



**TERMS AND CONDITIONS FOR**  
**LR HEALTH & BEAUTY SE**  
**EUR 130,000,000**  
**SENIOR SECURED FLOATING RATE BONDS 2024/2028**  
**ISIN: NO0013149658 (BONDS)**  
**ISIN: NO0013162669 (INITIAL TEMPORARY BONDS)**  
**LEI: 391200F0IS3RDVSU8A35**

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## SELLING RESTRICTIONS

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.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons, except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act.

Bondholders located in the United States are not permitted to transfer Bonds except (i) subject to an effective registration statement under the U.S. Securities Act, (ii) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) outside the United States in accordance with Regulation S under the U.S. Securities Act, (iv) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available) and (v) pursuant to any other available exemption from registration under the U.S. Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act.

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## PRIVACY NOTICE

The Issuer, the Paying Agent and the Agent 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, the Paying Agent and the Agent 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, the Paying Agent and the Agent 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, the Paying Agent or the Agent. 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 the right to get access to their personal data and may request the same in writing at the address of the Issuer, the Paying Agent and the Agent, 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, the Paying Agent's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites [www.lrworld.com](http://www.lrworld.com) and [www.nordictrustee.com](http://www.nordictrustee.com).

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## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator (No. *Kontofører*) with Verdipapirsentralen ASA, and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Additional Guarantors**” means:

- (a) LR Jersey Holding Limited, a limited liability company incorporated under the laws of Jersey and registered under registration number 124815;
- (b) LR Health & Beauty Systems SAS, a limited liability company incorporated under the laws of France and registered under registration number 529 089 526 RCS Lyon;
- (c) LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ), a limited liability company incorporated in Greece with registered address at the Municipality of Metamorfosi, 50 Ermou Str., Athens, Greece and General Commercial Registry number (GEMI) 001682601000;
- (d) LR Health & Beauty Systems s.r.o., a limited liability company incorporated in Czech Republic with identification no. 024 86 512, registered in the Czech Commercial Register (*obchodní rejstřík*) maintained by the Regional Court (*krajský soud*) in Ostrava under file no. C 58017;
- (e) LR Health & Beauty Systems S.R.O., a limited liability company incorporated in Slovakia with identification no. 31 380 506, registered in the Slovak Commercial Register (*obchodný register*) maintained by the District Court (*okresný súd*) Žilina, under section Sro, file no. 10380/L; and
- (f) LR Health & Beauty Systems sp. z o.o., a limited liability company incorporated under the laws of Poland, with its registered office in Katowice, at ul. Hutnicza 6, 40-241 Katowice, whose file is kept by the District Court for the Katowice-Wschód in Katowice, VIII Commercial Department of the National Court Register, entered in the register of entrepreneurs of the National Court Register under registration number KRS 0000203244, REGON 278219183, NIP 9542474874.

“**Adjusted Nominal Amount**” means the Outstanding Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or any of their respective Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the

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ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agency Agreement**” means the fee agreement entered into between the Agent and the Issuer on or prior to the Issue Date regarding, *inter alia*, the remuneration payable to the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, with registered address P.O. Box 7329, SE-103 90 Stockholm, Sweden, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Ahlen PropCo**” means Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

“**Ahlen Property**” means the real estate property located in Kruppstraße, Ahlen.

“**Ahlen Sale and Leaseback Arrangements**” means the sale and lease back arrangements currently in place between LR Health & Beauty Systems GmbH (amongst other things, as tenant), Ahlen PropCo (amongst other things, as landlord) in relation to the Ahlen Property.

“**Applicable Accounting Principles**” means generally accepted accounting principles, standards and practices in the jurisdiction of incorporation of the relevant Group Company (including IFRS, if applicable).

“**Base Rate**” means EURIBOR or any reference rate replacing EURIBOR in accordance with Clause 20 (*Base rate replacement*).

“**Base Rate Administrator**” means European Money Markets Institute (EMMI) in relation to EURIBOR or any person replacing it as administrator of the Base Rate.

“**Bond**” means a debt instrument (Sw. *skuldförbindelser*), each for the Nominal Amount issued by the Issuer and which are governed by and issued under these Terms and Conditions.

“**Bondholder**” means each Person registered as an owner or nominee holder of a Bond, subject however to Clause 8 (*Right to Act on behalf of a Bondholder*).

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clauses 18.1 (*Request for a decision*), 18.2 (*Convening of Bondholders’ Meeting*) and 18.4 (*Majority, quorum and other provisions*).

“**Book-Entry Securities System**” means the book-entry securities system maintained by the CSD or any other replacement book-entry securities system.

“**Business Day**” means a day on which banks are open for general business, other than a, Sunday or other public holiday, in Stockholm, Sweden or Frankfurt am Main, Germany. 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.

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“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a CSD Business Day, the Interest Period will be extended to include the first following CSD Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding CSD Business Day (*Modified Following*).

“**Change of Control Event**” means:

- (a) at any time prior to an Equity Listing Event, the Investor ceases to have a Decisive Influence over the Issuer; and
- (b) upon and at any time following a successful Equity Listing Event, that any Person or group of Persons (other than the Investor or a Permitted Transferee) acting in concert acquire control, directly or indirectly, over more than fifty (50.00) per cent. of the shares or voting rights in the Issuer or a Decisive Influence over the Issuer,

in each case provided that no Change of Control Event shall be deemed to occur if the change of Decisive Influence or control results from or in connection with (A) a transfer of ownership interests to one or several Person(s) which has been pre-approved by more than fifty (50.00) per cent. of the Bondholders voting in a Bondholders’ meeting or written procedure, for which quorum exists only if Bondholders representing at least fifty (50.00) per cent. of the aggregate Outstanding Nominal Amount attend in due order (“**Permitted Transferee Voting**”) or (B) a transfer of ownership interests to a Related Entity or the transformation (*Umwandlung*) and/or merger (*Verschmelzung*) of the Issuer into a Related Entity (each of the transferees referred to in paragraph (A) or (B) above, for the purpose of this definition, a “**Permitted Transferee**”).

“**Compliance Certificate**” has the meaning set forth in Clause 14.1.3.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds, initially Verdipapirssentralen ASA, Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Business Day**” means a day on which (i) the Book-Entry Securities System is open in accordance with the regulations of the CSD; and (ii) the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET2) System or any successor system is open.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

“**Decisive Influence**” means a Person having, as a result of an agreement or through the ownership of shares or ownership interests in another Person (directly or indirectly):

- (a) a majority of the voting rights in that other Person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other Person.

“**Disbursement Security and Guarantees**” means:

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- (a) first priority pledge over the shares and interests (as applicable) in the Initial Guarantors;
  - (b) first priority pledges over the bank accounts located in Germany (including any cash pools of the Group) of the Issuer and the Initial Guarantors;
  - (c) first priority security over any current and future Structural Intercompany Loans;
  - (d) first priority security over any current and future Shareholder Loans;
  - (e) German law security transfer of inventory located in the Group's warehouses in Germany; and
  - (f) Guarantees from the Initial Guarantors.

**“Equity Listing Event”** means an initial public offering of shares in the Issuer, following which such shares shall be quoted, listed, traded or otherwise admitted to trading on any Regulated Market or recognised unregulated market place.

**“Escrow Account”** means a bank account maintained with the Escrow Bank by the Escrow Manager on behalf of the Issuer under the Escrow Agreement into which the Net Proceeds of the Bonds issued on the Issue Date will be transferred and which has been pledged under the Escrow Account Pledge Agreement.

**“Escrow Account Pledge Agreement”** means the pledge agreement entered into between the Issuer, the Agent and the Escrow Manager on or prior to the Issue Date in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Agent only on behalf of the Bondholders holding ordinary Bonds (represented by the Agent).

**“Escrow Agreement”** means the agreement entered into between the Issuer, the Agent and the Escrow Manager on or prior to the Issue Date in respect of the establishment of and the legal title to the Escrow Account.

**“Escrow Bank”** means DNB Bank ASA, with business registration number 984 851 006, and registered address P.O. Box 1600 Sentrum, 0021 Oslo, Norway.

**“Escrow Manager”** means Nordic Trustee Services AS, with business registration number 916 482 574, and registered address Kronprinsesse Märthas plass 1, N-0160 Oslo, Norway.

**“EURIBOR”** means:

- (a) the applicable percentage rate per annum displayed on Thomson Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in EUR and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Paying Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between:

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- (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period; and
  - (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period,

in each case as of or around 11 a.m. on the Quotation Day; or

- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Paying Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Paying Agent, for deposits of EUR 10,000,000 for the relevant period; or
- (d) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above and no quotation is available pursuant to paragraph (c) above, the Interest Rate which according to the reasonable assessment of the Paying Agent best reflects the Interest Rate for deposits in EUR offered for the relevant period and which is generally accepted in the market; and

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

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified in Clause 16.1.

“**Excluded Jurisdiction**” means each of Ukraine and Russia.

“**Existing Bonds**” means the EUR 125,000,000 senior secured floating rate bonds with ISIN NO0010894850 issued by LR Global Holding GmbH on 3 February 2021.

“**Existing Bonds Account Operator Agreement**” means the agreement entered into between the Issuer and the Paying Agent on or prior to the Issue Date in respect of the establishment and operation of and the legal title to the Existing Bonds Escrow Account.

“**Existing Bonds Escrow Account**” means a securities account in the CSD operated by the Paying Agent on behalf of the Issuer under the Existing Bonds Account Operator Agreement into which the Existing Bonds used as payment-in-kind for Initial Temporary Bonds shall be transferred and which has been pledged under the Existing Bonds Escrow Account Pledge Agreement.

“**Existing Bonds Escrow Account Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Agent or the Paying Agent (as applicable) on or prior to the Issue Date in respect of a first priority pledge over the Existing Bonds Escrow Account and all securities held on the Existing Bonds Escrow Account from time to time, granted in favour of the Agent only on behalf of the Bondholders holding Initial Temporary Bonds (represented by the Agent).

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“**Final Maturity Date**” means 4 March 2028, subject to adjustment in accordance with the Business Day Convention (*mutatis mutandis*).

“**Final Redemption Date**” means the Final Maturity Date or such earlier date on which the Bonds are redeemed in full.

“**Finance Charges**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Finance Documents**” means:

- (a) the Terms and Conditions;
- (b) if entered into, the Intercreditor Agreement;
- (c) the Escrow Account Pledge Agreement;
- (d) the Existing Bonds Escrow Account Pledge Agreement;
- (e) the Security Documents;
- (f) the Guarantee Agreement;
- (g) the Agency Agreement; and
- (h) any other document designated by the Issuer and the Agent as a Finance Document.

“**Finance Lease**” means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Applicable Accounting Principles on the Issue Date.

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

- (a) moneys borrowed and debt balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Applicable Accounting Principles are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close out of that derivative transaction, that amount) shall be taken into account;

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- (g) any counter indemnity obligation in respect of a guarantee, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a Person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
  - (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Final Maturity Date and are classified as borrowings under the Applicable Accounting Principles;
  - (i) any amount of any liability under an advance or deferred purchase agreement, if (A) the primary reason behind entering into the agreement is to raise finance or (B) the agreement is in respect of the supply of assets or services and payment is due more than six (6) months after the date of supply;
  - (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Applicable Accounting Principles; and
  - (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in any of the preceding paragraphs.

**“Financial Report”** means the annual audited consolidated financial statements and quarterly interim unaudited financial statements of the Group, which shall be prepared and made available in accordance with these Terms and Conditions.

**“First Call Date”** means 4 March 2026.

**“Force Majeure Event”** has the meaning set forth in Clause 27.1.

**“Funds Flow”** means the funds flow statement approved by the Issuer showing (i) the transfers or payments to be made from the Escrow Account, (ii) the transfers or payments to be made from the Existing Bonds Escrow Account and (iii) any additional transfers or payments required to be made by the Issuer to fully finance the redemption and discharge of the Existing Bonds.

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

**“Group EBITDA”** has the meaning set forth in Clause 13.1 (*Definitions*).

**“Guarantee Agreement”** means the guarantee agreement entered into between the Issuer, each Guarantor and the Security Agent pursuant to which the Secured Obligations under the Finance Documents will be guaranteed by the Guarantors and the Guarantors will undertake to adhere to, and comply with, the undertakings set out in the Finance Documents.

**“Guarantees”** means the guarantees in relation to certain obligations under the Finance Documents provided by the Guarantors pursuant to the Guarantee Agreement (including any accession letters hereto).

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“**Guarantors**” means each of the Initial Guarantors, the Additional Guarantors and any other Material Group Companies from time to time (other than the Issuer and any Group Company incorporated in an Excluded Jurisdiction), subject to the resignation of any Guarantors in accordance with the Intercreditor Agreement (if entered into).

“**Hedge Counterparty**” has the meaning ascribed to it in Schedule 3 (*Intercreditor Principles*).

“**Hedging Obligations**” has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

“**IFRS**” means the International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time.

“**Incurrence Test**” means the test pursuant to Clause 13.3 (*Incurrence Test*).

“**Initial Guarantors**” means:

- (a) LR Global Holding GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster, Germany under registration number HRB 14367;
- (b) LR Health & Beauty Systems Beteiligungs GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 11089;
- (c) LR Health & Beauty Systems GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 10011;
- (d) LR Partner Benefits GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8315;
- (e) LR-International Beteiligungs GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8109; and
- (f) LR Deutschland GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 18676.

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

“**Initial Temporary Bonds**” has the meaning set out in Clause 2.7.

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“**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 relevant jurisdiction) or, with respect to insolvency proceedings in Germany, that Person being in a state of illiquidity (*Zahlungsunfähigkeit*) within the meaning of § 17 of the German Insolvency Code (*Insolvenzordnung*) or being over-indebted (*überschuldet*) within the meaning of § 19 of the German Insolvency Code (*Insolvenzordnung*).

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests held by any Group Company (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of any Group Company (which may now or in the future subsist).

“**Intellectual Property Security**” means the security relating to Intellectual Property granted pursuant to the provisions of Clause 15.17 (*Intellectual Property Security*).

“**Intercreditor Agreement**” means an intercreditor agreement, based on the terms set out in the intercreditor principles in Schedule 3 (*Intercreditor principles*), entered into between, amongst others, the Issuer, the creditors under any Super Senior Debt, the Hedge Counterparty (if any) and the Agent (representing the Bondholders).

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

“**Interest Coverage Ratio**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Interest Expenses**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 31 May 2024 (long first Interest Period) and the last Interest Payment Date being the Final Redemption Date.

“**Interest Period**” means, subject to adjustments in accordance with the Business Day Convention, the period between 28/29 February (i.e. the last day of February, as applicable), 31 May, 31 August and 30 November in each year, provided however that the first Interest Period ends on 31 May 2024 and an Interest Period shall not extend beyond the Final Redemption Date.

