

Term Sheet



Up to approximately SEK 200,000,000 (or its equivalent in NOK or EUR)
Super Senior Secured Callable Bonds [2019/2020]
(the "Bonds" or the "Bond Issue")
SEK BOND - ISIN: SE0012481307
NOK BOND - ISIN: NO0010849193
EUR BOND – ISIN: NO0010849201

Issuer:	Hancap AB (publ), business identity code 556789-7144, c/o Santex AB, Montörgatan 9, 301 80 Halmstad.
Group:	The Issuer and all its Subsidiaries from time to time (each a " Group Company ").
Guarantors:	Each direct or indirect Subsidiary of the Issuer (other than Hancap AS and Hancap Personaloptioner AB).
Limited Guarantor:	Per Helander, social security number 560708-7177.
Bondholder:	Means any holder of Bonds from time to time.
Bonds:	Debt instruments issued by the Issuer under the Terms and Conditions and pursuant to Norwegian and Swedish securities laws and denominated in SEK, NOK and EUR.
Currency:	SEK, NOK and EUR, respectively, the " SEK Bonds ", the " NOK Bonds " and the " EUR Bonds ".
Initial Bond Issue:	SEK 24,000,000 NOK 56,500,000 EUR 1,450,000
Subsequent Bond Issue:	The Issuer may at one or more occasions issue further additional Bonds (each a " Subsequent Bond Issue "). The Initial Bond Issue and any Subsequent Bond Issue may not in aggregate exceed SEK 200,000,000 (or its equivalent in NOK or EUR).
Interest:	<p>The Bonds shall carry interest at a fixed rate of 14 % <i>per annum</i>.</p> <p>Interest on the Initial Bonds will accrue from, (but excluding, in case of the SEK Bonds, and including in case of the NOK Bonds and EUR Bonds) the Issue Date up to (and including in case of the SEK Bonds, but excluding in case of the NOK Bonds and EUR Bonds) the relevant redemption date.</p> <p>Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding, in case of the SEK Bonds, and including in case of the NOK Bonds and EUR Bonds) the Interest Payment Date falling immediately prior to its issuance up to (and including in case of the SEK Bonds, but excluding in case of the NOK Bonds and EUR Bonds) the relevant redemption Date.</p> <p>The interest shall be payable quarterly in arrears on the Interest Payment Dates each year. Day-count convention for the interest calculation is 30/360.</p>
First Issue Date:	30 April 2019.

Final Redemption Date	<p>The Bonds shall be redeemed on the date falling 18 months after the Issue Date at a price equal to 100.00% of the Nominal Amount.</p> <p>The Issuer is entitled to a 6 month extension of the Final Redemption Date, subject to written notice to the Trustee at least 10 Business Days prior to the Maturity Date.</p>
Interest Payment Dates:	<p>30 January, 30 April, 30 July and 30 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 30 July 2019 and the last Interest Payment Date shall be the relevant redemption date.</p>
Price:	<p>100.00% of the Nominal Amount.</p>
Nominal Amount:	<p>The nominal amount of each SEK Bond will be SEK 100,000, each NOK Bond will be NOK 100,000 and each EUR Bond will be EUR 10,000.</p>
Minimum Investment:	<p>The minimum permissible investment upon issuance of the Bonds is SEK 1,100,000 or NOK 1,000,000 (if higher, the SEK or NOK equivalent to EUR 100,000) and EUR 100,000 respectively.</p>
Purpose of the Bond Issue:	<p>(a) The proceeds from the Initial Bond Issue shall be applied as follows:</p> <ul style="list-style-type: none">(i) payment of Transaction Costs;(ii) to repay the up to SEK 40,400,000 (or its equivalent in NOK or EUR) subordinated loan granted to the Issuer by Kandre Holding AB (reg. no. 556060-0339) pursuant to a loan agreement dated 21 March 2019 (the "Bridge Proceeds Loan"); and(iii) the remainder, for general corporate purposes of the Group. <p>(b) The proceeds from any Subsequent Bond Issues shall be applied as follows:</p> <ul style="list-style-type: none">(i) payment of Transaction Costs; and(ii) to finance future acquisitions or for general corporate purposes of the Group.
Status of the Bonds:	<p>The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.</p>
Intercreditor Agreement:	<p>The relationship between the Bondholders and the creditors in respect of the Existing Bonds will be governed by the Intercreditor Agreement.</p> <p>The principle terms of the Intercreditor Agreement are set out in the Intercreditor Agreement term sheet (the "Intercreditor Agreement Term Sheet").</p> <p>This Term Sheet and the Intercreditor Agreement Term Sheet shall be read together.</p>
Issuer's Call Option (American):	<p>The Issuer may redeem all, but not only some, of the Bonds early on any Business Day before the Final Redemption Date. The Bonds shall be redeemed at the Call Option Amount together with accrued but unpaid interest.</p>
Call Option Amount SEK Bonds:	<p>(a) if the Call Option is exercised before the first Business Day Sweden falling 9 months after the Issue Date at an amount per Bond equal to the sum of (i)</p>

