

Securities Note

PIONEER PUBLIC PROPERTIES AS



PIONEER PROPERTY

Pioneer Public Properties AS Senior Unsecured Bond Issue 2016/2021

Listing on Oslo Børs

ISIN: NO 0010767619

29.09.2016

Sole Manager:

 **Pareto** Securities AS

Important information

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. The Financial Supervisory Authority of Norway has examined and approved the Securities Note pursuant to Section 7-7 of the Securities Trading Act. The examination and approval by the Financial Supervisory Authority of Norway relate exclusively to the Issuer having included descriptions pursuant to a pre-defined list of content requirements. Consequently, the Financial Supervisory Authority of Norway has not examined or approved the correctness or completeness of the information disclosed in the Securities Note. Nor has the Financial Supervisory Authority of Norway performed any form of examination or approval of company law aspects described in, or encompassed by, the Securities Note.

Only the Borrower and the Arrangers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Finanstilsynet implies that the Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Arrangers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

The Securities Note together with the Registration Document and the Summary dated 29.09.16 constitutes the Prospectus.

Index

Index	3
1 Risk Factors.....	4
2 Persons Responsible.....	5
3 Detailed information about the securities	6
4 Additional Information.....	10
5 Appendix: Bond Agreement.....	11

1 Risk Factors

Risks related to the bonds

Unsecured bonds – the Bonds are unsecured and consequently the Bondholders have, upon an insolvency event in the Issuer, no preferential right to collect in the real estate properties or other assets of the subsidiaries. In the event of insolvency any secured debt will prevail.

Additional gearing/no negative pledge - the Bond Agreement will not include any negative pledge clause. The Issuer's ability to acquire new financial indebtedness will be limited under financial covenants in the Bond Agreement however these covenants will allow for new debt/increased gearing. The bond issue will imply increased gearing. The Issuer further contemplates to acquire additional secured bank debt in the subsidiaries.

Foreign exchange rate risk - an investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the investor's currency of reference if different.

Trading and liquidity risk - there can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue nor can there be any assurance that an investor will be able to sell his bonds at or above the issue price or at all. Many factors of which the Issuer has no control may affect the trading market for, and trading value of, the bonds. These factors include the level, direction and volatility of market interest rates; general economic conditions; the investment appetite of investors; the financial condition of the issuer and the market for similar securities. No prediction can be made about the effect which any future events will have on the market price of the Bonds prevailing from time to time.

Amendments to the bond conditions – the terms of the bond loan contain provisions for calling for meetings of Bondholders in the event that the Issuer wishes to amend any of the terms and conditions applicable to the Bonds. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

Change of control - upon the occurrence of a change of control event (as defined in the term sheet), each individual Bondholder has a right of prepayment of the Bonds at a price of 101% of par value plus all accrued and unpaid interest to the date of redemption. However, it is possible that the Issuer will have insufficient funds at the time of the change of control event to make the required redemption of bonds. The Issuer's failure to redeem tendered bonds would constitute an event of default under the bond agreement.

The bonds may be subject to early redemption by the Issuer - in accordance with the terms and conditions of the Bonds, the Bonds are subject to optional redemption by the Issuer subject to pre-agreed price mechanisms. This feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem the bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

2 Persons Responsible

2.1 Persons responsible for the information

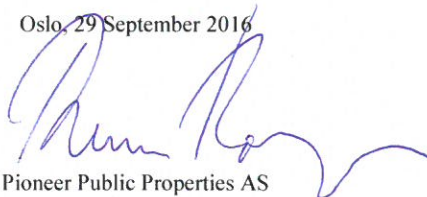
Persons responsible for the information given in the Securities Note are:

Pioneer Public Properties AS, c/o Pioneer Capital Partners, Rådhusgata 23, 0158 Oslo, Norway

2.2 Responsibility statement by persons responsible

The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 29 September 2016

A handwritten signature in blue ink, appearing to be 'Pioneer', is written over the date and the company name.