“**Interest Rate**” means the Base Rate plus seven point five (7.50) per cent. *per annum* as adjusted by any application of Clause 20 (*Base rate replacement*). For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

“**Investor**” means jointly or severally (i) Quadriga Capital IV Commerce Holding L.P. and/or the holders of the majority of its limited partnership interests from time to time and/or (ii) other limited partnerships or entities managed by Quadriga Capital IV GP Limited,

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Quadriga Capital Europe IV GP L.P. or Quadriga Capital Europe IV GP Limited (each a “**QC GP**”) and/or any of their respective Affiliates and/or (iii) partnerships or entities advised by a QC GP.

“**Issue Date**” means 4 March 2024 or such other date as is agreed between the Paying Agent and the Issuer.

“**Issue Price**” has the meaning set forth in Clause 2.3.

“**Issuer**” means LR Health & Beauty SE, a Societas Europaea, incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Munich under registration number HRB 258262.

“**Joint Bookrunner**” means Pareto Securities AS, Frankfurt Branch and Arctic Securities AS.

“**Leverage Ratio**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**LR Car Programme**” means the sales partner incentivisation programme of the Group permitting the Group’s sales partners (depending on their business performance) to lease certain cars (i) on favourable terms directly from a car leasing provider or (ii) from the Group (benefiting from the Group’s preferential rates) on the basis of a back-to-back lease of the Group from certain car leasing providers.

“**Maintenance Test**” means the test pursuant to Clause 13.2 (*Maintenance Test*).

“**Market Loans**” means bonds, notes or other debt securities (however defined), which are or can be quoted, listed, traded or otherwise admitted to trading on a Regulated Market, a MTF or an organised trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments).

“**Material Adverse Effect**” means a material adverse effect on (i) the Issuer or any Guarantor’s ability to perform and comply with their obligations under any of the Finance Documents or (ii) the validity or enforceability of the Finance Documents.

“**Material Group Companies**” means:

- (a) the Issuer;
- (b) LR Global Holding GmbH;
- (c) LR Health & Beauty Systems Beteiligungs GmbH;
- (d) LR Health & Beauty Systems GmbH; and
- (e) any Group Company which is nominated as such by the Issuer in accordance with these Terms and Conditions.

“**MTF**” means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Net Finance Charges**” has the meaning set forth in Clause 13.1 (*Definitions*).

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“**Net Interest Bearing Debt**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Net Interest Expenses**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Net Proceeds**” means the proceeds from the issue of the Bonds after deduction has been made for the fees payable by the Issuer to the Joint Bookrunners for the services provided in relation to the placement and issuance of the Bonds.

“**Nominal Amount**” means in respect of each Bond the Initial Nominal Amount, subject to Clause 11.7 (*Partial prepayment*) and Clause 21.2.14.

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

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD from time to time, initially Nordic Trustee Services AS, with business registration number 916 482 574, and registered address Kronprinsesse Märthas plass 1, N-0160 Oslo, Norway.

“**Payment Date**” means any Interest Payment Date or any Redemption Date.

“**Permitted Financial Indebtedness**” means any Financial Indebtedness (or the refinancing of any Financial Indebtedness):

- (a) arising under the issue of the Bonds or the Finance Documents;
- (b) until redeemed in full within three (3) Business Day of the release of the Net Proceeds from the Escrow Account, the Existing Bonds;
- (c) in the form of Shareholder Loans;
- (d) in the form of Structural Intercompany Loans;
- (e) between: (i) a Material Group Company and another Material Group Company (in each case other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH), (ii) a wholly-owned Group Company and another wholly-owned Group Company (in each case other than any Material Group Companies) and (iii) a Guarantor and another Guarantor (in each case other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH);
- (f) between a Material Group Company (other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH) and a wholly-owned Group Company that is not a Material Group Company, provided that such Financial Indebtedness shall not when aggregated with all other Financial Indebtedness incurred under this paragraph (f), exceed EUR 5,000,000 in outstanding principal amount;
- (g) in the form of any counter indemnity obligation in respect of a guarantee, indemnity, note, standby or documentary letter of credit or any other instrument issued by a

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bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;

- (h) incurred under any advance or deferred purchase agreement on normal commercial terms by any Group Company from any of its trading partners in the ordinary course of its trading activities;
- (i) arising under any Hedging Obligations;
- (j) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Senior Finance Documents, but not any transaction for investment or speculative purposes;
- (k) arising under any interest rate hedging transactions in respect of payments to be made under the Senior Finance Documents, but not any transaction for investment or speculative purposes;
- (l) arising under or in connection with the Ahlen Sale and Leaseback Arrangements up to an amount of EUR 8,500,000;
- (m) incurred (i) under local banking facilities up to an aggregate principal amount not exceeding EUR 1,000,000 (or its equivalent) and (ii) as sureties, letters of credit or in the form of guarantee facilities up to an aggregate amount not exceeding EUR 2,000,000 (or its equivalent), in each case in aggregate for the Group at any time;
- (n) incurred pursuant to any Finance Leases related to any agreements under which a Group Company leases real property, office space (Sw. *kontorshyresavtal*) or other premises;
- (o) incurred pursuant to any Finance Leases arising in connection with the LR Car Programme in the ordinary course of business in a maximum amount equal to three point five (3.50) per cent. of the turn-over of the Group, calculated on the basis of Relevant Period ending on the last day of the most recent Financial Report;
- (p) incurred pursuant to any Finance Leases (other than those related to (n) and (o) above) incurred in the ordinary course of such Group Company's business in a maximum aggregate amount of EUR 6,000,000 (or the equivalent) at any time;
- (q) incurred as a result of any Group Company acquiring another entity which holds Financial Indebtedness, provided that (i) the Incurrence Test is met (calculated *pro forma* including the acquired entity's indebtedness in question), and (ii) such indebtedness is repaid or refinanced in full no later than three (3) months from the completion of the acquisition with Financial Indebtedness permitted pursuant to any other limb of this definition;
- (r) under any pension and tax liabilities incurred in the ordinary course of business;
- (s) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an

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escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;

- (t) incurred under any cash-pooling arrangements between any Group Companies, subject to a limit on the aggregate amount of such Financial Indebtedness from Material Group Companies (as lenders) to members of the Group who are not Material Group Companies (as borrowers) of EUR 2,000,000;
- (u) incurred by the Issuer or any other member of the Group, under one or several credit facilities or other financings for working capital and general corporate purposes of the Group (and any refinancing, amendment or replacements thereof), which will, following the entering into of the Intercreditor Agreement, pursuant to the Intercreditor Agreement rank super senior to the Bonds, as amended from time to time, in a maximum aggregate amount not at any time exceeding EUR 7,500,000 (or its equivalent) (the “**Super Senior Debt**”), in each case provided that (A) the aggregate principal amount drawn under the Super Senior Debt and the Adjusted Nominal Amount of the Bonds does not exceed EUR 135,000,000 (excluding any Bonds to be purchased or prepaid with funds from the Super Senior Debt immediately following the relevant drawing under the Super Senior Debt, subject to applicable rules and regulations of the CSD and the notice period set out in Clause 11.7 (“*Partial prepayment*”)) or, if higher, (B) the Super Senior Incurrence Test is met on a *pro forma* basis (i.e. taking into account the amount to be extended under the Super Senior Debt), in each case provided, for the avoidance of doubt, that agreements in respect of a Super Senior Debt may be entered into without restrictions; and
- (v) not permitted by the preceding paragraphs and the outstanding amount of which does not exceed EUR 2,000,000.

“**Permitted Security**” means any Security:

- (a) created under the Senior Finance Documents (and as otherwise permitted pursuant to an Intercreditor Agreement (when entered into));
- (b) (i) up until redeemed in full within three (3) Business Day of the release of the Net Proceeds from the Escrow Account, in the form of any German law security or guarantees granted by German entities in respect of the Existing Bonds and (ii) up until the date falling ninety (90) Business Days of the date of disbursement of the Net Proceeds from the Escrow Account, any security or guarantees granted in respect of the Existing Bonds (other than the security and guarantees permitted pursuant to limb (i) above);
- (c) arising by operation of law or in the ordinary course of trading and not as a result of any default or omission;
- (d) arising in the ordinary course of banking arrangements for the purposes of netting or set-off debt and credit balances of Group Companies;
- (e) arising under the general terms and conditions of banks and financial institutions in the ordinary course of banking business;

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- (f) in the form of rental deposits or other guarantees in respect of any lease agreement including in relation to real property, office space or other premises entered into by a Group Company in the ordinary course of business and on normal commercial terms;
  - (g) incurred in relation to any Financial Indebtedness permitted pursuant to paragraphs (i), (j), (k), (l) and (m) of the definition of “*Permitted Financial Indebtedness*”;
  - (h) arising as a consequence of any Finance Lease permitted pursuant to paragraphs (o) and (p) of the definition of “*Permitted Financial Indebtedness*”;
  - (i) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier’s standard or usual terms and not arising as a result of any default or omission by any Group Company;
  - (j) subsisting as a result of any Group Company acquiring another entity after the Issue Date which entity already had provided security for Financial Indebtedness permitted under paragraph (q) of the definition of “*Permitted Financial Indebtedness*”, provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;
  - (k) created in the form of a pledge over one or more escrow accounts to which the proceeds incurred in relation to a refinancing of the Bonds in full are intended to be received;
  - (l) any security provided to secure pension liabilities in the ordinary course of business of a Group Company;
  - (m) any security created pursuant to a court order or judgment or as security for costs arising pursuant to court proceedings being contested by the relevant member of the Group in good faith by appropriate proceedings; and
  - (n) not otherwise permitted above which secures debt in an amount not exceeding EUR 2,000,000 (or its equivalent in other currencies) at any time.

“**Permitted Transferee Voting**” has the meaning set out in the definition of “*Change of Control Event*”.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Pre-IFRS 16 Group EBITDA**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Pre-IFRS 16 Leverage Ratio**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Pre-IFRS 16 Net Interest Bearing Debt**” has the meaning set forth in Clause 13.1 (*Definitions*).

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**“Post-Disbursement Security and Guarantees”** means:

- (a) first priority pledges over the shares and interests (as applicable) in each of the Guarantors (other than the Initial Guarantors);
- (b) the Intellectual Property Security;
- (c) first priority pledges over the bank accounts located in Germany of the Guarantors (other than the Initial Guarantors); and
- (d) Guarantees from the Additional Guarantors.

**“QC GP”** has the meaning set out in the definition of *“Investor”*.

**“Quotation Day”** means, in relation to any period for which the Interest Rate is to be determined, two (2) CSD Business Days before the first day of that period.

**“Record Date”** means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, the date designated as the relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 18 (*Decisions by Bondholders*), the date falling on the immediate preceding Business Day to the date of that Bondholders decision being made or, with respect to a Written Procedure, the date specified in the relevant communication, or another relevant date as accepted by the Agent in accordance with these Terms and Conditions.

**“Redemption Date”** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and Repurchase of the Bonds*).

**“Reference Date”** means the last day of each financial quarter, being 31 March, 30 June, 30 September and 31 December in each year.

**“Regulated Market”** means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

**“Related Entity”** means (i) any German limited partnership on stocks (*Kommanditgesellschaft auf Aktien*) (or a similar or comparable entity) as long as that the management thereof is and remains controlled by Dr. Andreas Laabs (CEO) or (ii) one or several Person(s) being either continuation or new vehicles controlled by the Investor

**“Relevant Period”** has the meaning set forth in Clause 13.1 (*Definitions*).

**“Secured Obligations”** means:

- (a) if the Intercreditor Agreement has not been entered into, all present and future obligations and liabilities of any Group Company to the Secured Parties under the Finance Documents; or

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- (b) if the Intercreditor Agreement has been entered into, the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

“**Secured Parties**” means:

- (a) if the Intercreditor Agreement has not been entered into, the Bondholders, the Security Agent and the Agent (including in its capacity as Agent under the Agency Agreement); or
- (b) if the Intercreditor Agreement has been entered into, the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

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

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

“**Security Agent**” has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

“**Security Documents**” means the following documents:

- (a) each pledge pursuant to which Security is created over the shares and interests (as applicable) in the Guarantors;
- (b) each pledge agreement pursuant to which Security is created over the bank accounts located in Germany (including any cash pools of the Group) of the Issuer and any Guarantor;
- (c) each security agreement pursuant to which Security is created over any current and future Structural Intercompany Loans;
- (d) each security agreement pursuant to which Security is created over any current and future Shareholder Loans;
- (e) each German law security agreement pursuant to which Security is created over transfer of inventory located in the Group’s warehouses in Germany;
- (f) the Intellectual Property Security;
- (g) any Security to be granted pursuant to Clause 15.14 (*Nomination of Material Group Companies*); and
- (h) any other documents pursuant to which Transaction Security is provided.

“**Senior Finance Documents**” has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

“**Shareholder Loan**” means any loan or credit made (or to be made) to the Issuer by any direct or indirect shareholder of the Issuer, provided that following the release of the Net

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Proceeds from the Escrow Account, any such Shareholder Loans shall be (i) fully subordinated to the obligations of all obligors under the Senior Finance Documents (including as to interest and maturity) in accordance with a subordination agreement in a form acceptable to the Agent (or when the Intercreditor Agreement has been entered into, in accordance with the Intercreditor Agreement) and (ii) the subject of a first priority security interest in favour of the Agent and the Bondholders (or when the Intercreditor Agreement has been entered into, the Secured Parties in accordance with the Intercreditor Agreement).

“**Structural Intercompany Loan**” means any loans or credits made by (i) the Issuer to LR Global Holding GmbH, (ii) LR Global Holding GmbH to LR Health & Beauty Systems Beteiligungs GmbH, (iii) LR Health & Beauty Systems Beteiligungs GmbH to LR Health & Beauty Systems GmbH, or (iv) from LR Health & Beauty Systems GmbH (directly or indirectly) to any of its directly or indirectly wholly-owned subsidiaries, where in each case (a) the term of the loan is at least equal to or longer than 12 months and (b) the aggregate principal amount thereof in addition to any other Structural Intercompany Loans between the same Group Companies is in excess of EUR 1,000,000, but in each case excluding any cash pooling, provided that following release of the Net Proceeds from the Escrow Account, any Structural Intercompany Loans (in each case subject to the Agreed Security Principles) must be the subject of a first priority security interest in favour of the Agent and further provided that any intercompany loans may be designated a Structural Intercompany Loan to the extent first priority security interest in favour of the Agent is granted over such intercompany loans.