100 per cent of the Outstanding Nominal Amount and (ii) the remaining interest payments on or after the Issue Date to, but not including, the first Business Day Sweden falling 9 months after the Issue Date; and

- (b) 100 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the first Business Day Sweden falling 9 months after the Issue Date to, but not including, the Final Redemption Date.

Call Option Amount NOK Bonds and EUR Bonds

- (a) if the Call Option is exercised before the first Business Day Norway falling 9 months after the Issue Date at an amount per Bond equal to the sum of (i) 100 per cent of the Outstanding Nominal Amount and (ii) the remaining interest payments on or after the Issue Date to, but not including, the Business Day Norway falling 9 months after the Issue Date; and
- (c) 100 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the first Business Day Norway falling 9 months after the Issue Date to, but not including, the Final Redemption Date.

Guarantees:

Subject to the Intercreditor Agreement, each Guarantor will irrevocably and unconditionally, jointly and severally, as principal obligor, guarantee to the Secured Parties the punctual performance of the Secured Obligations (to the fullest extent permitted under applicable laws) and agree to adhere to the Terms and Conditions and the terms and conditions for the Existing Bonds on the terms set out in the Guarantee and Adherence Agreement.

The Limited Guarantor will irrevocably and unconditionally, jointly and severally, as principal obligor, guarantee to the Bondholders and the Trustee the punctual performance by the Issuer of all the Issuer's obligations under the Finance Documents (to the fullest extent permitted under applicable laws) and agree to adhere to the Terms and Conditions on the terms set out in the Limited Guarantee Agreement.

Transaction Security:

As continuing security for the due and punctual fulfillment of the Secured Obligations, the Issuer will (or shall procure that a relevant security provider) grant to the Secured Parties as represented by the Security Agent, the following security on the terms set out in the relevant security agreements and subject to the Intercreditor Agreement:

- (a) first priority pledges over the shares in Hancap Facade AB and the shares in each Subsidiary of the Issuer (other than Hancap AS and Hancap Personaloptioner AB); and
- (b) a first priority pledge over Existing Façade Bridge Facility Intra Group Loan.

Trustee as security agent:

Intertrust (Sweden) AB will be appointed as security agent on behalf of the Secured Parties pursuant to the Intercreditor Agreement (the "**Security Agent**").

Escrow:

The proceeds from each Bond Issue shall be held by the Arranger on the Escrow Accounts and shall be released when the Conditions Precedent relating to such Bond Issue for Disbursement have been fulfilled.

Conditions Precedent prior to the Issue Date:

Issue of the Bonds is subject to the fulfilment of certain conditions precedent including but not limited to the Terms and Conditions duly executed and relevant corporate resolutions.

Conditions Precedent for Disbursement of the

The Trustee's approval of the disbursement from the Escrow Accounts of the Net Proceeds relating to the Initial Bond Issue is subject to the following documents

- proceeds from the Initial Bond Issue:** being received by the Trustee, in form and substance satisfactory to it (acting reasonably), and that the following actions have been taken or that the following events have or will occur on date of disbursement of the Net Proceeds:
- (a) confirmation from the Arranger that a sufficient amount of the Initial Bonds have been subscribed for;
 - (b) confirmation from the Arranger that the Transactions Costs have or will be paid on the date of disbursement;
 - (c) duly executed corporate authorisation documents, issued by any party that shall execute a Finance Document;
 - (d) duly executed copies of the Finance Documents;
 - (e) evidence that the Bridge Proceeds Loan will be repaid in connection with the disbursement of the Net Proceeds;
 - (f) duly executed amendment agreements to the Existing Bond Security Agreements so that the Transaction Security is granted for the Secured Obligations pursuant to the ranking and on the terms set out in the Intercreditor Term Sheet (the "**Security Amendment Agreement**"); and
 - (g) an amendment agreement to the Existing Bonds Guarantee Agreement so that the Guarantors guarantees to the Secured Parties the punctual performance of the Secured Obligations (to the fullest extent permitted under applicable laws) and agree to adhere to the Terms and Conditions and the terms and conditions under the Existing Bonds (the "**Guarantee and Adherence Amendment Agreement**").

