondholders) representing not less than one-tenth of the principal amount of outstanding Convertible Bonds may, by notice to the Company (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 Company 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 Agent and appointing a new Agent. The Company may, at a Bondholders' Meeting convened by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Company shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as Agent under terms and conditions similar to these terms and condition.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these terms and conditions.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these terms and conditions but shall remain entitled to the benefit of these terms and conditions and remain liable under these terms and conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Company and each of the Bondholders shall have the same rights and obligations amongst themselves under these terms and conditions as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Condition 19.3, the Company shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these terms and conditions. Unless the Company and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20 NO DIRECT ACTIONS BY BONDHOLDERS

- (a) A Bondholder may not take any steps whatsoever against the Company to enforce or recover any amount due or owing to it pursuant to these terms and conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Company in relation to any of the liabilities of the Company under these terms and conditions.
- (b) Condition 20(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with these terms and conditions 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 Condition 19.1(b)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Company of any fee or indemnity due to the Agent under these terms and conditions or by any reason described in Condition 19.2(f), such failure must continue for at least forty (40) Business Days after notice pursuant to Condition 19.2(g) before a Bondholder may take any action referred to in Condition 20(a).
- (c) The provisions of Condition 20(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due by the Company to some but not all Bondholders.

21 DISTRIBUTION OF FUNDS

- (a) If an Event of Default has occurred and should the sums paid by or recovered from the Company not suffice for all payments to be made, such sums shall be applied in the following order:
 - (i) *firstly*, in or towards payment of all unpaid fees, costs, expenses and indemnities payable by the Company to the Agent or otherwise properly incurred by the Agent in connection with the Convertible Bonds;
 - (ii) *secondly*, in or towards payment of accrued but unpaid interest under the Convertible Bonds; and
 - (iii) *thirdly*, in or towards payment of any unpaid principal under the Convertible Bonds.
- (b) If a Bondholder or another person has paid any fees, costs, expenses or indemnities referred to in Condition 21(a)(i), such Bondholder or other person shall be entitled to reimbursement by way of a corresponding distribution in accordance with Condition 21(a)(i).

22 NOTICES

Notices regarding the Convertible Bonds on behalf of the Bondholders shall be sent to the Agent. The Agent shall subsequently procure that such notices, to the extent relevant, as well as notices to attend a Bondholders' Meeting, are sent to each Bondholder under the addresses registered in the Company's CSD Register. For the avoidance of doubt, if a Convertible Bond is registered with an authorized nominee, notice with respect to the Convertible Bond will be sent to such authorized nominee. In the event that the Convertible Bonds are listed on NASDAQ OMX Stockholm or another regulated market or recognized marketplace, notices shall also be given in accordance with such rules that may be applicable as a result hereof.

Notices to the Company shall be sent to the Company at the following address:

Bong AB (publ), Att: CFO
Hans Michelsensgatan 9 (5th floor)
SE-211 20
Malmö, Sweden

23 NOMINEES

In respect of Convertible Bonds registered with authorized nominees in accordance with the Swedish Act on Account-keeping of Financial Instruments (1998:1479) the authorized nominee shall be deemed to be the Bondholder for the purpose of applying these terms and conditions (subject to the provisions about the voting rights of the Bondholders in Condition 17 and 18).

24 ISSUING AGENT AND INDEPENDENT FINANCIAL ADVISER

- (a) The Issuing Agent and the Independent Financial Adviser respectively, shall act independently in accordance with these terms and conditions and in accordance with the rules, regulations and generally accepted practices of the Swedish securities market, including inter alia relevant regulations of Euroclear.
- (b) The term “Issuing Agent” shall be deemed to include any other bank or investment bank or account-keeping institute which the Company appoints to act as Issuing Agent in accordance with these terms and conditions and applicable regulations.

25 CONFIDENTIALITY

The Company, the Issuing Agent, the Agent, the Independent Financial Adviser and Euroclear must not without due authorisation, disclose to a third party information regarding a Bondholder.

26 LIMITATION OF LIABILITY

- (a) None of the Company, the Issuing Agent, the Agent, the Independent Financial Adviser or Euroclear – in the case of Euroclear, subject to the provisions of the Swedish Act on Account-keeping of Financial Instruments (1998:1479) – shall be liable for loss or damage arising due to a Swedish or foreign legal decree, Swedish or foreign action by public authority, war, strike, blockade, boycott and lockout or any similar circumstances. This shall apply even if the Company, the Issuing Agent, the Agent, the Independent Financial Adviser or Euroclear itself undertakes or is subject to such actions.
- (b) None of the Company, the Issuing Agent, the Independent Financial Adviser or Euroclear shall be obliged to indemnify any loss or damage that is incurred, provided that the Company, the Issuing Agent, the Independent Financial Adviser or Euroclear, as the case may be, have acted with normal care. The Agent shall not be obliged to indemnify any loss or damage that is incurred, unless caused by the Agent’s gross negligence or wilful misconduct. The Issuing Agent, the Independent Financial Adviser and the Agent shall under no circumstances be liable for indirect damages.
- (c) Should the Issuing Agent, the Agent, the Independent Financial Adviser or Euroclear be prevented from making payment or taking other action due to circumstances that are described in paragraph (a), such action may be deferred until the hindrance has ceased. In case of a postponed payment, the Company shall pay interest at the rate applicable on the Maturity Date as specified in Condition 2(e).

27 LISTING OF THE CONVERTIBLE BONDS

The Company shall use its best efforts to ensure that the Convertible Bonds are listed on NASDAQ OMX Stockholm not later than two (2) months following the admittance and registration by Euroclear pursuant to Condition 4(a) or, if such listing is not possible, to obtain or maintain listing of the Convertible Bonds on another regulated market. The Company shall, following a listing, take all actions on its part to maintain the listing of the Convertible Bonds.

28 APPLICABLE LAW AND SUBMISSION TO JURISDICTION

The laws of Sweden shall apply to the Convertible Bonds, these terms and conditions and related legal issues. All disputes concerning the Convertible Bonds and/or these terms and conditions shall be submitted to the jurisdiction of the Swedish courts where the court of first instance shall be the Stockholm District Court (or such other forum as may be approved in writing by the Company).

These terms and conditions have been drafted in a Swedish language version and an English language version. In case of any discrepancies between the versions, the English language version shall prevail.