“**Subsidiary**” means, in respect of any Person, a Person in respect of which such Person first-mentioned, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, or (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

“**Super Senior Debt**” has the meaning set out in paragraph (u) of the definition of “*Permitted Financial Indebtedness*”.

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the incurrence of any Permitted Financial Indebtedness, including the issuance and admission to trading of the Bonds and the corresponding documentation, including, without limitation, the Security Documents and the Guarantee Agreement.

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

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 18.1 (*Request for a decision*), 18.3 (*Instigation of Written Procedure*) and 18.4 (*Majority, quorum and other provisions*).

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## 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 law, 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 regulation is a reference to that provision as amended or re-enacted;
  - (e) an “**enforcement**” of the Guarantee means the making of a demand for payment under the Guarantee; and
  - (f) 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 Euro 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 EUR for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.europa.eu](http://www.ecb.europa.eu)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent 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.
- 1.2.6 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 Agent.

## 2. STATUS OF THE BONDS

- 2.1 The Bonds are denominated in Euro 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, each 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.

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- 2.3 The initial nominal amount of each initial Bond is EUR 1,000 (the “**Initial Nominal Amount**”). The maximum Outstanding Nominal Amount of the Bonds is EUR 130,000,000. All Bonds are issued on a fully paid basis at an issue price of ninety-six (96.00) per cent. of the Initial Nominal Amount (the “**Issue Price**”).
- 2.4 The minimum permissible investment in connection with the issue of the Bonds is EUR 100,000.
- 2.5 The maximum Outstanding Nominal Amount of the Bonds may not exceed EUR 130,000,000, unless a consent from the Bondholders is obtained in accordance with Clause 18.4.2(a).
- 2.6 The Bonds shall be settled:
- (a) in cash; and/or
  - (b) in kind by delivery of Existing Bonds.
- 2.7 Bonds issued pursuant to Clause 2.6(a) will be issued under a separate ISIN, which will be the surviving ISIN for the Bonds. Bonds issued under Clause 2.6(b) will be issued with a temporary ISIN (the “**Initial Temporary Bonds**”). The ISIN for the Initial Temporary Bonds will be merged with the surviving ISIN in connection with disbursement of funds to the Issuer and release of Existing Bonds (for discharge) from the Existing Bonds Escrow Account. The CSD, the Paying Agent and/or the Agent are authorised to carry out the aforesaid in a practical way.
- 2.8 The Bonds constitute direct, senior, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference between themselves and at least *pari passu* with all direct, unsubordinated and unsecured obligations of the Issuer, subject to (A) obligations which are mandatorily preferred by law and (B) the Intercreditor Agreement (if entered into).
- 2.9 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 regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 2.10 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, 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.

### **3. USE OF PROCEEDS**

- 3.1 The Issuer shall apply the Net Proceeds from the issue of the Bonds, towards:
- (a) repaying in full the Existing Bonds; and
  - (b) payment of transaction costs, fees (including original issue discounts) and expenses in relation to the issue of the Bonds.

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3.2 Any remaining amount in respect of the Net Proceeds after application of the Net Proceeds in accordance with Clause 3.1 shall be applied towards financing general corporate purposes of the Group.

#### **4. CONDITIONS PRECEDENT**

4.1 The Issuer shall provide to the Agent, no later than two (2) Business Days prior to the Issue Date (or such later time as agreed by the Agent), the following:

- (a) a duly executed copy of these Terms and Conditions;
- (b) a duly executed copy of the Agency Agreement;
- (c) copies of the constitutional documents (commercial register excerpt, articles of association) of the Issuer;
- (d) copies of all corporate resolutions (including authorisations) of the Issuer required to execute the relevant Finance Documents to which it is a party;
- (e) the Escrow Agreement, the Escrow Account Pledge Agreement, the Existing Bonds Account Operator Agreement and the Existing Bonds Escrow Account Pledge Agreement duly executed by all applicable notices and acknowledgements; and
- (f) such other documents and evidence as is agreed between the Agent and the Issuer.

4.2 The Agent shall confirm to the Paying Agent and the Joint Bookrunners when it is satisfied that the conditions in Clause 4.1 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)). The Issue Date shall not occur (i) unless the Agent makes such confirmation to the Paying Agent no later than two (2) Business Days prior to the Issue Date (or later, if the Paying Agent and the Joint Bookrunners so agree), or (ii) if the Paying Agent, the Joint Bookrunners and the Issuer agree to postpone the Issue Date.

4.3 Following receipt of the confirmation in accordance with Clause 4.2, the Paying Agent or the Joint Bookrunners shall (i) settle the issuance of the Bonds and pay the Net Proceeds to the Escrow Account (as applicable) and (ii) transfer of any Existing Bonds (delivered as payment-in-kind for new Bonds) to the Existing Bonds Escrow Account.

4.4 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1, is accurate, legally valid, enforceable, correct and true unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 4 from a legal or commercial perspective on behalf of the Bondholders.

#### **5. ESCROW OF PROCEEDS**

5.1 The Net Proceeds of the Bonds shall be paid into the Escrow Account and any Existing Bonds (delivered as payment-in-kind for new Bonds) to the Existing Bonds Escrow Account in accordance with Clause 4.3.

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- 5.2 The funds standing to the credit of the Escrow Account will be pledged on a first priority basis by the Issuer and the Escrow Manager in favour of the Agent (on behalf of the Bondholders) under the Escrow Account Pledge Agreement.
- 5.3 The Existing Bonds deposited on the Existing Bonds Escrow Account will be blocked for the Issuer and pledged on a first priority basis by the Issuer in favour of the Agent (on behalf of the holders of Initial Temporary Bonds) under the Existing Bonds Escrow Account Pledge Agreement.
- 5.4 Upon the Issuer providing the following to the Agent, in form and substance satisfactory to the Agent (acting reasonably), the Issuer and the Agent shall jointly in writing instruct the Escrow Manager to promptly transfer the funds standing to the credit on the Escrow Account and the Paying Agent (as account operator under the Existing Bonds Escrow Account) to transfer the Existing Bonds deposited on the Existing Bonds Escrow Account, in each case in accordance with the Funds Flow:
- (a) copies of the constitutional documents of each of the Initial Guarantors;
  - (b) copies of the register or list of shareholders (if applicable) with respect to each relevant Initial Guarantor;
  - (c) copies of all corporate resolutions (including authorisations) of each of the Initial Guarantors to execute the relevant Finance Documents to which it is a party;
  - (d) evidence in the form of a redemption notice and by way of the Funds Flow that the Existing Bonds will be redeemed in full within three (3) Business Days following disbursement from the Escrow Account and evidence by way of release letters that any existing security and guarantees in favour of the Existing Bonds have been or will be released and discharged upon redemption of the Existing Bonds;
  - (e) a duly executed Compliance Certificate nominating the Material Group Companies dated as of the Issue Date;
  - (f) copies of agreements for any existing Structural Intercompany Loans and Shareholder Loans (and any Structural Intercompany Loans or Shareholder Loans to be made upon or in connection with disbursement), each duly executed by all parties thereto;
  - (g) evidence that all Disbursement Security and Guarantees (for the avoidance of doubt including the Guarantees from the Initial Guarantors) have been, or will be within three (3) Business Days following disbursement from the Escrow Account, executed and will be granted and perfected in accordance with the Security Documents and the Guarantee Agreement within three (3) Business Days following disbursement of the Net Proceeds from the Escrow Account, subject only to notices / acknowledgments / registrations and similar as agreed in each relevant Security Documents; and
  - (h) legal opinions from legal counsel to the Issuer or the Agent (as customary in such jurisdictions or as agreed between the Issuer and the Agent) in respect of the Issuer and the relevant Guarantors' capacity and authority to enter into, as well as the enforceability of, the Finance Documents and any Security Documents.

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5.5 The Agent shall confirm to the Issuer, the Escrow Manager and the Joint Bookrunners when it is satisfied that the conditions in Clause 5.4 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)).

5.6 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 5.4, is accurate, legally valid, enforceable, correct and true unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 5 from a legal or commercial perspective on behalf of the Bondholders.

## 6. CONDITIONS SUBSEQUENT

6.1 The Issuer shall ensure that the Agent receives the following conditions subsequent as soon as reasonably practicable after, and in any event within ninety (90) Business Days of, the date of disbursement of the Net Proceeds from the Escrow Account:

- (a) copies of the constitutional documents of each party to a Finance Document (other than the Agent, the Escrow Manager, the Issuer and the Initial Guarantors);
- (b) copies of all corporate resolutions (including authorisations) of each party to a Finance Document (other than the Agent, the Escrow Manager, the Issuer and the Initial Guarantors) required to execute the relevant Finance Documents to which it is a party;
- (a) copies of the register of shareholders (in each case) with respect to each relevant Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);
- (b) copies of the Finance Documents, including the Security Documents, duly executed, to the extent not already provided;
- (c) evidence that the Post-Disbursement Security and Guarantees and all documentation relating thereto has been duly executed, subject only to notices / acknowledgments / registrations and similar as agreed in each relevant Security Documents; and
- (d) legal opinions from legal counsel to the Issuer or the Agent (as customary in such jurisdictions or as agreed between the Issuer and the Agent) in respect of the relevant Guarantor's capacity and authority to enter into, as well as the enforceability of, any Security Documents and the Guarantee Agreement.

6.2 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 6.1 is accurate, legally valid, enforceable, correct and true unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the

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documentation and evidence set out in this Clause 6 from a legal or commercial perspective on behalf of the Bondholders.

## **7. BONDS IN BOOK-ENTRY FORM**

7.1 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 relevant securities legislation and the CSD Regulations. Registration requests relating to the Bonds shall be directed to an Account Operator.

7.2 The Issuer shall at all times ensure that the registration of the Bonds in the CSD is correct and shall as soon as practicably possible after any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation. The Issuer shall ensure that the Agent is provided with a copy of any notification given to the CSD.

7.3 In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

7.4 The information referred to in Clause 7.3 above may only be used 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.

## **8. RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

8.1 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 authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such Person.

8.2 If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents (without obtaining a power of attorney or other proof of authorisation pursuant to Clause 8.1), it must obtain other proof of ownership of the Bonds, acceptable to the Agent.

8.3 A Bondholder (whether registered as such or proven to the Agent's satisfaction to be the beneficial owner of the Bond as set out in Clause 8.2) may issue one or several powers of attorney or other authorisations 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 such Person by way of a further power of attorney.

8.4 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 8.3 and may assume that such document 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 Agent has actual knowledge to the contrary.

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8.5 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **9. PAYMENTS IN RESPECT OF THE BONDS**

9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase or prepayment 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 a Securities Account on the Record Date immediately preceding the relevant due date, by way of (if no specific order is made by the Agent) crediting the relevant amount to the bank account nominated by such Bondholder in connection with its Securities Account with the CSD.

9.2 Payment constituting good discharge of the Issuer's payment obligations to the Bondholder under these Terms and Conditions will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its Securities Account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

9.3 If a Payment Date or a date for other payments to the Bondholders pursuant to these Terms and Conditions falls on a day on which is not a CSD Business Day and a Business Day, the payment shall be made on the first following possible day on which is both a CSD Business Day and a Business Day, unless any provision to the contrary have been set out for such payment in these Terms and Conditions.

9.4 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 10.4 during such postponement.

9.5 If payment or repayment is made in accordance with this Clause 9, 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.

9.6 Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payment made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

9.7 The Issuer shall pay any stamp duty and other public fees accruing in connection with the issuance of the Bonds, and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer is not liable to reimburse any stamp duty or public fee or to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

9.8 All amounts payable under these Terms and Conditions shall be payable in the currency of the Bonds set out in Clause 2.1. If, however, the currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

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9.9 Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its Account Operator in the CSD) within five (5) Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

## **10. INTEREST**

10.1 Each Bond will accrue Interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

10.3 Interest shall be payable quarterly in arrear on the Interest Payment Dates each year. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis), adjusted modified following basis.

10.4 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 two hundred (200) basis points higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **11. REDEMPTION AND REPURCHASE OF THE BONDS**

### **11.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Outstanding Nominal Amount together with accrued but unpaid Interest.

### **11.2 Purchase of Bonds by Group Companies**

11.2.1 Any Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way.

11.2.2 Bonds held by a Group Company may at such Group Company's discretion be retained or sold but not cancelled, except if held by the Issuer and cancelled in connection with a redemption of the Bonds in full.

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### 11.3 **Voluntary total redemption (call option)**

11.3.1 The Issuer may redeem the Bonds in whole, but not in part, on any CSD Business Day from and including:

- (a) the Issue Date to, but not including, the First Call Date at a price equal to the sum of (i) 104.00 per cent. of the Outstanding Nominal Amount of the Bonds and (ii) the remaining interest payments up to, but not including, the First Call Date;
- (b) the First Call Date to, but not including, the date falling thirty (30) months after the Issue Date at a price equal to 104.00 per cent. of the Outstanding Nominal Amount of the Bonds;
- (c) the date falling thirty (30) months after the Issue Date to, but not including, the date falling thirty-six (36) months after the Issue Date at a price equal to 102.50 per cent. of the Outstanding Nominal Amount of the Bonds;
- (d) the date falling thirty-six (36) months after the Issue Date to, but not including, the date falling forty-two (42) months after the Issue Date at a price equal to 101.00 per cent. of the Outstanding Nominal Amount of the Bonds; and
- (e) the date falling forty-two (42) months after the Issue Date to, but not including, the Final Maturity Date at a price equal to 100.50 per cent. of the Outstanding Nominal Amount of the Bonds,

in each case (other than paragraph (a)) above) together with accrued and unpaid interest on the Bonds.

11.3.2 For the purpose of calculating the remaining interest payments pursuant to Clause 11.3.1(a) above it shall be assumed that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

11.3.3 Redemption in accordance with this Clause 11.3 (*Voluntary total redemption (call option)*) shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. 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 that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

### 11.4 **Voluntary partial redemption (Equity Claw Back)**

11.4.1 Following an Equity Listing Event, the Issuer may on one occasion use the proceeds of such Equity Listing Event to repay up to thirty-five (35) per cent. of the Outstanding Nominal Amount of the Bonds.