When the Conditions Precedent for Disbursement set out above have been fulfilled to the satisfaction of the Trustee (acting reasonably), the Trustee shall notify the Arranger that Net Proceeds relating to the Initial Bond Issue may be released.

- Conditions Precedent for Disbursement of the proceeds from a Subsequent Bond Issue:** The Trustee's approval of the disbursement from the Escrow Accounts of the Net Proceeds relating to a Subsequent Bond Issue is subject to the following documents being received by the Trustee, in form and substance satisfactory to it (acting reasonably), and that the following actions have been taken or that the following events have or will occur on date of disbursement of the Net Proceeds:

- (a) duly executed corporate authorisation documents, issued by any party that shall execute a Finance Document;
- (b) confirmation from the Arranger that the Transactions Costs have or will be paid on the date of disbursement; and
- (c) evidence that the Subsequent Bond Issue Security (if any) has been duly provided and either has been or will be perfected as soon as practicable possible in accordance with the terms of the Finance Documents.

When the Conditions Precedent for Disbursement set out above have been fulfilled to the satisfaction of the Trustee (acting reasonably), the Trustee shall notify the Arranger that Net Proceeds relating to such Subsequent Bond Issue may be released.

- Conditions Subsequent:** The Issuer shall use its best efforts to procure that the Bonds are listed on a recognised marketplace no later than six (6) months from the Issue Date.

- Special Undertakings:**
- (a) **Distributions from the Issuer:** The Issuer shall not, and shall procure that none of the Subsidiaries will, (i) pay any dividend in respect of its shares (other than to the Issuer and any wholly-owned Subsidiary of the Issuer), (ii) repurchase, redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders, (iii) repay any loans granted by its direct or indirect shareholders or pay interest thereon (other

than to the Bridge Proceeds Loan), (iv) make any prepayments or repayments under any long-term debt ranking junior or pari passu with the Bonds (other than in an aggregate maximum amount of SEK 10,000,000 or under any Export Credit Facility or Working Capital Facility), (v) grant any loans except to Group Companies or Mistral Energi AB provided that Hancap Facade AB owns 49 % of Mistral Energi AB, or (vi) make any other similar distribution or transfers of value to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (other than to the Issuer and any wholly-owned Subsidiary of the Issuer).

- (b) **Nature of business:** The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the first Issue Date if such substantial change would have a Material Adverse Effect.
- (c) **Financial Indebtedness:** The Issuer shall not, and shall procure that none of its Subsidiaries, incur any Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur Financial Indebtedness that constitute Permitted Debt, if such Permitted Debt is incurred on market terms (or better).
- (d) **Share Issue:** The Issuer shall procure that none of its Subsidiaries, issues any additional shares, other than any share issue in Mistral Energi AB provided that such share issue in Mistral Energi AB does not result in Hancap Facade AB ceases to own or control, directly or indirectly, 49 % of the share capital or voting rights in Mistral Energi AB.
- (e) **Disposals of assets:**
 - (i) Subject to paragraph (ii) below, the Issuer shall not, and shall procure that none of its Subsidiaries, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries.
 - (ii) Notwithstanding paragraph (a) above, the Group may sell or otherwise dispose of shares in Mistral Energi AB (reg. no. 556737-2932) and/or SEML AB (reg. no. 556811-7542) at fair market value and on arm's length terms to any person not being the Issuer or any of its wholly-owned Subsidiaries (subject to the Trustee's approval of the release of the relevant Transaction Security which shall be granted if the Trustee has received evidence that an amount equal to the purchase price of any such disposal has been or will, immediately following such disposal, be deposited on a blocked account pledged to the Secured Parties) and such amounts shall be applied toward repayment of the Bonds until repaid in full.
- (f) **Negative pledge:** The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided however that the Group Companies have a right to (i) provide, prolong and renew any Permitted Security, and (ii) retain, but not prolong or renew, any existing security in relation to indebtedness held by an entity acquired by a Group Company.
- (g) **Merger and demergers:** The Issuer shall not, and shall procure that none of its Subsidiaries, enter into a merger or demerger if such merger or demerger is likely to have a Material Adverse Effect. The Issuer shall not enter into a

merger where the Issuer is not the surviving entity and the Issuer shall not enter into a demerger.