Pioneer Public Properties AS

3 Detailed information about the securities

ISIN code:	NO 0010767619
The Reference Name/The Bonds/The Bond Issue:	Pioneer Public Properties AS Senior Unsecured Bond Issue 2016/2021
Borrower/Issuer:	Pioneer Public Properties AS
Security Type:	FRN
Currency:	NOK
Borrowing Amount/First Tranche:	1,000,000,000
Borrowing Limit:	1,000,000,000
Denomination – Each Bond:	500,000
Securities Form:	The Bonds are electronic registered in book-entry form with the Securities Depository.
Settlement/Issue Date:	1 July 2016
Interest Bearing From and Including:	Settlement/Issue Date
Interest Bearing To:	Maturity Date
Maturity Date:	28 may 2021
Coupon Rate:	3 months NIBOR + 5.25% p.a.
Day Count Fraction - Coupon:	“act/360”,
Business Day Convention:	“modified following”
Interest Payment Date:	1 January, April, July and October each year For more information please see clause 9 in the Bond Agreement.
Interest Fixing Date:	Two business days prior to the Interest Payment Date.
#Days first term:	94
Issue Price:	100% of par value
Yield:	6.15% yield to maturity as of issue date. Calculation based on a coupon consisting of margin (5.25%) plus the 5 year interest rate swat at 05/07/16 (0.8985%).
Business Day:	“Oslo”
Put/Call options:	The Issuer may redeem the Bonds (all or nothing) as follows: <ul style="list-style-type: none">(i) the Interest Payment Date falling 3 years after the Issue Date up to, but not including, the date falling 12 months prior to the Maturity Date: at a price equal to 102.75 per cent. of the Nominal Amount of each redeemed Bond (plus accrued but unpaid interest on the redeemed amount);(ii) the date falling 12 months prior to the Maturity Date up to, but not including, the date falling 3 months prior to the Maturity Date: at a price equal to 101.25 per cent. of the Nominal Amount of each redeemed Bond (plus accrued but unpaid interest on the redeemed amount); and(iii) the date falling 3 months prior to the Maturity Date up to, but not including, the Maturity Date: at a price equal to 100 per cent. of the

Nominal Amount of each redeemed Bond (plus accrued but unpaid interest on the redeemed amount).

Change of Control:

Change of Control Event means:

- (i) if Kristian Adolfsen, Roger Adolfsen, Benn Eidissen and/or Even Carlsen or any of their respective heirs, successors or assigns, cease to have Decisive Influence over the Issuer; or
- (ii) any other person or group of persons acting in concert gaining Decisive Influence over the Issuer.

Upon a Change of Control Event occurring, each bondholder shall have a right of pre-payment (Put Option) of the Bonds at a price of 101% of par value (plus accrued interest), such option to be exercised within 60 days following the notice of a Change of Control Event.

Amortization:

The bonds shall be repaid in full at maturity

Redemption:

All claims under the Bonds and this Bond Agreement for payment, including interest and principal, shall be subject to the time-bar provisions of the Norwegian Limitation Act of May 18, 1979 No. 18.

(The “forelesesfrist” is 3 years for interest and 10 years for the principal).

Status of the Bonds:

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank pari passu between themselves and shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application). The Bonds shall rank ahead of subordinated capital.

Finance Documents:

Means:

- (i) the Bond Agreement;
- (ii) the Trustee Agreement; and
- (iii) any other document the Issuer and the Trustee agree in writing to be a Finance Document.

Undertakings:

Covenants

- 13.1 General
- 13.2 Information Covenants
- 13.3 General Covenants
- 13.4 Special Covenants

Please see clause 13 in the Bond Agreement for more information about Covenants.

NIBOR:

means the interest rate fixed for a period comparable to the relevant Interest Period on Oslo Børs’ webpage at approximately 12.15 (Oslo time) on the Interest Quotation Day or, on days on which Oslo Børs has shorter opening hours (New Year’s Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. (Oslo time) on the Interest Quotation Day shall be used. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the relevant interest rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate shall be used. If this is not possible, the Bond Trustee shall calculate the relevant interest rate based on comparable quotes from major banks in Oslo. If any such rate is below zero, NIBOR will be deemed to be zero.

Historical development of the 3 months NIBOR can be found on www.oslobors.no.