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- 11.4.2 The repayment must occur on an Interest Payment Date within one hundred and eighty (180) days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event).
- 11.4.3 The repayment per Bond shall equal the price set out under Clause 11.3 (*Voluntary total redemption (call option)*) above for the relevant period in which the repayment occurs, in each case together with accrued but unpaid interest on the repaid amount.
- 11.4.4 Partial redemption in accordance with Clause 11.4 (*Voluntary partial redemption (Equity Claw Back)*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. 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.
- 11.5 **Mandatory repurchase due to a Change of Control Event (put option)**
- 11.5.1 Upon the occurrence of a Change of Control Event, each Bondholder shall during a period of forty-five (45) days from the effective date of a notice from the Issuer of the Change of Control Event, pursuant to paragraph (e) of Clause 14.1.1 (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 one hundred and one (101) per cent. of the Outstanding 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.
- 11.5.2 The notice from the Issuer pursuant to paragraph (e) of Clause 14.1.1 shall specify the period during which the right pursuant to Clause 11.5.1 may be exercised, 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 procure that the Paying Agent will 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 paragraph (e) of Clause 14.1.1. The Redemption Date shall occur on a CSD Business Day within ten (10) Business Days after the end of the period referred to in Clause 11.5.1.
- 11.5.3 If Bondholders representing more than eighty (80) per cent. of the Adjusted Nominal Amount have requested that Bonds held by them are repurchased pursuant to this Clause 11.5, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Clause 11.5.1, send a notice to the remaining Bondholders, if any, giving them a further opportunity to request that Bonds held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date and also 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 procure that the Paying Agent will 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 this Clause 11.5.3. The

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Redemption Date must fall on a CSD Business Day no later than ten (10) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause 11.5.3.

11.5.4 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 11.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 11.5 by virtue of the conflict.

11.5.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 11.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 11.5, the Issuer shall repurchase any such Bonds within ten (10) Business Days after the expiry of the time limit.

11.5.6 No repurchase of Bonds pursuant to this Clause 11.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 11.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

#### 11.6 **Voluntary total redemption – Permitted Transferee Voting (call option)**

11.6.1 If the Issuer has received a negative outcome in a Permitted Transferee Voting, the Issuer may redeem the Bonds in whole, but not in part, on any CSD Business Day from the Issue Date to, but not including, the First Call Date at a price equal to 105.00 per cent. of the Outstanding Nominal Amount of the Bonds plus accrued and unpaid interest on the Bonds.

11.6.2 Redemption in accordance with this Clause 11.6 (*Voluntary total redemption – Permitted Transferee Voting (call option)*) shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. 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.

#### 11.7 **Partial prepayment**

11.7.1 If the Issuer shall incur Super Senior Debt and it is necessary to decrease the Outstanding Nominal Amount under the Bonds in order to fulfil the requirement set out in paragraph (u)(A) in the definition of Permitted Financial Indebtedness, the Issuer may carry out a partial prepayment of outstanding Bonds up to the amount necessary to fulfil the requirement set out in paragraph (u)(A) in the definition of Permitted Financial Indebtedness (considering the amount to be paid out under the relevant Super Senior Debt and the reduction of the nominal amount of the Bonds needed to comply with such paragraph), and in any case not exceeding EUR 2,500,000, at price equal to 104.00 per cent. of the Outstanding Nominal Amount of the Bonds plus accrued and unpaid interest, by way of reducing the nominal amount of each Bond *pro rata* in accordance with the procedures of the CSD.

11.7.2 The right of partial prepayment may be exercised by the Issuer by notice to the Agent and the Bondholders at least ten (10) Business Days prior to the proposed prepayment date. Such

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notice sent by the Issuer shall specify the relevant Record Date and the relevant prepayment date.

## 11.8 **Mandatory total redemption**

11.8.1 If the conditions precedent for disbursement from the Escrow Account and the Existing Bonds Escrow Account set out in Clause 5.4 have not been fulfilled by the Issuer or waived by the Agent within sixty (60) days from the Issue Date (a “**Mandatory Redemption Event**”), the Issuer shall no later than five (5) Business Days thereafter, redeem all the Bonds at a price equal to 101.00 per cent. of the Issue Price thereof set out in Clause 2.3 (plus any accrued and unpaid interest on the Bonds to be redeemed), by the application of any amount deposited on the Escrow Account.

11.8.2 The Issuer may, if a Mandatory Redemption Event occurs, repay Initial Temporary Bonds with Existing Bonds (deposited on the Existing Bonds Escrow Account) as payment-in-kind to the holders of the Initial Temporary Bonds.

11.8.3 Any accrued and unpaid interest on the Initial Temporary Bonds shall be payable in cash, provided however, that the Issuer is entitled to withhold (by set-off) any accrued and unpaid interest on the Existing Bonds (used for repayment to each holder of Initial Temporary Bonds).

## 12. **TRANSACTION SECURITY AND GUARANTEES**

12.1 Subject to the Intercreditor Agreement (if entered into), as continuing security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall procure that any other Group Company (as applicable) grants) as first ranking security to the Secured Parties (as represented by the Security Agent) the Transaction Security on the terms set out in the Security Documents.

12.2 Subject to the Intercreditor Agreement (if entered into), the Issuer guarantees (and shall procure that each Guarantor guarantees) irrevocably and unconditionally and jointly and severally (Sw. *proprieborgen*) to the Secured Parties (as represented by the Security Agent) as for its own debts (Sw. *såsom för egen skuld*) the full and punctual performance by the Group Companies of all their obligations under the Finance Documents on the terms set out in the Guarantee Agreement (including any accession letters thereto).

12.3 Subject to the Intercreditor Agreement (if entered into), the Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents and the Guarantee Agreement.

12.4 The Issuer undertakes to ensure that each Group Company promptly does all such acts and executes and supplies all such documents (including, without limitation, any Security Document and/or Guarantee Agreement and any document, including any accession agreement, to be executed or supplied in relation thereto) as the Agent may reasonably request for the purposes of establishing the Security and/or the Guarantees.

12.5 The Issuer shall, in connection with the establishment of any Transaction Security and/or Guarantees:

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- (a) promptly supply to the Agent copies of the constitutional documents, copies of all corporate resolutions (including authorisations) required to execute the relevant Finance Documents, and copies of the register of shareholders (in each case) with respect to each relevant Group Company;
- (b) ensure that each relevant Group Company promptly does all such acts and executes and supplies all such documents (including, without limitation, any Security Document and the Guarantee Agreement and any document, including accession agreements, to be executed or supplied in relation thereto) as necessary for the purposes of establishing the Security and/or the Guarantees; and
- (c) provide to the Agent legal opinions from legal counsel to the Issuer or the Agent (as customary in such jurisdictions or agreed between the Issuer and the Agent) in respect of the relevant Group Companies' capacity and authority to enter into, as well as the enforceability of, any Security Documents and the Guarantee Agreement.
- 12.6 All Security provided under the Security Documents and all Guarantees provided under the Guarantee Agreement shall be subject to, and limited as required by the agreed security principles set out in the annex hereto (the "**Agreed Security Principles**").
- 12.7 Subject to the Intercreditor Agreement (if entered into), unless and until the Agent has received instructions from the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security and/or the Guarantees, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security and/or the Guarantees, in each case in accordance with the terms of the Finance Documents.
- 12.8 For the purpose of exercising the rights of the Secured Parties, the Agent 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 and from which payments under the Bonds are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 12.8.
- 12.9 Subject to the Intercreditor Agreement (if entered into), the Security Agent shall be entitled to release all Transaction Security and the Guarantees when it is satisfied of the full discharge of the Secured Obligations.
- 12.10 Any Security provided under the Security Documents and any Guarantee provided under the Guarantee Agreement shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement (if entered into).

### **13. FINANCIAL UNDERTAKINGS**

#### **13.1 Definitions**

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For the purpose of this Clause 13, the following terms shall have the meaning set out below:

**“Equity Cure”** means a cash injection from shareholders to the Issuer in accordance with Clause 13.2.3.

**“Finance Charges”** means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid or payable in cash or capitalised by any Group Company according to the latest Financial Reports (calculated on a consolidated basis), excluding any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

**“Group EBITDA”** means, for the relevant period, the consolidated profit of the Group from ordinary activities according to the latest financial reports, without double-counting and in each case, if and only to the extent, these items arise during the Relevant Period:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) excluding any *“Exceptional Items”* (positive or negative) of a one off, non-recurring, non-operational, extraordinary, unusual or exceptional nature (including, without limitation, costs, fees and expenses in connection with any acquisition, restructuring expenditures (in each case, whether or not successful)), provided that such items in no event shall exceed in aggregate ten (10) per cent. of Group EBITDA in any Relevant Period;
- (d) before deducting any Transaction Costs;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests which is not included in the financial statements;
- (h) after adding back or deducting, as the case may be, the Group’s share of the profits or losses of entities which are not part of the Group;
- (i) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group; and

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- (j) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of the Group Companies (including goodwill or other tangible assets).

“**Interest Coverage Ratio**” means the ratio of Group EBITDA to Net Interest Expenses.

“**Interest Expenses**” means, for any Relevant Period, the aggregate amount of interest, commission, fees, discounts, premiums or charges paid or payable by any member of the Group calculated on a consolidated basis in cash in respect of any Net Interest Bearing Debt:

- (a) excluding any agency, arrangement, underwriting, amendment, consent, one-off or other upfront fees or costs in respect of any Financial Indebtedness;
- (b) excluding the capital element of payments in respect of Finance Leases;
- (c) excluding any non-cash pay interest on any Financial Indebtedness and any interest (capitalised or otherwise) accrued on any shareholder contribution and/or subordinated debt; and
- (d) excluding any interest cost or expected return on plan assets in relation to any postemployment benefit schemes.

“**Leverage Ratio**” means the ratio of Net Interest Bearing Debt to Group EBITDA.

“**Net Finance Charges**” means, for the Relevant Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Relevant Period to any Group Company and any interest income received or receivable by any Group Company.

“**Net Interest Bearing Debt**” means the aggregate interest bearing Financial Indebtedness of the Group, excluding:

- (a) any Shareholder Loans;
- (b) any Financial Indebtedness owing by a Group Company to another Group Company constituting Permitted Financial Indebtedness;
- (c) any Bonds owned by the Issuer; and
- (d) any pension and tax liabilities,

less cash and cash equivalents (excluding funds held on the Escrow Account) of the Group in accordance with the Applicable Accounting Principles. For the avoidance of doubt, guarantees and bank guarantees shall not constitute Net Interest Bearing Debt.

“**Net Interest Expenses**” means, for any Relevant Period, the Interest Expenses for that Relevant Period after deducting any interest accrued (whether or not paid) in that Relevant Period to any member of the Group and any interest income received on any bank deposit, cash or cash equivalent investment.

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“**Pre-IFRS 16 Group EBITDA**” means the Group EBITDA minus the interest expenses in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Principles applicable prior to 1 January 2019, have been treated as an operating lease but has subsequently been reclassified as a balance sheet liability.

“**Pre-IFRS 16 Leverage Ratio**” means the ratio of Pre-IFRS 16 Net Interest Bearing Debt to Pre-IFRS 16 Group EBITDA.

“**Pre-IFRS 16 Net Interest Bearing Debt**” means the Net Interest Bearing Debt excluding any Financial Indebtedness under any lease or hire purchase contract which would, in accordance with the Applicable Accounting Principles applicable prior to 1 January 2019, have been treated as an operating lease but has subsequently been reclassified as a balance sheet liability.

“**Relevant Period**” means each period of twelve (12) consecutive calendar months to the relevant test date.

## 13.2 Maintenance Test

### 13.2.1 The Maintenance Test is met if:

- (a) the Leverage Ratio is equal to or less than:
  - (i) 5.00:1.00 from, and including, the Issue Date to, and including, 30 June 2024;
  - (ii) 4.75:1.00 from, and including, 1 July 2024 to, and including, 30 June 2025;
  - (iii) 4.50:1.00 from, and including, 1 July 2025 to, and including, 30 June 2026;
  - (iv) 4.25:1.00 from, and including, 1 July 2026 to, and including, 30 June 2027; and
  - (v) 4.00:1.00 from, and including, 1 July 2027 to, and including, the Final Maturity Date; and
- (b) the Pre-IFRS 16 Leverage Ratio is equal to or less than:
  - (i) 6.00:1.00 from, and including, the Issue Date to, and including, 30 June 2024;
  - (ii) 5.70:1.00 from, and including, 1 July 2024 to, and including, 30 June 2025;
  - (iii) 5.40:1.00 from, and including, 1 July 2025 to, and including, 30 June 2026;
  - (iv) 5.10:1.00 from, and including, 1 July 2026 to, and including, 30 June 2027; and

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- (v) 4.75:1.00 from, and including, 1 July 2027 to, and including, the Final Maturity Date; and
- (c) no Event of Default is continuing.
- 13.2.2 The Maintenance Test shall be tested quarterly and calculated in accordance with the accounting principles applicable to the Issuer and tested by reference to the Financial Report for the period ending on each Reference Date with respect to the Relevant Period ending on such Reference Date. The first test of the Maintenance Test shall be made in relation to the Relevant Period ending on 31 March 2024.
- 13.2.3 If there is a breach of the Maintenance Test, no Event of Default will occur if, within thirty (30) Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with these Terms and Conditions, the Issuer has received an equity injection in cash by way of share issue in the Issuer, unconditional shareholder contribution to the Issuer, or Shareholder Loans to the Issuer, in an amount sufficient (or such higher amount as agreed between the Issuer and the shareholder) to ensure compliance with the Maintenance Test as at the relevant Reference Date (the “**Cure Amount**”).
- 13.2.4 Upon receipt of the Cure Amount, the calculation of the Leverage Ratio and Pre-IFRS 16 Leverage Ratio shall, for the purposes of the calculation of the Maintenance Test, be adjusted so that the Net Interest Bearing Debt and the Pre-IFRS 16 Net Interest Bearing Debt for the Relevant Period is reduced by an amount equal to the Cure Amount. Any Equity Cure made in any calendar quarter shall be included in all relevant covenant calculations or recalculations until such time as that calendar quarter falls outside the Relevant Period. For the avoidance of doubt, there shall be no EBITDA cure.
- 13.2.5 Any Equity Cure must be made in cash to the Issuer and no more than two (2) Equity Cures may be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.
- 13.3 **Incurrence Test**
- 13.3.1 The Incurrence Test is met if:
- (a) the Leverage Ratio is less than:
- (i) 3.50:1.00 from, and including, the Issue Date to, but excluding, the date falling twelve (12) months after the Issue Date;
- (ii) 3.25:1.00 from, and including, the date falling twelve (12) months after the Issue Date to, but excluding, the date falling twenty-four (24) months after the Issue Date;
- (iii) 3.00:1.00 from, and including, the date falling twenty-four (24) months after the Issue Date to, but excluding, the date falling thirty-six (36) months after the Issue Date; and
- (iv) 2.75:1.00 from, and including the date falling thirty-six (36) months after the Issue Date to, but excluding, the Final Maturity Date,

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- (b) the Interest Coverage Ratio is greater than 2.50:1.00, and
  - (c) no Event of Default is continuing or would occur upon the relevant incurrence.