- (h) **Dealings with related parties:** The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.
- (i) **Financial Reporting:**
 - (i) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, 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 not later than (a) 6 months after the expiry of financial year 2018 in relation to the financial year 2018, and (b) 4 months after the expiry of each financial year (other than in relation to the financial year 2018); and
 - (ii) prepare and make available any other information required by the Swedish Securities Market Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the applicable Regulated Market or multilateral trading facility on which the Bonds are listed;
 - (iii) keep the latest version of the Terms and Conditions available on the website of the Group; and
 - (iv) promptly notify the Trustee when the Issuer is or becomes aware of (i) the occurrence of a Change of Control, or (ii) that an Event of Default has occurred 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 Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice.

Permitted Debt:

Means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) incurred under the Existing Bonds;
- (c) incurred under any export credit facility of up to SEK 65,000,000 provided that at least 80% of such facility is guaranteed by Svensk Exportkredit and/or the National Export Credits Guarantee Board (*Sw. Exportkreditnämnden*) (an "**Export Credit Facility**");
- (d) of the Group incurred pursuant to any financial leasing arrangements incurred in the ordinary course of the Group's business in a maximum amount of SEK 25,000,000;
- (e) taken up from a Group Company;
- (f) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (g) arising under a foreign exchange transaction or commodity derivatives 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 Terms and Conditions, but not any transaction for investment or speculative purposes;

- (h) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (i) related to any Subordinated Loans;
- (j) incurred under Advance Purchase Agreements;
- (k) incurred by the Issuer or any Group Company under bank overdraft facilities or similar working capital facilities with a commercial bank in an aggregate amount of SEK 100,000,000 (a "**Working Capital Facility**");
- (l) pension liabilities of the Group;
- (m) of any person acquired by a member of the Group after the Issue Date which has been incurred under arrangements in existence at the date of acquisition, but not incurred, increased or having its maturity date extended in contemplation of, or since, that acquisition;
- (n) until the Issue Date, the Bridge Proceeds Loan;
- (o) incurred by the Issuer for the purpose of acquiring an entity and provided that (A) such Financial Indebtedness may only constitute 50 per cent. of the aggregate acquisition costs for that entity and (B) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents and has a final maturity date or a final maturity date or, when applicable, first early redemption date or first instalment date which occur after the final maturity date of the Bonds; and
- (p) any other Financial Indebtedness not covered under (a)-(o) above in an aggregate maximum amount of SEK 15,000,000.

Permitted Security:

Means any security:

- (a) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (b) provided for the Secured Obligations;
- (c) provided in relation to any lease agreement entered into by a Group Company;
- (d) provided over any assets being subject to a financial lease, permitted pursuant to (d) of the definition of Permitted Debt above;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) any guarantee or security provided by or over a Group Company to secure any Permitted Debt;
- (g) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (h) in relation to surety bonds used in the operations from insurance companies or banks; or
- (i) any other security not covered under (a)-(h) above securing an aggregate maximum amount of SEK 15,000,000.

Definitions:

"Advance Purchase Agreements" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and

payment is due not more than 90 days after the date of supply, or (b) any other trade credit incurred in the ordinary course of business.

"**Affiliate**" means any 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 ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

"**Business Day**" means a Business Day Sweden and a Business Day Norway.

"**Business Day Norway**" means a day other than a Saturday, Sunday or a public holiday in Norway on which the Norwegian Central Bank's and the CSD's settlement systems are open and commercial banks in Norway are open for business.

"**Business Day Sweden**" means a day in Sweden other than a Sunday or other public holiday and on which day the CSD settlement system is open. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

"**Business Day Convention**" means the first following day that is a Business Day.

"**Existing Bonds**" means the up to approximately SEK 117 330 000, NOK 35 330 000 and USD 233 000 existing bonds issued by the Issuer (with SEK ISIN NO 0010769276, NOK ISIN NO 0010769284 and USD ISIN NO 0010769292) (as amended and restated from time to time).