Listing:	<p>An application will be made for the Bonds to be listed Oslo Stock Exchange.</p> <p>An application for listing will be sent as soon as possible after the Prospectus has been approved by Finanstilsynet.</p>
Purpose:	<p>The Issuer will use the net proceeds from the issuance of the Bonds as follows:</p> <ul style="list-style-type: none">(i) repay existing subordinated shareholder loan of approximately NOK 187 million (included accrued interests until the Issue Date);(ii) to refinance the two bonds Pioneer Public Properties II AS 13/18 FRN ISIN NO0010674377 of NOK 180 million and Pioneer Public Properties III AS 14/19 FRN ISIN NO0010714124 of NOK 385 million (jointly the "Existing Bonds") (in both cases including call premiums and accrued interests) which are issued by Subsidiaries of the Issuer; and(iii) the general corporate purposes of the Group.
Approvals:	<p>The Bonds have been issued in accordance with the Issuer's Board approval dated 21 June 2016.</p> <p>The Prospectus will be sent to Finanstilsynet and Oslo Børs for control in relation to a listing application of the Bonds.</p>
Bond Agreement:	<p>The Bond Agreement has been entered into by the Borrower and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement. When bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.</p> <p>The Bond Agreement is available through the Arrangers or the Borrower.</p> <p>The Bondholders have the right to vote in a Bondholders' meeting. Please see chapter 15 of the Bond Agreement for further information. The Bond Agreement is attached to the prospectus.</p>
Availability of the Documentation:	<p>www.oslobors.no</p>
Bond Trustee:	<p>Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.</p> <p>The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond agreement and applicable laws and regulations which are relevant to the terms of the Bond agreement, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders' meetings, and make the decisions and implement the measures resolved pursuant to the Bond agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in the Bond agreement.</p> <p>(For more details, see also Bond agreement clause 17)</p>
Arrangers:	<p>Pareto Securities AS, Dronning Mauds gate 3, NO-0115 Oslo, Norway</p>
Paying Agent:	<p>DNB Bank, Dronning Eufemias gate 30, 0191 Oslo</p>
Taxation	<p>The Issuer shall pay any stamp duty and other public fees accruing in connection with issuance of the Bonds or the Security Documents, but not in respect of trading of the Bonds in the secondary market (except to the extent required by applicable laws), and the Issuer shall deduct before payment to the bondholders at source any applicable withholding tax payable pursuant to law.</p>
Calculation Agent:	<p>The Bond Trustee.</p>

Securities Depository:	<p>The Securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is the Norwegian Central Securities Depository (“VPS”), P.O. Box 4, 0051 OSLO.</p>
Restrictions on the free transferability:	<p>Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) 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, (c) outside the United States in accordance with Regulation S under the Securities Act in a transaction on the Oslo Børs, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available). The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.</p>
Market-Making:	<p>No market-maker agreement has been made for this Issue.</p>
Legislation under which the Securities have been created:	<p>Norwegian law</p>
Fees and Expenses:	<p>The Borrower shall pay any stamp duty and other public fees in connection with the Bonds. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.</p>
Prospectus:	<p>The Registration Document dated 29.09.16 and this Securities Note dated 29.09.16, together with the Summary.</p>

4 Additional Information

The involved persons in the Issuer have no interest, nor conflicting interests that are material to the Bond Issue.

Advisors:

The Issuer has mandated Pareto Securities AS (Dronning Mauds gt. 3, P.O. Box 1411 Vika, N-0115 Oslo, Norway) as Arranger for the issuance of the Bonds. The Arranger has acted as advisors to the Issuer in relation to the pricing of the Bonds.

Listing of the Bonds:

The Prospectus will be published in Norway.

Prospectus fee for the inspection of the Registration Document by Finanstilsynet: NOK 60,000

Prospectus fee for the inspection of the Securities Note and Summary by Finanstilsynet: NOK 15,600

Advertisement in the newspaper Finansavisen: (estimated) NOK 8,484 ex VAT.

An application for listing on the Oslo Stock Exchange will be sent as soon as possible after the Disbursement Date. Listing will take place as soon as possible subsequent to the approval of the Prospectus.

Registration fee to the Oslo Stock Exchange: NOK 3,300.

Annual listing fee to Oslo Stock Exchange: NOK 47 670.

Each bond is negotiable.