#### 13.4 **Distribution Test**

13.4.1 The Distribution Test is met if:

- (a) the Leverage Ratio is equal to or less than 2.00:1.00 (calculated *pro forma* including the relevant Restricted Payment);
- (b) the Interest Coverage Ratio is greater than 2.50:1.00; and
- (c) no Event of Default is continuing or would occur upon the making of the relevant Restricted Payment.

#### 13.5 **Super Senior Incurrence Test**

13.5.1 The Super Senior Incurrence Test is met if:

- (a) the Leverage Ratio is less than 3.00:1.00; and
- (b) no Event of Default is continuing or would occur upon the incurrence of the relevant Super Senior Debt.

#### 13.6 **Calculations and Calculation Adjustments**

13.6.1 The calculation of the Interest Coverage Ratio, Leverage Ratio and Pre-IFRS 16 Leverage Ratio shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Report.

13.6.2 Net Interest Bearing Debt shall be measured on the last day of the period covered by the most recent Financial Report, however so that (a) the full commitment of any new Financial Indebtedness in respect of which the Incurrence Test or Super Senior Incurrence Test (as applicable) shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Net Interest Bearing Debt, and (b) that any cash balance/proceeds resulting from the incurrence of such new Financial Indebtedness shall not reduce the Net Interest Bearing Debt.

13.6.3 The figures for Group EBITDA and Pre-IFRS 16 Group EBITDA for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, the Distribution Test, the Super Senior Incurrence Test and the Maintenance Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group, or any increased ownership share in a Group Company, during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and

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- (b) in relation to the Incurrence Test and the Super Senior Incurrence Test only, any entity to be acquired, or any ownership share in a Group Company to be increased, with the proceeds from the new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

### 13.7 **Change in Applicable Accounting Principles**

The financial maintenance covenants and any incurrence test shall be calculated in accordance with the Applicable Accounting Principles unless, there has been a change in the Applicable Accounting Principles after the Issue Date, and the Issuer delivers to the Agent a statement (in form and content satisfactory to the Agent) (i) describing in reasonable detail any change necessary for those financial statements to reflect the Applicable Accounting Principles as of the Issued Date and (ii) confirming that the relevant financial maintenance covenants or incurrence test would still have been complied with had such changes not been made.

## 14. **INFORMATION TO BONDHOLDERS**

### 14.1 **Information from the Issuer**

#### 14.1.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and unconsolidated financial statements of the Issuer, in each case in the English language, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website and by press release not later than four (4) months after the expiry of each financial year;
- (b) starting with the quarter ending 31 March 2024, prepare and make available the quarterly interim unaudited consolidated financial statements of the Group and unconsolidated financial statements of the Issuer, in each case in the English language, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website and by press release not later than two (2) months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent in connection with:
  - (i) the incurrence of debt pursuant to paragraph (q) or (u)(B) of the definition of "*Permitted Financial Indebtedness*", which requires that the Incurrence Test or Super Senior Incurrence Test, as applicable, is met;
  - (ii) the making of a Restricted Payment in accordance with Clause 15.1 (*Distributions*) (other than with respect to any payment made in accordance with Clause 3.1);
  - (iii) the delivery of the Financial Reports;

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- (iv) acquisition of entities in excess of five (5) per cent. of Group EBITDA referred to under (b) of Clause 15.14 (*Nomination of Material Group Companies*); and
  - (v) the Agent's reasonable request, within twenty (20) days from such request.
- (d) following the Issue Date, keep the latest version of these Terms and Conditions available on the website of the Issuer; and
- (e) promptly notify the Agent (and, as regards a Change of Control Event, the Bondholders and the Agent) when the Issuer is or becomes aware of the occurrence of a Change of Control Event or Event of Default, and shall provide the Agent with such further information as the Agent may request following receipt of such notice. 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.
- 14.1.2 Once the Bonds have been admitted to trading on Nasdaq Stockholm (or another Regulated Market), the consolidated reports on the Group referred to under paragraphs (a) and (b) of Clause 14.1.1 in addition, be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (or another Regulated Market) (as amended from time to time) and the Swedish Securities Market Act, (if applicable).
- 14.1.3 The Issuer shall on the earlier of when the financial statements pursuant to Clause 14.1.1 (i) are made available, or (ii) should have been made available, submit to the Agent a compliance certificate substantially in the form set out in a schedule to these Terms and Conditions (a "**Compliance Certificate**"), signed by the CEO, CFO or any other authorised signatory of the Issuer, (a) certifying that, so far as he or she is aware, no Event of Default is continuing or, if he or she is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; (b) if provided in connection with a Financial Report being made available, certifying that the Maintenance Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); (c) if provided in connection with the testing of the Incurrence Test, Super Senior Incurrence Test or the Distribution Test, certifying that the relevant test is met and including calculations and figures in respect of the relevant test; (d) in the case of a Compliance Certificate provided in connection with the delivery of the audited annual consolidated statements of the Group, or an acquisition referred to in (b) of Clause 15.14 (*Nomination of Material Group Companies*) above, including the identity of each Material Group Company; and (e) in addition, if provided in connection with the delivery of the annual audited consolidated financial statements of the Group, certifying that that the Group is in compliance with the undertaking set out in Clause 15.18 (*Clean down*).
- 14.2 **Information from the Agent**
- 14.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 14.2.2, the Agent is entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain

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information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 16.4 and 16.5).

- 14.2.2 If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 18 (*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 Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

### 14.3 **Information among the Bondholders**

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds. The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

## 15. **GENERAL UNDERTAKINGS**

### 15.1 **Distributions**

- 15.1.1 The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on its shares (other than to the Issuer, a Guarantor or a wholly-owned Subsidiary of the Issuer and, if made by a Group Company which is not directly or indirectly wholly-owned, is made *pro rata* to the Group's ownership percentage in such Subsidiary), (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay any Shareholder Loans, or (v) make any other similar distribution or transfers of value to any direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer, other than to the Issuer, a Guarantor or a directly or indirectly wholly-owned Subsidiary of the Issuer and, if made by a Group Company which is not directly or indirectly wholly-owned, is made *pro rata* to the Group's ownership percentage in such Subsidiary, ((i)–(v) each being a “**Restricted Payment**”).

- 15.1.2 Notwithstanding the above, a Restricted Payment may be made by the Issuer, provided that (A) the Distribution Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment), (B) the aggregate amount of all Restricted Payments of the Group in any financial year (including the Restricted Payment in question) does not exceed fifty (50) per cent. of the Group's consolidated net income for the previous financial year, and (C) no Event of Default is continuing or would result from such distribution.

### 15.2 **Disposals**

Subject to the terms of the Intercreditor Agreement (if entered into), the Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of any shares in, or any assets, business or operations of, any Group Company to any Person (not being the Issuer or any other wholly-owned Group Company), unless such disposal (taken as a whole also taking into account any transaction ancillary or related thereto) (i) is carried out at fair market value and on terms and conditions customary for such transaction, (ii) is not prohibited by, and subject to the terms, of any Security Document and (iii) does not have

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a Material Adverse Effect, provided that under no circumstances shall a disposal to any Person (not being the Issuer or any other wholly-owned Group Company) of shares in a Material Group Company or all or substantially all of the assets, business or operations of a Material Group Company be permitted. Notwithstanding the above, any Group Company may, following the exit of a sales partner of the Group and the concurrent transfer of such sales partner's sales network to any Group Company, transfer such sales network to a remaining sales partner of the Group in the ordinary course of business, provided that such transfer does not have a Material Adverse Effect. The Issuer shall, upon request by the Agent, provide the Agent with any information relating to the transaction, which the Agent deems necessary (acting reasonably).

### 15.3 **Financial Indebtedness**

The Issuer shall not, and shall ensure that no other Group Company will, incur or maintain any Financial Indebtedness other than Permitted Financial Indebtedness.

### 15.4 **Negative pledge**

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, other than Permitted Security.

### 15.5 **Loans out**

15.5.1 The Issuer shall not, and shall procure that none of its Subsidiaries will, provide any loan in any form to any party, other than:

- (a) (A) in the case of the Issuer, LR Global Holding GmbH and LR Health & Beauty Systems Beteiligungs GmbH, directly to their respective direct wholly-owned subsidiaries only and (B) any Structural Intercompany Loans;
- (a) in the case of any Group Companies (other than the Issuer, LR Global Holding GmbH and LR Health & Beauty Systems Beteiligungs GmbH), (A) to any directly or indirectly owned Group Company (subject to the limitations on incurrence of Financial Indebtedness set out in (f) and (t) of the definition of "*Permitted Financial Indebtedness*"), provided that if made from a Group Company to a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, such loan is made on a *pro rata* basis; (B) in the form of any advances or extensions of credit to customers or suppliers of any Person in the ordinary course of business; or (C) any loans between Group Companies that are Guarantors or Material Group Companies;
- (b) a loan made by a member of the Group to an employee or sales partner of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and sales partners by members of the Group does not exceed EUR 3,000,000 (or its equivalent) at any time; and
- (c) any loan by a Material Group Company to the Ahlen PropCo in connection with the Ahlen Sale and Leaseback Arrangements up to a total aggregate amount of EUR 5,000,000, provided that such loan is repaid in full upon the sale, or set off against the repurchase price upon the repurchase, of the Ahlen Property as contemplated by the Ahlen Sale and Leaseback Arrangements.

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15.6 **Nature of business**

The Issuer shall ensure that no substantial change is made to the general nature of the business carried on by it or by the Group taken as a whole as of the Issue Date if such substantial change would result in a Material Adverse Effect.

15.7 **Corporate status**

For the purposes of The Council of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the “**Regulation**”), the Issuer’s centre of main interest (as that term is used in Article 3(1) of the Regulation) shall be situated in its original jurisdiction of incorporation.

15.8 **Authorisations**

The Issuer shall, and shall ensure that all other Group Companies will, obtain, comply with, renew and do all that is necessary to maintain in full force and effect any licences, authorisation or any other consents required to enable it to carry on its business, where failure to do so has or is reasonably likely to have a Material Adverse Effect

15.9 **Insurance**

The Issuer shall, and shall ensure that all other Group Companies will, maintain insurance on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

15.10 **Compliance with laws**

The Issuer shall, and shall ensure that all other Group Companies will, comply with all laws and regulations it or they may be subject to from time to time, where failure to do so has or is reasonably likely to have a Material Adverse Effect

15.11 **Environmental compliance**

The Issuer shall obtain, maintain, and ensure compliance with all requisite environmental permits, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

15.12 **Dealings with related parties**

Other than as otherwise permitted under the Finance Documents, the Issuer shall, and shall ensure that all other Group Companies will, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any other Group Company) and/or any Affiliates of such direct and indirect shareholders on arm’s length terms. For the avoidance of doubt, the exercise of any buy back option under the Ahlen Sale and Leaseback Arrangements shall be permitted under these Terms and Conditions.

15.13 **Intellectual Property**

The Issuer shall, and shall ensure that all other Group Companies will, (i) preserve and maintain all Intellectual Property material to conduct the business of the Group, and (ii) take

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all measures to ensure that such intellectual property rights remain valid and in full force and effect, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

#### 15.14 Nomination of Material Group Companies

On:

- (a) the Issue Date and thereafter once every year simultaneously with the publication by the Issuer of the annual audited consolidated financial statements of the Group; and
- (b) the date of acquisition of any assets by a Group Company for a consideration equal to or in excess of five (5) per cent. of Group EBITDA and based on the most recent financial statements of the Issuer,

the Issuer shall:

- (i) ensure that:
  - (A) each Group Company which on an unconsolidated basis has earnings before interest, tax, depreciation and amortisation (“**EBITDA**”), (calculated at an unconsolidated level on the same basis as Group EBITDA except that the limit on “*Exceptional Items*” set out therein shall not apply to unconsolidated calculations with respect to such Group Company) representing five (5) per cent. (or, in the case of Group Companies incorporated in Turkey or Russia, ten (10) per cent.) or more of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo); and
  - (B) such Group Companies (excluding any Group Company incorporated in an Excluded Jurisdiction) as are necessary to ensure that the Issuer and the Material Group Companies in aggregate represent on an unconsolidated basis at least ninety (90) per cent. of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo and any Group Company incorporated in an Excluded Jurisdiction),

in each case determined by reference to (y) in the case of the Issue Date and any acquisition under (b) above, the date of the most recent financial statements of the Issuer, and (z) in all other cases, determined by reference to the relevant Compliance Certificate and the related audited consolidated annual financial statements of the Group, and in each case the most recent consolidated financial statements of the relevant companies, are listed as Material Group Companies in the relevant Compliance Certificate delivered in connection thereto, provided that under no circumstances shall Ahlen PropCo be required to be nominated as a Material Group Company or accede as a Guarantor; and

- (ii) ensure that:

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- (A) first priority pledges are granted over the shares in each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction or the direct subsidiary of such Group Company) and any Group Company owning directly or indirectly such Material Group Company, to the extent not already pledged;
  - (B) first priority pledges are granted over the bank accounts located in Germany of each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);
  - (C) security is granted in respect of a German law security transfer of inventory located in Germany, of each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);
  - (D) each such Material Group Company and any Group Company owning directly or indirectly such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction) accedes as a (i) Guarantor to the Guarantee Agreement and (ii) ICA Group Company to the Intercreditor Agreement (if and when entered into),

in each case as soon as reasonably practicable, and in any event no later than the date falling ninety (90) Business Days after its nomination.

## 15.15 **Admission to trading**

15.15.1 The Issuer shall ensure that:

- (a) the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably practicable and within sixty (60) days of the Issue Date, with an intention to complete such listing within thirty (30) days after the Issue Date; and
- (b) the Bonds, once listed on the Open Market of the Frankfurt Stock Exchange, remain listed on such exchange until the Bonds have been redeemed in full; and

15.15.2 The Issuer shall ensure that:

- (a) the Bonds are admitted to trading on the Regulated Market of Nasdaq Stockholm or another Regulated Market within twelve (12) months of the Issue Date; and
- (b) the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue to be admitted to trading thereon but no longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations (including any regulations preventing trading in the Bonds in close connection to the redemption thereof) of Nasdaq Stockholm (or any other applicable Regulated Market) and the CSD, subsist.

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15.16 **Conditions subsequent**

Subject to the Agreed Security Principles and the Intercreditor Agreement (if entered into), the Issuer shall ensure that (i) Post-Disbursement Security and Guarantees, and (ii) any Security and/or Guarantees required to be put in place in connection with the guarantor coverage test provided for under Clause 15.14 (*Nomination of Material Group Companies*) is within the allocated period validly granted and, in accordance with the related security documents perfected, in each case in a form and substance reasonably satisfactory to the Agent, and, to the extent required by the Agent, as confirmed by legal opinions covering grounds substantially similar to the legal opinions delivered in respect of Disbursement Security and Guarantees.