"**Existing Bonds Guarantee Agreement**" means the guarantee and adherence agreement entered into in connection with the Existing Bonds.

"**Existing Bonds Security Agreements**" means the security agreements relating to the security granted for the Existing Bonds.

"**Existing Facade Bridge Facility Intra Group Loan**" means the SEK 219,000,000 loan from the Issuer to Hancap Facade AB dated 11 October 2016.

"**Escrow Accounts**" means a SEK bank account, a NOK bank account and an EUR account opened by the Arranger with a reputable bank on which the proceeds from the Bond Issue will be held until the Conditions Precedent for Disbursement have been fulfilled.

"**Finance Documents**" means the Terms and Conditions, the Intercreditor Agreement, the Security Documents, the trustee agreement between the Trustee and the Issuer and any other document designated to be a Finance Document by the Issuer and the Trustee.

"**Financial Indebtedness**" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the accounting principles applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

"Financial Report" means the Group's annual audited financial statements or semi-annual interim unaudited reports, which shall be prepared and made available according to the Section "Financial Reporting".

"Guarantee and Adherence Agreement" means the Existing Bonds Guarantee Agreement as amended by the Guarantee and Adherence Amendment Agreement entered into between the Issuer, the Guarantors and the Security Agent pursuant to which the Secured Obligations will be guaranteed by the Guarantors (subject to customary limitations).

"Guarantees" means the guarantees provided by the Guarantors under the Guarantee and Adherence Agreement.

"Intercreditor Agreement" means the intercreditor agreement entered into between amongst the parties set out in the Intercreditor Term Sheet.

"Limited Guarantee" means the guarantees provided by the Limited Guarantor under the Limited Guarantee Agreement.

"Limited Guarantee Agreement" means the guarantee and adherence agreement entered into between the Issuer, the Limited Guarantor and the Security Agent pursuant to which payment obligations under the Finance documents will be guaranteed by the Limited Guarantor only up to an maximal aggregate amount of SEK 50,000,000 (subject to customary limitations).

"Market Loan" means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on any regulated or unregulated recognised market place.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Group's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

"Net Proceeds" means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer for the services provided in relation to the placement and issuance of the Bonds.

"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.

"Secured Obligations" has the meaning given to such term in the Intercreditor Agreement Term Sheet.

"**Secured Parties**" has the meaning given to such term in the Intercreditor Agreement Term Sheet.

"**Security Documents**" means the Existing Bonds Security Agreements as amended by the Security Amendment Agreement.

"**Subordinated Loans**" means any loan to the Issuer or any of its Subsidiaries, if such loan (a) according to its terms and pursuant to the Intercreditor Agreement on terms and conditions satisfactory to the Trustee, is subordinated to the Secured Obligations, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date (provided that Subordinated Loans may at any time be converted to ordinary shares issued by the issuer), and (c) according to its terms does not permit payment of interest or principal prior to the final redemption date of such loans.

"**Subsidiary**" means, in relation to any person, any entity (whether incorporated or not), which at any time is a subsidiary (Sw. *dotterföretag*) to such person, directly or indirectly, as defined in the Companies Act (Sw. *aktiebolagslagen 2005:551*).

"**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 Bond Issue or the Working Capital Facility.

Events of Default:

Customary Events of Default for Swedish bond issues, including:

- (a) Non-payment;
- (b) Breach of other obligations under the Terms and Conditions;
- (c) Cross-acceleration (subject to a SEK 5,000,000 threshold);
- (d) Insolvency and Insolvency proceeding;
- (e) Mergers and demergers (subject to Material Adverse Effect qualification);
- (f) Creditors' process (subject to a SEK 2,000,000 threshold and not discharged within 30 days);
- (g) Impossibility or illegality; and
- (h) Continuation of the business.

Allocation of Proceeds: All payments by the Issuer relating to the Bonds and proceeds received from an enforcement of the Transaction Security, the Guarantees or the Limited Guarantee (in the case of guarantees to extent proceeds from the guarantees can be applied toward satisfaction of the Secured Obligations) shall be made and/or distributed in accordance with the Intercreditor Agreement.

Default interest:

If the Issuer fails to pay any amount due under the Terms and Conditions, the Issuer shall pay default interest on such amount at a rate corresponding to the Interest Rate plus 5 percentage units, from and including, the date such payment was due up to and excluding the date of actual payment. Accrued default interest shall not be capitalised. If the failure to pay is caused by the Trustee or the CSD only, no default interest shall accrue, but the ordinary Interest shall apply instead.