Statement from the Sole Manager:

Pareto Securities has assisted the Borrower in preparing the Prospectus. Pareto Securities has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Sole Manager expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with bonds issued by the Borrower or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this Prospectus acknowledges that such person has not relied on the Sole Manager nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

5 Appendix: Bond Agreement

BOND TERMS

FOR

Pioneer Public Properties AS

FRN Senior Unsecured

NOK 1,000,000,000 Bonds 2016/2021

ISIN NO 0010767619

A handwritten signature in blue ink, consisting of stylized initials and a surname, located in the bottom right corner of the page.

Contents

Clause	Page
1. INTERPRETATION	3
2. THE BONDS	11
3. THE BONDHOLDERS.....	12
4. ADMISSION TO LISTING	12
5. REGISTRATION OF THE BONDS.....	12
6. CONDITIONS FOR DISBURSEMENT	13
7. REPRESENTATIONS AND WARRANTIES	14
8. PAYMENTS IN RESPECT OF THE BONDS	15
9. INTEREST	17
10. REDEMPTION AND REPURCHASE OF BONDS	17
11. PURCHASE AND TRANSFER OF BONDS.....	19
12. INFORMATION UNDERTAKINGS	19
13. GENERAL AND FINANCIAL UNDERTAKINGS	20
14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS.....	23
15. BONDHOLDERS' DECISIONS	26
16. THE BOND TRUSTEE.....	31
17. AMENDMENTS AND WAIVERS	35
18. MISCELLANEOUS	35
19. GOVERNING LAW AND JURISDICTION.....	37

SCHEDULE 1 COMPLIANCE CERTIFICATE



BOND TERMS	
ISSUER:	Pioneer Public Properties AS, a company existing under the laws of Norway with registration number 915 423 124; and
BOND TRUSTEE:	Nordic Trustee ASA, a company existing under the laws of Norway with registration number 963 342 624.
DATED:	1 July 2016
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Affiliate**” means, in relation to any specified person:

- (a) any person which is a Subsidiary of the specified person;
- (b) any person who has Decisive Influence over the specified person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.

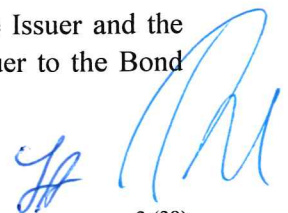
“**Annual Financial Statements**” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**Attachment**” means each of the attachments to these Bond Terms.

“**Bond Terms**” means these terms and conditions, including all Attachments hereto which shall form an integrated part of the Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.



“Bondholder” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“Bondholders’ Meeting” means a meeting of Bondholders as set out in Clause 14.

“Bonds” means the debt instruments issued by the Issuer pursuant to these Bond Terms.

“Business Day” means a day on which both the relevant CSD settlement system is open and the relevant Bond currency settlement system is open.

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

“Call Option” has the meaning given to it in Clause 10.2 (*Voluntary Redemption – Call Option*).

“Call Option Repayment Date” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Cash and Cash Equivalents” means, on any date, the aggregate on such date of the then current market value of: (a) cash in hand or amounts standing to the credit of any current and/or deposit accounts with an acceptable bank; and (b) time deposits with acceptable banks and certificates of deposit issued, and bills of exchange accepted, by an acceptable bank; in each case to which the Issuer has free and unrestricted access. An “acceptable bank” for this purpose is (i) a Norwegian commercial bank or savings banks (ii) and/or any commercial bank or savings bank which has a credit rating of at least ‘A’ from Standard & Poor or similar level from Moody or Fitch or a comparable rating from a nationally recognized credit rating agency for its long term debt obligations.

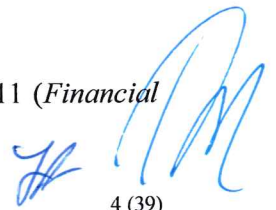
“CSD” means the central securities depository in which the Bonds are registered, being VPS ASA.

“Change of Control Event” means if:

- (a) if Kristian Adolfsen, Roger Adolfsen, Benn Eidissen and/or Even Carlsen or any of their respective heirs, successors or assigns, cease to have Decisive Influence over the Issuer; or
- (b) any other person or group of persons acting in concert gaining Decisive Influence over the Issuer.

“Compliance Certificate” means a statement substantially in the form as set out in Attachment 1 hereto.

“Cure Subordinated Loan” shall have the meaning given to it in Clause 13.11 (*Financial Covenant Cure*).



“Decisive Influence” means a person having, as a result of an agreement or through the ownership of shares or 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.