15.17 **Intellectual Property Security**

The Issuer shall procure that LR Health & Beauty Systems GmbH will hold all material intellectual property rights on behalf of the Group (other than local trademarks registered outside Germany), and shall, subject to the Agreed Security Principles, ensure that first priority Security over present and future German trademarks, EU trademarks (but excluding local law registrations (if any) other than Germany) and IR trademarks is granted.

15.18 **Clean down**

The Issuer shall procure that during each calendar year there shall be a period of five (5) consecutive days during which the amount outstanding under the Super Senior Debt (excluding any non-cash elements of any ancillary facilities), less cash and cash equivalents of the Group, amounts to zero or less. Not less than three (3) months shall elapse between two such periods. Compliance shall be confirmed in the Compliance Certificate issued together with each annual audited consolidated financial statements of the Group.

15.19 **Undertakings relating to the Agency Agreement**

15.19.1 The Issuer shall, in accordance with the Agency Agreement:

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

15.19.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

15.20 **CSD related undertakings**

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

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## 16. ACCELERATION OF THE BONDS

16.1 Subject to the Intercreditor Agreement (if entered into), the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 16.6, 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 Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

(a) **Non-payment**

The Issuer or a Guarantor does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (i) is caused by technical or administrative error; and
- (ii) is remedied within five (5) Business Days from the due date.

(b) **Maintenance Test**

The Issuer fails to comply with the Maintenance Test, except to the extent remedied in accordance with the Equity Cure.

(c) **Other obligations**

The Issuer or a Guarantor does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) or (b) above), unless the non-compliance:

- (i) is capable of remedy; and
- (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the relevant party becoming aware of the non-compliance.

(d) **Payment cross default and cross acceleration**

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be 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 sub-paragraph (d) if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 1,500,000 (or its equivalent in any other currency) or such Financial Indebtedness is owed to another Group Company.

(e) **Insolvency**

- (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable

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law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for holders of Bonds) with a view to rescheduling its Financial Indebtedness; or

- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

(f) **Insolvency proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised, and (ii) in relation to Subsidiaries, solvent liquidations) in relation to:

- (i) the suspension of payments, winding up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of their assets; or
- (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.

(g) **Mergers and demergers**

Subject to the Intercreditor Agreement (if entered into) and as permitted under these Terms and Conditions, a decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to existing security between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

(h) **Creditors' process**

Any enforcement of security, expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 750,000 (or the equivalent) and is not discharged within sixty (60) days.

(i) **Unlawfulness, Invalidity, Repudiation**

It becomes impossible or unlawful for the Issuer or any Material Group Company to fulfil or perform any of the provisions of the Finance Document or the Security created or expressed to be created thereby is varied or ceases to be effective and such

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impossibility, unlawfulness, invalidity, ineffectiveness or variation has a material detrimental effect on the interests of the Bondholders.

(j) **Continuation of business**

The Issuer or any other Material Group Company ceases to carry on its business except if due to (i) a disposal not prohibited by Clause 15.2 (*Disposals*), or (ii) a merger or demerger not prohibited by (g) "*Mergers and demergers*" above.

- 16.2 The Agent may not accelerate the Bonds in accordance with Clause 16.1 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).
- 16.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 16.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 16.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 16.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*).
- 16.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 16.7 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 any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 16.8 In the event of an acceleration of the Bonds in accordance with this Clause 16, the Issuer shall redeem all Bonds at an amount per Bond as specified in Clause 11.3 (*Voluntary total redemption (call option)*), together with accrued but unpaid Interest.

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## 17. DISTRIBUTION OF PROCEEDS

17.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 16 (*Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security and/or the Guarantees shall be made and/or distributed in accordance with the Intercreditor Agreement (if entered into), and shall prior to the entering into of the Intercreditor Agreement, be made and/or distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the 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 and/or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent or the Security Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 21.2.5, together with default interest in accordance with Clause 10.4 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 10.4 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, prior to the entering into of the Intercreditor Agreement, be paid to the Issuer or the Guarantors (as applicable). The application of proceeds in accordance with Clause 17.1 shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) or default interest in accordance with Clause 10.4 shall be reduced without a corresponding reduction of principal.

17.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 17.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 17.1(a).

17.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security and/or the Guarantees constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 17 as soon as reasonably practicable.

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17.4 If either the Issuer or the Agent makes any payment under this Clause 17 the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) 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 9.1 shall apply.

## **18. DECISIONS BY BONDHOLDERS**

### **18.1 Request for a decision**

18.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.

18.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request 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 Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

18.1.3 The Agent 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 Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.

18.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.

18.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 18.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead.

18.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 18.2 (*Convening of Bondholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 18.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 21.4.3, 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 18.2 (*Convening of Bondholders' Meeting*). The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

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18.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 18.1.5 or 18.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

## 18.2 **Convening of Bondholders' Meeting**

18.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

18.2.2 The notice pursuant to Clause 18.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, the substance of the proposed amendment must always be set out in the notice. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

18.2.3 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.

18.2.4 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.

## 18.3 **Instigation of Written Procedure**

18.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

18.3.2 A communication pursuant to Clause 18.3.1 shall include (i) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (ii) 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 (iii) 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 effective date of the communication pursuant to Clause 18.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, the substance of the proposed amendment must

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always be set out in the notice. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

- 18.3.3 If so elected by the Person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 18.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 18.4.2 and 18.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.4.2 or 18.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

#### 18.4 **Majority, quorum and other provisions**

- 18.4.1 Only a Bondholder, or a Person who has been provided with a power of attorney or other authorisation pursuant to Clause 8 (*Right to Act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 18.2.2, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 18.3.2, 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. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a Person shall be disregarded. 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 communication, as the case may be.

- 18.4.2 The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) 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 18.3.2:

- (a) if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, EUR 130,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Bonds are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.6 to 2.10;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 11 (*Redemption and Repurchase of the Bonds*);
- (d) a change to the Interest Rate (other than as a result of an application of Clause 20 (*Base rate replacement*)) or the Nominal Amount, subject to the splitting right of the Agent and/or the Paying Agent;
- (e) a change to the terms for the distribution of proceeds set out in Clause 17 (*Distribution of Proceeds*);

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- (f) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 18.4 (*Majority, quorum and other provisions*);
  - (g) 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;
  - (h) a release of the Transaction Security and/or the Guarantees, except in accordance with the terms of the Finance Documents;
  - (i) a mandatory exchange of the Bonds for other securities; and
  - (j) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 16 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- 18.4.3 Any matter not covered by Clause 18.4.2 shall require the consent of Bondholders representing more than fifty (50) 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 18.3.2. 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 19.1(a), (b) or (d)), an acceleration of the Bonds, or the enforcement of any Transaction Security and/or Guarantees.
- 18.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount, or in the case of a matter referred to in Clause 18.4.2 or in case of a Permitted Transferee Voting, at least fifty (50) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 18.2.4 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 18.4.5 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.
- 18.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18.2.1) or initiate a second Written Procedure (in accordance with Clause 18.3.1), as the case may be, provided that the Person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 18.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 18.2.1 or second Written Procedure pursuant to Clause 18.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 18.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure.

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- 18.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 18.4.8 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.
- 18.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such Person is a 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.
- 18.4.10 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 the Issuer or the other Bondholders.
- 18.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer, however provided that unless an Event of Default has occurred and is continuing or any event or circumstance has occurred which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, the Issuer and the Agent may require that any Bondholder (or Bondholders) having made a request for a decision by the Bondholders in accordance with Clause 18.1.2 reimburses any costs and expenses incurred by the Issuer or the Agent for the purpose of such Bondholders' Meeting or Written Procedure.
- 18.4.12 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 Agent provide the Agent 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 a Bondholder. The Agent 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.
- 18.4.13 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 18.4.1(a) or 18.4.1(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **19. AMENDMENTS AND WAIVERS**

- 19.1 The Issuer, any other relevant Group Company, and the Agent (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance

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Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:

- (a) is not detrimental to the interest of the Bondholders as a group;
- (b) is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) is required or desirable to implement transactions permitted under any Senior Finance Document, including any transformation or merger of the Issuer to (or into) a Related Entity;
- (d) is required by any applicable regulation, a court ruling or a decision by a relevant authority;
- (e) has been duly approved by the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders; or
- (f) is made pursuant to Clause 20 (*Base rate replacement*).

19.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

19.3 The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 19.1(a) or (d), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.

19.4 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. BASE RATE REPLACEMENT**

### **20.1 General**

20.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 20 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

20.1.2 If a Base Rate Event has occurred, this Clause 20 shall take precedent over the fallbacks set out in paragraph (a) to (d) of the definition of EURIBOR.

### **20.2 Definitions**

20.2.1 In this Clause 20:

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**“Adjustment Spread”** means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to minimise any transfer of economic value from one party to another as a result of a replacement of the Base Rate.

**“Base Rate Amendments”** has the meaning set forth in Clause 20.3.4.

**“Base Rate Event”** means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that it is unlawful for the Issuer or the Paying Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period); or
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*), or in respect of EURIBOR, from the equivalent entity with insolvency or resolution powers over the Base Rate Administrator, containing the information referred to in (b) above.

**“Base Rate Event Announcement”** means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

**“Independent Adviser”** means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

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“**Relevant Nominating Body**” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Board or any part thereof.

“**Successor Base Rate**” means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of Bonds, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or
- (b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply *mutatis mutandis* to such new Successor Base Rate.

### 20.3 **Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

- 20.3.1 Without prejudice to Clause 20.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 20.3.2.
- 20.3.2 If (i) a Base Rate Event has occurred or (ii) a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six (6) months, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate.
- 20.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 20.3.2, within thirty (30) calendar days, the Bondholders shall, if so decided at a Bondholders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 20.3.2.
- 20.3.4 The Independent Adviser shall also determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice (“**Base Rate Amendments**”).
- 20.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been determined no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, taking into account any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

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## 20.4 **Interim measures**

20.4.1 If Base Rate Event has occurred but no Successor Base Rate and Adjustment Spread have been determined prior to the relevant Quotation Day in relation to the next succeeding Interest Period, the Interest Rate applicable to the next succeeding Interest Period shall be:

- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
- (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

20.4.2 For the avoidance of doubt, Clause 20.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 20.

## 20.5 **Notices**

The Issuer shall promptly following the determination by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 26 (*Communications and press releases*) and the CSD. The notice shall also include the time when the amendments will become effective.

## 20.6 **Variation upon replacement of Base Rate**

20.6.1 No later than giving the Agent notice pursuant to Clause 20.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and a duly authorised signatory of the Issuer confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined in accordance with the provisions of this Clause 20. The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any determination, be binding on the Issuer, the Agent, the Paying Agent and the Bondholders.

20.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 20.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Terms and Conditions as may be required by the Issuer in order to give effect to this Clause 20.

20.6.3 The Agent and the Paying Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 20. Neither the Agent nor the Paying Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Paying Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Paying Agent in the Terms and Conditions.

## 20.7 **Limitation of liability for the Independent Adviser**

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Any Independent Adviser appointed pursuant to Clause 20.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with the Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss

## **21. THE AGENT**

### **21.1 Appointment of the Agent and the Security Agent**

#### **21.1.1 By subscribing for Bonds, each initial Bondholder:**

- (a) appoints the Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents (including, with respect to German law governed security interest, pursuant to the terms of clause 7.2 (*Appointment as agent and administrator in relation to German Transaction Security*) of the Guarantee Agreement), 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, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *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/or the Guarantees.
- (b) confirms the appointment under the Guarantee Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security or a Guarantee and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Guarantee Agreement.

21.1.2 By acquiring Bonds, each subsequent Bondholder confirms and repeats such appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 21.1.1.

21.1.3 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 the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

21.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

21.1.5 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency

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Agreement and the Agent's obligations as Agent and Security Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

21.1.6 The Agent may act as agent, security agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## 21.2 Duties of the Agent

21.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and/or the Guarantees on behalf of the Bondholders.

21.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.

21.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.

21.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.

21.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.

21.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents, and (iii) in connection with any Bondholders' Meeting or Written Procedure, (iv) when the Agent is otherwise required to make a determination under these Terms and Conditions or (v) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of Proceeds*).

21.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

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- 21.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred or is expected to occur, (ii) the financial condition of the Issuer and the Group, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iv) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 21.2.9 The Agent shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 14.1.2 and as otherwise agreed between the Issuer and the Agent, and (ii) verify that the Issuer according to its reporting in the Compliance Certificate meets the Incurrence Test, Maintenance Test or Distribution Test, as applicable. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 21.2.9.
- 21.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 21.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 21.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 21.2.12 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 Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 21.2.13 The Agent 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 Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2.12.
- 21.2.14 The Agent may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.
- 21.3 **Liability for the Agent**
- 21.3.1 The Agent 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

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- caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- 21.4 **Replacement of the Agent**
- 21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice 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 Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 21.4.4 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 Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.

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- 21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 21.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) 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, and (ii) the period pursuant to Clause 21.4.4 (ii) having lapsed.
- 21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the 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 Agent.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22. APPOINTMENT AND REPLACEMENT OF THE PAYING AGENT**

- 22.1 The Issuer appoints the Paying Agent to manage certain specified tasks relating to the Bonds, under these Terms and Conditions, in accordance with the legislation, rules and regulations applicable to the Issuer, the Bonds and/or under the CSD Regulations.
- 22.2 The Paying Agent may retire from its appointment 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 Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.
- 22.3 The Paying Agent 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 these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Paying Agent shall never be responsible for indirect or consequential loss.

## **23. APPOINTMENT AND REPLACEMENT OF CSD**

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 23.2 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

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conduct clearing operations and be authorised as a central securities depository in accordance with applicable law.

## **24. NO DIRECT ACTIONS BY BONDHOLDERS**

24.1 Except as otherwise set out in the Intercreditor Agreement (if entered into), a Bondholder may not take any steps whatsoever against any Group Company or with respect to the Transaction Security and/or the Guarantees 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 or bankruptcy in any jurisdiction of any Group Company in relation to any of the obligations and liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.

24.2 Subject to the Intercreditor Agreement (if entered into), Clause 24.1 shall not apply if the Agent 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 21.1.3), 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 Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 21.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.13 before a Bondholder may take any action referred to in Clause 24.1.