Change of Control:

The occurrence of an event or series of events whereby any person or group of persons, other than Per Helander, acting in concert gains control over the Issuer and where "control" means (a) controlling, directly or indirectly, more than 50% of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, and where "acting in concert" means, a group of persons who, pursuant to

an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer

Change of Control Clause: Should a Change of Control occur, each Bondholder shall have a right of prepayment (the "**Put Option**") of the Bonds at a price of 101% of the Nominal Amount (plus accrued and unpaid interest) during a period of 60 days following the notice of a Change of Control (the "**Exercise Period**"). The settlement date of the Put Option shall occur 20 Banking Days after the ending of the Exercise Period.

Repurchase of Bonds by the Issuer: The Issuer may at any time purchase Bonds. Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled.

Arranger: JOOL Markets AS, Grundingen 2, 0250 Oslo, Norway, or any other reputable investment bank appointed by the Issuer.

Trustee: The Bondholders' agent and security agent under the Terms and Conditions and, if relevant, the Finance Documents, from time to time; initially Intertrust (Sweden) AB (business identity code 556625-5476), Box 16285, 103 25 Stockholm, Sweden.

CSD: With respect to NOK Bonds and EUR Bonds, the Issuer's central securities depository and registrar in respect of the Bonds from time to time, initially Verdipapirsentralen ASA (org. nr. 985 140 421, Fred Olsens gate 1, 0152 Oslo).

With respect to SEK Bonds, the Issuer's central securities depository and registrar in respect of the Bonds from time to time, initially Euroclear Sweden AB, reg.no. 556112-8074.

Taxation: The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law, without any gross-up obligation with respect to payments to the Bondholders.

Voting: Notwithstanding anything to the contrary above, in connection with a voting procedure at a bondholders' meeting or by way of a written procedure, each Bondholder holding SEK Bonds shall have one vote for each SEK Bond and each Bondholder holding NOK Bonds and/or EUR Bonds shall have a number of votes for each Bond owned equal to the value in SEK converted at the "Initial Exchange Ratio", based on the number of Bonds owned at close of business on the applicable record date in accordance with the records registered in the relevant CSD.

Initial Exchange Ratio: Means the SEK/NOK or the SEK/EUR exchange rate quoted on the Swedish Central Bank's website (www.riksbank.se) at 12:00 Swedish time on the Issue Date.

Terms and Conditions: The Terms and Conditions will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Terms and Conditions, the Terms and Conditions shall prevail.

By investing in the Bonds, each investor accepts to be bound by the Terms and Conditions. Further, by investing in the Bonds each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur and that they are bound by the final terms of the Terms and Conditions.

The Terms and Conditions shall include provisions on the Trustee's right to represent the Bondholders, including a no action clause for Bondholders, the duties of the Trustee, procedures for Bondholders' meetings and applicable quorum and majority requirements for Bondholders' consent, the Bondholders'

right to replace the Trustee, time bar provisions (Sw. *preskription*) as well as other provisions customary for a Swedish bond offering.

No action clause: Other than to the extent expressly provided for under the Terms and Conditions, no Bondholder may take any action against the Issuer in matters relating to the Bonds or the Terms and Conditions, or take any legal steps whatsoever to recover any amount due or owing to it pursuant to the Terms and Conditions, or file an application for, or otherwise take any legal steps in respect of, the winding-up, bankruptcy, or liquidation of the Issuer or the making of an administration order in relation to the Issuer.

Governing law: The Terms and Conditions shall be governed by and construed in accordance with Swedish law. The Bonds will be registered pursuant to Norwegian securities laws.

Disputes: Any dispute or claim arising in relation to the Terms and Conditions shall be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

The submission to the jurisdiction of the Swedish courts shall however not limit the right of the Trustee (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

Transfer Restrictions: Except as set out below, the Bonds are freely transferrable.

Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due to e.g. its nationality, its residency, its registered address or its place(s) for business). Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.

Subject to: The issue of the Bonds shall be subject to approval by the board of directors of the Issuer, as well as any other approvals as may be required by applicable company law.

Halmstad, 1 April 2019

HANCAP AB (publ)
as Issuer

JOOL MARKETS AS
as Arranger