“Default Notice” means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

“Default Repayment Date” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“Distribution” shall have the meaning given to it in Clause 13.8.

“Event of Default” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“Equity” means the aggregate amount which would in accordance with the relevant accounting principles to be shown in the Issuer’s financial statements as book equity of the Group on a consolidated basis according to GAAP.

“Equity Ratio” means Equity to Total Assets.

“Exchange” means:

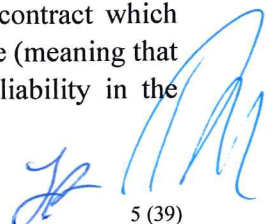
- (a) the Nordic ABM, a self-regulated marketplace organised and operated by Oslo Børs; or
- (b) Oslo Børs.

“Existing Bonds” has the meaning given to it in Clause 2.3(a)(ii)

“Finance Documents” means these Bond Terms, the Bond Trustee Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“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 dematerialized 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 lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);



- (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 GAAP 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);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, 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 Maturity Date or are otherwise classified as borrowings under GAAP;
- (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 120 calendar days 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 GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs a) to j) above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“Financial Support” means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

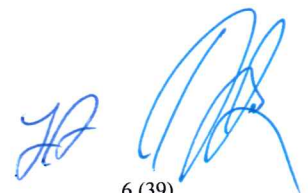
“GAAP” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

“Group” means the Issuer and its Subsidiaries from time to time.

“Group Company” means any legal person which is a member of the Group.

“Initial Nominal Amount” means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Insolvent” means that a person:



- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its center of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

“Interest Payment Date” means the last day of each Interest Period, the first Interest Payment Date being 1 October 2016 and the last Interest Payment Date being the Maturity Date.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, the period between 1 January, 1 April, 1 July and 1 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Rate” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

“Interest Quotation Day” means, in relation to any period for which Interest Rate is to be determined, the day falling two Business Days before the first day of the relevant Interest Period.

“Interim Accounts” means the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer for the quarterly period ending on each Quarter Date each year, prepared in accordance with GAAP.

“ISIN” means International Securities Identification Number – the identification number of the Bonds.

“Issue Date” means 1 July 2016.

“Issuer” means the company designated as such in the preamble to these Bond Terms.

“Issuer’s Bonds” means any Bonds which are owned by the Issuer or any Affiliate of Issuer.

“Listing Failure Event” means:

- (a) that the Bonds have not been admitted to listing on an Exchange within six (6) months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of six (6) months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

“Manager” means Pareto Securities AS.

“Margin” means 5.25 per cent.

“Material Adverse Effect” means a material adverse effect on:



- (a) the ability of the Issuer to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

“Maturity Date” means 28 May 2021 , adjusted according to the Business Day Convention.

“Material Subsidiary” means:

- (i) any Subsidiary whose total consolidated assets represent at least 5 % of the consolidated Total Assets of the Group, or
- (ii) any Subsidiary whose total consolidated net sales represent at least 5 % of the total consolidated net sales of the Group; or
- (iii) any other Subsidiary to which is transferred either (a) all or substantially all of the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary or (b) sufficient assets of the Issuer that such Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the relevant date,

always provided that Subsidiaries not being a Material Subsidiary shall in aggregate not exceed 20 % of the consolidated net sales or Total Assets of the Group (as the case may be).

“Net Profit” means the Group’s net profit after tax according to IFRS, however excluding any IFRS accounting effects resulting from appreciation/write-downs of fixed assets owned by the Group.

“NOK” means Norwegian kroner, being the lawful currency of Norway.

“Nominal Amount” means the Initial Nominal Amount.

“Outstanding Bonds” means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.

“Overdue Amount” means any amount required to be paid by the Issuer under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date

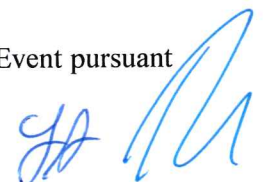
“Paying Agent” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“Payment Date” means any Interest Payment Date or any Repayment Date.

“Parent Company” means the parent company of the Issuer, being Pioneer Property Group ASA, a company existing under the laws of Norway with registration number 914 839 327.

“Put Option Event” means a Change of Control Event.

“Put Option Repayment Date” means the settlement date for the Put Option Event pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).