24.3 The provisions of Clause 24.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

24.4 No personal liability shall attach to any director, officer or employee of any Group Company or any third party security provider for any representation or statement made by that Group Company in any Finance Document or certificate signed by a director, officer or employee save in the case of fraud in which case liability (if any) will be determined in accordance with applicable law. Such director, officer or employee will be entitled to enforce this provision as if it was an immediate beneficiary of this Clause and the Secured Parties may not take any steps whatsoever against any director, officer or employee.

## **25. PRESCRIPTION**

25.1 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.

25.2 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

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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.

## **26. COMMUNICATIONS AND PRESS RELEASES**

### **26.1 Communications**

26.1.1 Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD with a copy to the Issuer and the applicable Regulated Market (if the Bonds are admitted to trading). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

26.1.2 The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent and the applicable Regulated Market (if the Bonds are admitted to trading).

26.1.3 Notwithstanding Clause 26.1.1 and provided that such written notification does not require the Bondholders to take any action under these Terms and Conditions, the Issuer's written notifications to the Bondholders may be published by the Agent on a relevant information platform only.

26.1.4 Unless otherwise specifically provided, all notices or other communications under or in connection with the Finance Documents between the Agent and/or the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:

- (a) if by letter, when delivered at the address of the relevant party;
- (b) if by e-mail, when received; and
- (c) if by publication on a relevant information platform, when published.

26.1.5 The Issuer and the Agent shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone numbers and contact persons.

26.1.6 When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):

- (a) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
- (b) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
- (c) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

26.1.7 Any notice or other communication pursuant to the Finance Documents shall be in English.

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26.1.8 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.

26.2 **Press releases**

26.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 11.3 (*Voluntary total redemption (call option)*), 11.4 (*Voluntary partial redemption (Equity Claw Back)*), 11.6 (*Voluntary total redemption – Permitted Transferee Voting*), 11.7 (*Partial prepayment*), paragraph (e) of Clause 14.1.1 and Clauses 16.3, 18.2.1, 18.3.1, 18.4.13 and 19.2 shall also be published by way of press release by the Issuer.

26.2.2 In addition to Clause 26.2.1, if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the 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 Agent 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 Agent shall be entitled to issue such press release.

27. **FORCE MAJEURE**

27.1 Neither the Agent nor the Paying 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 Agent or the Paying Agent itself takes such measures, or is subject to such measures.

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

27.3 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the applicable securities regulations which provisions shall take precedence.

28. **GOVERNING LAW AND JURISDICTION**

28.1 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.

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

28.3 Notwithstanding the above, the Bonds shall be registered pursuant to the applicable securities regulations.

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*(Signature pages follows)*

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

Place: Ahlen, Germany

Date: 22 February 2024

**LR HEALTH & BEAUTY SE**  
as Issuer



Name: Dr Andreas Laabs

Title: Director

22 February 2024

Date:



Name: Andreas Grootz

Title: Director

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

Place: *Stockholm, Sweden*

Date: *22 February 2024*

**NORDIC TRUSTEE & AGENCY AB (PUBL)**  
as Agent



Name: **Anna Litewka**

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## SCHEDULE 1

### FORM OF COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ)  
From: LR Health & Beauty SE  
Date: [date]

Dear Sirs,

**Re: Terms and Conditions for LR Health & Beauty SE EUR 130,000,000 senior secured floating rate bonds 2024/2028 (the “Terms and Conditions”)**

1. We refer to the Terms and Conditions. This letter constitutes a compliance certificate as referred to therein. Terms defined in the Terms and Conditions have the same meaning when used in this compliance certificate.
2. This compliance certificate relates to:  
Reference Date: [DATE]  
Relevant Period: [PERIOD]
3. We confirm that no Event of Default has occurred and is continuing. *[If this statement cannot be made, the certificate should identify any Event of Default that has occurred and the steps taken to remedy it.]*
4. [We confirm that the ratio of Net Interest Bearing Debt to Group EBITDA (the “**Leverage Ratio**”) for the Relevant Period was [RATIO].

The calculation of the Leverage Ratio in item 4 above is based on the following figures:

Net Interest Bearing Debt: [ ]

Group EBITDA: [ ]\*

5. [We confirm that the ratio of Pre-IFRS 16 Net Interest Bearing Debt to Pre-IFRS 16 Group EBITDA (the “**Pre-IFRS 16 Leverage Ratio**”) for the Relevant Period was [RATIO].

The calculation of the Pre-IFRS 16 Leverage Ratio in item 5 above is based on the following figures:

Pre-IFRS 16 Net Interest Bearing Debt: [ ]

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\* Include 4 in the event of a testing of the Incurrence Test, the Maintenance Test or the Distribution Test.

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Pre-IFRS 16 Group EBITDA: [ ]\*\*

6. [We confirm that the ratio of Group EBITDA to Net Interest Expenses (the “**Interest Coverage Ratio**”) for the Relevant Period was [*RATIO*].

The calculation of the Interest Coverage Ratio in item 5 above is based on the following figures:

Group EBITDA: [ ]

Net Interest Expenses: [ ]\*\*\*

7. Accordingly the [Maintenance Test/Incurrence Test/Distribution Test/Super Senior Incurrence Test] [is/is not] met for the Relevant Period.
8. [We confirm that the following companies constitute Material Group Companies for the purposes of the Terms and Conditions: [ ]].
9. [We confirm that the guarantor coverage test in Clause 15.14 (*Nomination of Material Group Companies*) of the Terms and Conditions is satisfied.] / [We confirm that the guarantor coverage test in Clause 15.14 (*Nomination of Material Group Companies*) of the Terms and Conditions will be satisfied by [DATE] by the following Group Companies [ ] becoming Guarantors under the Guarantee.]
10. [We confirm that that the Group is in compliance with the undertaking set out in Clause 15.18 (*Clean down*).]

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[Copies of our latest annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, both including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from our board of directors, are published on our website [www.lrworld.com](http://www.lrworld.com).]

[Copies of our latest quarterly interim unaudited consolidated reports of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the our board of directors, are published on our website [www.lrworld.com](http://www.lrworld.com).]

Yours faithfully,

**LR HEALTH & BEAUTY SE**

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\* Include 4 in the event of a testing of the Incurrence Test, Super Senior Incurrence Test, the Maintenance Test or the Distribution Test.

\*\* Include 5 in the event of a testing of the Maintenance Test.

\*\*\* Include 6 in the event of a testing of the Incurrence Test, Super Senior Incurrence Test or Distribution Test only.

\*\*\*\* Include 8, 9 and 10 in a compliance certificate provided in conjunction with the publication of the audited annual financial statements of the Group.

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Name:  
Title:

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Name:  
Title:

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## SCHEDULE 2

### AGREED SECURITY PRINCIPLES

#### 1. Agreed Security Principles

- (a) The guarantees and security to be provided under the Senior Finance Documents will be given in accordance with the security principles set out in this Schedule (the “**Agreed Security Principles**”). This Schedule identifies the Agreed Security Principles and addresses the manner in which the Agreed Security Principles will impact on and determine the extent of the guarantees and security proposed to be provided in relation to the Senior Finance Documents.
- (b) The Agreed Security Principles embody a recognition by all parties that there may be certain legal and practical difficulties in obtaining effective or commercially reasonable guarantees and/or security from all relevant members of the Group in each jurisdiction in which it has been agreed that guarantees and security will be granted by those members. In particular:
  - (i) general legal and statutory limitations, regulatory restrictions, financial assistance, corporate benefit, fraudulent preference, equitable subordination, “transfer pricing”, “thin capitalisation”, “earnings stripping”, “controlled foreign corporation” and other tax restrictions, “exchange control restrictions”, “liquidity impairment” (other than in Germany) and “capital maintenance” rules, tax restrictions, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of a member of the Group to provide a guarantee or security or may require that the guarantee or security be limited as to amount or otherwise and, if so, the guarantee or security will be limited accordingly, **provided that**, before signing any applicable security document or accession certificate, the relevant member of the Group shall use reasonable endeavours (but without incurring unreasonable cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such guarantee or security document shall be subject to such limit;
  - (ii) a key factor in determining whether or not a guarantee or security will be taken (and in respect of the security, the extent of its perfection and/or registration) is the applicable time and cost (including adverse effects on taxes, interest deductibility, stamp duty, registration taxes, notarial costs and all applicable legal fees) which will not be disproportionate to the benefit accruing to the Security Agent and the Bondholders of obtaining such guarantee or security (accordingly, in the context of the Issuer’s subsidiary incorporated in Greece, the secured amount of such security (and, if required to reduce stamp duty, the guarantee) will be limited to EUR 1,000,000);
  - (iii) members of the Group will not be required to give guarantees or enter into security documents if it is not within the legal capacity of the relevant members of the Group or if it would conflict with the fiduciary or statutory duties of their directors or contravene any applicable legal, regulatory or contractual prohibition or restriction or have the potential to result in a material risk of personal or criminal liability for any director or officer of or for any member of

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the Group, **provided that**, before signing any applicable security document or accession certificate, the relevant member of the Group shall use reasonable endeavours (but without incurring unreasonable cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such security document shall be subject to such limit/limitations of such liability;

- (iv) members of the Group that are incorporated in an Excluded Jurisdiction will not be required to give guarantees or enter into security documents and no member of the Group will enter into security documents regarding the creation of security over the shares in any member of the Group that is incorporated in an Excluded Jurisdiction;
- (v) the giving of a guarantee, the granting of security and the registration and/or the perfection of the security granted will not be required if it would have a material adverse effect on the ability of the relevant member of the Group to conduct its operations and business in the ordinary course as otherwise permitted by the Finance Documents (including dealing with the secured assets and all contractual counterparties or amending, waiving or terminating (or allowing to lapse) any rights, benefits or obligations, in each case prior to a notification of an Event of Default from the Agent to the Issuer (a “**Declared Default**”) which has not been withdrawn);
- (vi) any security document will only be required to be notarised if required by law in order for the relevant security to become effective or admissible in evidence;
- (vii) no title investigations or other diligence on assets will be required and no title insurance will be required;
- (viii) all security will be given in favour of the Security Agent and not the secured creditors individually (with the Security Agent to hold one set of security documents for all the Secured Parties); “parallel debt” provisions will be used where necessary (and included in the Guarantee Agreement and not the individual security documents);
- (ix) no member of the Group will be required to take any action in relation to any guarantees or security as a result of any assignment or transfer by a Bondholder or Super Senior Creditor; and
- (x) guarantees and security will not be required from or over the assets of, any joint venture or similar arrangement, any minority interest or any member of the Group that is not wholly-owned by another member of the Group.

## 2. Guarantees

Subject to the guarantee limitations set out in the Senior Finance Documents, each guarantee will be an upstream, cross-stream and downstream guarantee for all liabilities of the Issuer under the Senior Finance Documents in accordance with, and subject to, the requirements of these Agreed Security Principles in each relevant jurisdiction (references to “security” to be read for this purpose as including guarantees). Security documents will secure the guarantee obligations of the relevant security provider or, if such security is provided on a third party basis, all

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liabilities of the Issuer under the Senior Finance Documents, in each case in accordance with, and subject to, the requirements of these Agreed Security Principles in each relevant jurisdiction.

### **3. Governing law and scope**

- (a) Subject to the provisions of the Senior Finance Documents, guarantees and security will be provided only by members of the Group which are not exempted from granting security pursuant to the Senior Finance Documents.
- (b) All security (other than share security) will be governed by the law of, and secure only assets located in, the jurisdiction of incorporation of the applicable grantor of the security and no action in relation to security (including any perfection step, further assurance step, filing or registration) will be required in jurisdictions where the grantor of the security is not incorporated. Share security over any subsidiary will be governed by the law of the place of incorporation of that subsidiary. Any security over a Structural Intercompany Loan will be governed by the governing law of such Structural Intercompany Loan document.

### **4. Terms of security documents**

The following principles will be reflected in the terms of any security taken in connection with the Senior Finance Documents:

- (a) security shall be limited to security over certain material trademarks, shares, Structural Intercompany Loans, Shareholder Loans, bank accounts located in Germany and stock located in warehouses in Germany;
- (b) security will not be enforceable or crystallise until the occurrence of a Declared Default;
- (c) the beneficiaries of the security or any Agent will only be able to exercise a power of attorney following the occurrence of a Event of Default which is continuing;
- (d) the security documents should only operate to create security rather than to impose new commercial obligations or repeat clauses in other Senior Finance Documents; accordingly (i) they should not contain additional representations, undertakings or indemnities (including, without limitation, in respect of insurance, information, maintenance or protection of assets or the payment of fees, costs and expenses) unless these are the same as or consistent with those contained in the Senior Finance Documents and are required for the creation or perfection of security; and (ii) nothing in any security document shall (or be construed to) prohibit any transaction, matter or other step (or a chargor taking or entering into the same or dealing in any manner whatsoever in relation to any asset (including all rights, claims, benefits, proceeds and documentation, and contractual counterparties in relation thereto)) the subject of (or expressed to be the subject of) the security agreement if not prohibited by the terms of the other Senior Finance Documents;
- (e) information, such as lists of assets, will be provided if, and only to the extent, required by local law to be provided to perfect or register the security and, unless required to be provided by local law in that jurisdiction more frequently, be provided annually (unless

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the list is constitutive for the creation of the security) or, following an Event of Default which is outstanding, on the Agent's request; and

- (f) security will, where possible and practical, automatically create security over future assets of the same type as those already secured; where applicable law requires supplemental pledges or notices to be delivered in respect of future acquired assets in order for effective security to be created over that class of asset, such supplemental pledges or notices will be provided at intervals no more frequent than annually (unless required more frequently under applicable law).

## 5. Bank accounts

Any security over bank accounts will be subject to any security interests in favour of the account bank which are created either by law or in the standard terms and conditions of the account bank. No grantor of security will be required to change its banking arrangements or standard terms and conditions in connection with the granting of bank account security.

## 6. Inventory

- (a) If a grantor grants security over its inventory (i.e. revolving stock), it shall, subject to the Intercreditor Agreement, be free to deal with those assets in the ordinary course of its business (subject, however, to the terms of the other Senior Finance Documents) until such authorisation being revoked following a Declared Default which has not been withdrawn and no waiver of carriers', warehousemen's, supplier's, landlord's lien and similar security interest shall be required. Security shall be prepared on the basis of transferring the assets located in the warehouse (*Raumsicherungsübereignung*) rather than providing lists of assets unless a material part of such inventory is stored in a way which requires a transfer by otherwise specifying such inventory (e.g. *tagging*).
- (b) No notice whether to third parties or by attaching a notice to the inventory shall be prepared or given until the occurrence of a Declared Default which has not been withdrawn unless required to perfect the security interest purported to be created by the relevant security document.