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

“Reference Rate” shall mean NIBOR; (Norwegian Interbank Offered Rate) being the interest rate fixed for a period comparable to the relevant Interest Period on Oslo Børs’ webpage at approximately 12.15 (Oslo time) on the Interest Quotation Day or, on days on which Oslo Børs has shorter opening hours (New Year’s Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. (Oslo time) on the Interest Quotation Day shall be used. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the relevant interest rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate shall be used. If this is not possible, the Bond Trustee shall calculate the relevant interest rate based on comparable quotes from major banks in Oslo. If any such rate is below zero, NIBOR will be deemed to be zero.

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Norway.

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

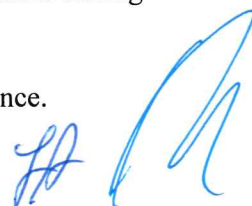
- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote in a Bondholders’ Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders’ Meeting being held, or another date as accepted by the Bond Trustee; and
- (c) for the purpose of casting a vote in a Written Resolution:
 - (i) the date falling 3 Business Days after the Summons have been published; or,
 - (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.

“Repayment Date” means any date for payment of instalments in accordance with Clause 10.1 (*Redemption of Bonds*), any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date, or the Maturity Date.

“Securities Trading Act” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“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.

“Subsidiary” means a company over which another company has Decisive Influence.



“Summons” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“Tax Event Repayment Date” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“Total Assets” means the aggregate amount which would in accordance with the relevant accounting principles to be shown in the Issuer’s financial statements as total book assets of the Group on a consolidated basis according to GAAP.

“Unsecured Debt” means the Bonds and other senior unsecured debt of the Issuer on an unconsolidated basis.

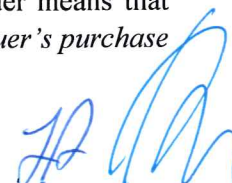
“Voting Bonds” means the Outstanding Bonds less the Issuer’s Bonds and a Voting Bond shall mean any single one of those Bonds.

“Written Resolution” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of **“law”** is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a **“regulation”** includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a **“person”** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being **“redeemed”** means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being **“purchased”** or **“repurchased”** by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*).



- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of NOK 1,000,000,000 (ONE BILLION NORWEGIAN KRONER).
- (b) The Bonds are denominated in NOK.
- (c) The Initial Nominal Amount of each Bond is NOK 500,000.
- (d) The minimum allocation and subscription amount will be NOK 1,000,000.
- (e) The ISIN of the Bonds is NO 0010767619. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

- (a) The Issuer will use the net proceeds from the issuance of the Bonds as follows:
 - (i) repay existing subordinated shareholder loan of approximately NOK 187 million (included accrued interests until the Issue Date);
 - (ii) to refinance the two bonds *Pioneer Public Properties II AS 13/18 FRN* ISIN NO0010674377 of NOK 180 million and *Pioneer Public Properties III AS 14/19 FRN* ISIN NO0010714124 of NOK 385 million (jointly the "Existing Bonds") (in both cases including call premiums and accrued interests) which are issued by Subsidiaries of the Issuer; and
 - (iii) the general corporate purposes of the Group.

2.4 Status of the Bonds

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application). The Bonds shall rank ahead of subordinated capital.

2.5 Transaction Security

The Bonds are unsecured.



3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) Upon registration of the Bonds in the CSD, the Bondholders shall be bound by the terms and conditions of these Bond Terms and any other Finance Document without any further action or formality being required to be taken or satisfied.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

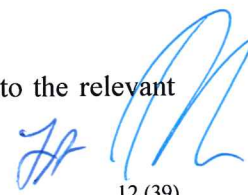
4. ADMISSION TO LISTING

The Issuer shall procure that the Bonds are listed on an Exchange within six (6) months of the Issue Date and remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.