## 7. Shares

- (a) Security over shares will be limited to those over the Issuer, any Guarantor and any direct or indirect parent of a Guarantor to the extent security over such shares are not already provided.
- (b) Until a Declared Default has occurred and has not been withdrawn, the legal title of the shares will remain with the relevant grantor of the security (unless transfer of title on granting such security is customary in the applicable jurisdiction) and any grantor of share security will be permitted to retain and to exercise voting rights and powers in relation to any shares and other related rights charged by it and receive, own and retain all assets and proceeds in relation thereto without restriction or condition **provided that** any exercise of rights does not materially adversely affect the validity or enforceability of the Security over the shares or cause an Event of Default to occur.
- (c) Where customary and applicable as a matter of law, on, or as soon as reasonably practicable following execution of the security document or accession certificate, the

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applicable share certificate (or other documents (including a shareholder register) evidencing title to the relevant shares) and a stock transfer form executed in blank (or applicable law equivalent) will be provided to the Security Agent.

**8. Intercompany receivables/shareholder loans**

- (a) If security is granted over intercompany/shareholder loan receivables, the grantor shall be free to deal with those receivables in the course of its business (subject, however, to the terms of the other Senior Finance Documents) until such authorisation being revoked following an Event of Default which is continuing.
- (b) Notice of the security will be served on the relevant debtor (to the extent not a party to the agreement) within 10 Business Days of the security being granted and the grantor shall ensure the relevant debtor acknowledges that notice within 20 Business Days of service.

**9. Intellectual property**

- (a) If security is granted over the relevant material trademarks by LR Health & Beauty Systems GmbH, the grantor shall be free to deal with, use, licence and otherwise commercialise those assets in the ordinary course of its business, as otherwise permitted by the Senior Finance Documents, (including allowing its intellectual property to lapse if no longer material to its business) until a Declared Default which is continuing.
- (b) Notice of any security interest over material trademarks will only be served on a third party after the occurrence of a Declared Default which is continuing. No intellectual property security will be required to be registered under any laws or at any relevant national or supra-national registry or otherwise be filed except following a Declared Default which is continuing. Security over intellectual property rights will be taken on an “as is, where is” basis (subject to any third party rights over the Intellectual Property Rights being permitted by the Senior Finance Documents) and the Group will not be required to procure any changes to, or corrections of filings on, external registers.
- (c) Except following a Declared Default, no lists or reporting shall be required (other than any initial lists of trademarks). Within 20 Business Days from signing of the relevant security agreement, the grantor shall deliver a signed application of the transfer of ownership with the German Patent and Trademark Office and EUIPO which shall only be made use of following a Declared Default which is continuing.

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## SCHEDULE 3

### INTERCREDITOR PRINCIPLES

*The below set out intercreditor principles for the Intercreditor Agreement (as defined in the Terms and Conditions). The following overview does not purport to be complete, and is qualified in its entirety by the final Intercreditor Agreement. Terms defined in the Terms and Conditions shall have the same meaning when used in this schedule unless contrary indication appears.*

**Principal  
Definitions:**

**“Bonds Only Transaction Security”** means the security created or purported to be created under the Escrow Account Pledge Agreement and the Existing Bonds Escrow Account Pledge Agreement.

**“Final Discharge Date”** means the date when all principal, interest and any other costs or outstanding amounts under the Senior Finance Documents have been unconditionally and irrevocably paid and discharged in full and that all commitments under the Senior Finance Documents have expired, been cancelled or terminated (provided that the Final Discharge Date of the Super Senior Debt may or may not occur prior to the Final Maturity Date of the Bonds).

**“Hedge Counterparty”** means any person who is or becomes a hedge counterparty pursuant to any Hedging Agreement and that has entered into or acceded to the Intercreditor Agreement.

**“Hedging Agreement”** means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by an ICA Group Company and a Hedge Counterparty in connection with protection against or benefit from fluctuation in any rate (including currency) or price, in respect of payments to be made under the Senior Finance Documents (but not a derivative transaction for investment or speculative purposes).

**“Hedging Obligations”** means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the ICA Group Companies to any Hedge Counterparty under or in connection with any Hedging Agreement.

**“ICA Group Companies”** means any Group Companies which has entered into or acceded to the Intercreditor Agreement pursuant to the Senior Finance Documents.

**“Intragroup Debt”** means any debt outstanding from a Group Company to another Group Company, including Structural Intercompany Loans.

**“Major Undertakings”** means an undertaking with respect to any Group Company pursuant to any negative pledge undertaking or restriction on

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financial indebtedness, disposals, mergers, acquisitions, distributions, loans out or guarantees under any Super Senior Debt.

“**Representatives**” means the Super Senior Representative and the Senior Representative.

“**Secured Obligations**” means all present and future liabilities and obligations at any time due, owing or incurred by any Group Company to any Secured Party under the Senior Finance Documents, both actual and contingent.

“**Secured Parties**” means the creditors under the Senior Finance Documents but only if such creditor (or, in the case of a Bondholder, its Representative) is a party to or has acceded to the Intercreditor Agreement in the appropriate capacity pursuant to the terms of the Intercreditor Agreement, and their respective agents.

“**Security Agent**” means Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879) as security agent for the Secured Parties.

“**Senior Creditor**” means the Bondholders and the Agent.

“**Senior Debt**” means all indebtedness outstanding to the Senior Creditors under the Finance Documents.

“**Senior Finance Documents**” means the Bonds, the Terms and Conditions, the Guarantee, the Security Documents, the Agency Agreement, the Intercreditor Agreement and the Super Senior Documents.

“**Senior Representative**” means, at any time, the representative of, the Senior Creditors.

“**Super Senior Creditors**” means each Super Senior Debt Creditor and each Hedge Counterparty.

“**Super Senior Debt**” means (i) all indebtedness outstanding to the Super Senior Debt Creditors (or any of their Affiliates) under the Super Senior Documents and (ii) all indebtedness outstanding to a Hedge Counterparty (if any) under a Hedging Agreement.

“**Super Senior Documents**” means the Super Senior Debt, the Intercreditor Agreement, the Hedging Agreements (if any), the Guarantee Agreement, the Security Documents (save for the Bonds Only Transaction Security) and any other document designated to be a Super Senior Document by the Issuer and the Super Senior Creditors.

“**Super Senior Debt Creditor**” means any person who is or becomes a lender under a Super Senior Debt.

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“**Super Senior Representative**” means, at any time, the representative of those Super Senior Creditors holding 50.00 per cent. or more of the aggregate of Super Senior Debt.

“**Transaction Security**” means the security provided to the Secured Parties under the Security Documents (save for the Bonds Only Transaction Security).

**Background:**

The security securing the Secured Obligations will (save for the Bonds Only Transaction Security) be a single security package which will be held pursuant to relevant law and intercreditor arrangements and will be granted subject to the Agreed Security Principles, and the Security Agent will be appointed as initial security agent to hold the security on behalf of each of the Secured Parties.

**Ranking and Priority:**

Unless expressly provided to the contrary in these intercreditor principles, each of the parties to the Intercreditor Agreement will agree that (subject to applicable insolvency laws and other rules applying to creditors generally) the Secured Obligations owed by the ICA Group Companies to the Secured Parties and the other relevant parties shall be paid, distributed or turned over (as applicable) in the following order:

- (a) *first*, the Super Senior Debt (pari passu between all indebtedness under the Super Senior Debt);
- (b) *second*, the Senior Debt (pari passu between all indebtedness under the Senior Debt);
- (c) *third*, any liabilities raised in the form of Intragroup Debt; and
- (d) *fourth*, any liabilities raised in the form of Shareholder Loans.

**Transaction Security and Guarantees:**

Unless expressly provided to the contrary in these intercreditor principles (in particular under "*Background*", above), the Transaction Security and the guarantees under the Guarantee Agreement will be granted with the following ranking and priority amongst the Secured Parties:

- (a) if a single security package is not possible for statutory reasons, the guarantees and the Transaction Security shall be granted with *first* priority ranking in respect of the Super Senior Debt (*pari passu between* the Super Senior Debt), with second priority for the the Senior Debt (*pari passu between* the Senior Debt), but subject always to the allocation of proceeds provision as set out in Section "*Application of enforcement proceeds*";
- (b) the Bonds Only Transaction Security shall secure only the Bondholders; and
- (c) the Intragroup Debt shall remain unguaranteed and unsecured.

**Payment Block:**

Following a written notice from the Super Senior Representative to the Issuer (with a copy to the Security Agent and the Agent of (i) acceleration or (ii) that

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an event of default (for the avoidance of doubt, after the expiry of any applicable grace period in respect of the default giving rise to the event of default) under the Super Senior Documents relating to (a) a non-payment, (b) a cross-default or cross-acceleration, (c) insolvency, (d) insolvency proceedings, (e) creditors' process, (f) cessation of business, (g) a breach of a Major Undertaking, (h) repudiation and rescission of agreements or (i) unlawfulness and invalidity has occurred (a "**Payment Block Event**") and for as long as it is continuing, or up until a written notice from the Super Senior Representative to the contrary, no payments of principal or interest may be made to the Senior Creditors.

A Payment Block Event shall cease to be continuing if no enforcement action or consultation in accordance with the section "*Enforcement*" below has been initiated within 150 days from the occurrence of the relevant Payment Block Event. For the avoidance of doubt, interest shall continue to accrue during such period and the failure to timely make any payments due under the Senior Debt shall constitute an Event of Default and the unpaid amount shall carry default interest.

Until a Payment Block Event has been remedied or waived, any amounts paid under the Senior Debt (despite the Payment Block Event) shall be applied in accordance with Section "*Application of enforcement proceeds*".

**Cancellation of Super Senior Debt:**

To the extent the Issuer repurchases, amortises or otherwise repays the Bonds whereby the aggregate amount of the Senior Debt outstanding falls below a threshold of the aggregate initial amount of Senior Debt as specified by the Super Senior Debt Creditor, the Super Senior Debt Creditor may demand repayment and cancellation of the Super Senior Debt *pro rata* with such repurchase, amortisation or other repayment.

**Enforcement:**

If either the Super Senior Creditors or the Senior Creditors wish to issue instructions for enforcement, their Representative (as the case may be) shall deliver a copy of those proposed enforcement instructions (an "**Enforcement Proposal**") to the Security Agent and the Security Agent shall promptly forward such Enforcement Proposal to the each other Representative.

If the Security Agent has received conflicting enforcement instructions, the Security Agent shall promptly notify the Representatives and the Representatives shall (unless the Transaction Security and the guarantees have become enforceable as a result of an insolvency event) consult with each other and the Security Agent (as the case may be) in good faith for a period of not more than 30 days (the "**Consultation Period**").

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Following an Enforcement Proposal and subject to, *inter alia*, paragraphs (a) and (b) below, the Security Agent will act in accordance with enforcement instructions received from the Senior Creditors.

- (a) If (i) no enforcement instructions have been issued to the Security Agent from the Senior Creditors within 3 months of the date of the Enforcement Proposal or from the end of the Consultation Period or (ii) the Super Senior Debt has not been discharged in full within 6 months of the date of the Enforcement Proposal or from the end of the Consultation Period, then the Security Agent will act in accordance with enforcement instructions received from the Super Senior Creditors until the Super Senior Debt has been discharged in full.
- (b) If a Secured Party (acting reasonably) considers that the Security Agent is enforcing the Transaction Security in a manner which is not consistent with the security enforcement objective, such Secured Party shall give notice to the other Secured Parties after which the Representatives and the Security Agent shall consult for a period of 20 days (or such lesser period that the Secured Parties may agree) with a view to agreeing on the manner of enforcement.

**Application of  
Enforcement  
Proceeds:**

The proceeds of any enforcement action (including but not limited to any proceeds received from any direct or indirect realisation or sale by the Security Agent of any assets being subject to Transaction Security, payments under any guarantees or proceeds received in connection with bankruptcy or other insolvency proceedings) shall be paid to the Security Agent for application in the following order (subject to applicable mandatory law):

- (a) *firstly*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by any Group Company to the Security Agent;
- (b) *secondly*, in or towards payment *pro rata* (and with no preference among them) of unpaid fees, costs, expenses and indemnities payable by any Group Company to the Paying Agent and the Representatives;
- (c) *thirdly*, towards payment *pro rata* (and with no preference among them) of accrued interest unpaid under the Super Senior Documents;
- (d) *fourthly*, towards payment *pro rata* (and with no preference among them) of principal under the Super Senior Documents and any other costs or outstanding amounts under the Super Senior Documents, and any close out amount and any other outstanding amounts to a Hedge Counterparty (if any);
- (e) *fifthly*, towards payment *pro rata* (and with no preference among them) of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);

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- (f) *sixthly*, towards payment *pro rata* of principal under the Senior Debt (and with no preference among them);
  - (g) *seventhly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Terms and Conditions and any Senior Finance Documents;
  - (h) *eighthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Intragroup Debt;
  - (i) *ninthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Shareholder Loans; and
  - (j) *tenthly*, after the Final Discharge Date, in payment of the surplus (if any) to the relevant Group Company or other person entitled to it.

**Release of  
Transaction  
Security and  
Guarantees:**

The Security Agent is authorised and may execute on behalf of any Secured Party, in each case without any need for further deferral to or authority from such Secured Party, any release of the Transaction Security and the guarantees created by the Security Documents, the Guarantee Agreement and the Intercreditor Agreement, to the extent that such release is made in accordance with the terms and conditions of the Senior Finance Documents.

The Intercreditor Agreement will, subject to certain conditions, enable a release of Transaction Security for the purpose of:

- (i) enabling a Group Company to take any action permitted under the Senior Finance Documents (including the Agreed Security Principles);
- (ii) enabling a Group Company which is no longer required to be a Guarantor according to the Senior Finance Documents to be released as a Guarantor;
- (iii) enabling a Group Company to dispose of shares in a Group Company that is subject to Transaction Security provided that Transaction Security is provided over a bank account (other than the Escrow Account) where the cash purchase price following such disposal is deposited (the funds standing to credit on such bank account may be used for the purpose of an acquisition of shares in a target company provided that security over all the shares in such target company are provided to the Secured Parties immediately upon such acquisition); and
- (iv) enabling intra-group restructurings, provided that the disposal is made subject to the Transaction Security or, in relation to a merger, that it constitutes a permitted merger under the Senior Finance Documents.

**New Security:**

Any new security created (and guarantees and indemnities granted), in respect of any Secured Obligation shall be extended to and shared between the Secured

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Parties on a *pro rata* basis and in accordance with the ranking and priority set forth above.

**Governing law:** The Intercreditor Agreement shall be governed by Swedish law or, if so elected by the Super Senior Debt Creditor, German law.

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