5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) The net proceeds from the issuance of the Bonds will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties thereto;
 - (ii) certified copies of all corporate resolutions of the Issuer required for the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a certified copy of a power of attorney from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
 - (iv) certified copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) copies of the Issuer's latest Financial Reports (if any);
 - (vi) confirmation that the applicable prospectus requirements (ref the EU prospectus directive (2003/71 EC)) concerning the issuance of the Bonds have been fulfilled;
 - (vii) confirmation that the Bonds are registered in the CSD;
 - (viii) the Bond Trustee Agreement duly signed by all parties thereto;
 - (ix) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;



- (x) legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents);
 - (xi) a duly executed call notice received by the trustee for the Existing Bonds with the intention to repay and cancel the Existing Bonds, as soon as practically possible following Issue Date for the Bond Issue;
 - (xii) any other Finance Documents duly signed by all parties thereto.
- (b) The Bond Trustee, acting in its reasonable discretion, may waive the deadline or the requirements for documentation set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), or decide in its discretion that delivery of certain documents as set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Distribution

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph 6.1(b) above.

6.3 Settlement

The Bonds shall be settled by the Bondholders in cash or in kind by delivery of Existing Bonds at par value, as further specified in a separate application form.

7. REPRESENTATIONS AND WARRANTIES

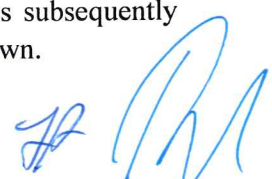
The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and any Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the Issue Date.

7.1 Information

All information which has been presented to the Bond Trustee or the Bondholders in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:

- (a) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
- (b) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.



7.2 No Event of Default

No Event of Default exists or is likely to result from the issuance of the Bonds or the entry into, the performance of, or any transaction contemplated by, these Bond Terms or the other Finance Documents.

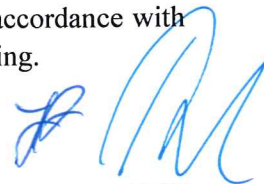
8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms 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.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus an additional three (3) per cent. per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event, any principal amount outstanding under these Bonds Terms shall be considered an Overdue Amount in accordance with paragraph (a) above for as long as such Listing Failure Event is continuing.



8.3 Partial payments

- (a) If the Paying Agent or the Bond Trustee receives a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents (a “**Partial Payment**”), such Partial Payment shall, in respect of the Issuer’s debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee;
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders shall, subject to paragraph (c) below, be applied pro rata pursuant to the procedures of the CSD towards payment of any accrued interest due but unpaid and of any principal amount due but unpaid.
- (c) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a pro rata reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall not be liable to gross-up any payments in relation to the Finance Documents by virtue of withholding tax, public levy or similar taxes.
- (b) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination 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.
- (b) 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 manager in the CSD) within five 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.

8.6 Set-off and counterclaims

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding 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.
- (b) 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). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.
- (c) Any interpolation of the interest rate will be quoted with the number of decimals corresponding to the quoted number of decimals of the Reference Rate.

9.2 Payment of Interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all but not only some of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
 - (i) the Interest Payment Date falling 3 years after the Issue Date up to, but not including, the date falling 12 months prior to the Maturity Date: at a price equal to 102.75 per cent. of the Nominal Amount of each redeemed Bond (plus accrued but unpaid interest on the redeemed amount);
 - (ii) the date falling 12 months prior to the Maturity Date up to, but not including, the date falling 3 months prior to the Maturity Date: at a price equal to 101.25 per cent. of the Nominal Amount of each redeemed Bond (plus accrued but unpaid interest on the redeemed amount); and

- (iii) the date falling 3 months prior to the Maturity Date up to, but not including, the Maturity Date: at a price equal to 100 per cent. of the Nominal Amount of each redeemed Bond (plus accrued but unpaid interest on the redeemed amount).
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10), but not more than 20, Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within sixty (60) calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the Business Day occurring on the 30th day after the end of the 60 calendar days exercise period referred to in paragraph (b) above.
- (d) If Bonds representing more than 90 per cent of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.



11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion, (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

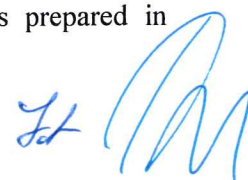
12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 days after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), however only once for each relevant reporting period, a Compliance Certificate with a copy of the Financial Report attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying i.a that the Financial Statements are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.10 (*Financial Covenants*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using GAAP consistently applied, which for the avoidance of doubt implies that the Issuer will deliver such reports prepared in accordance with IFRS.



12.3 Put Option Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

12.4 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it);
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange, to the extent such notices contain information which has immediate relevance for the Trustee's assessment of the Issuer's compliance under the Bond Terms;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

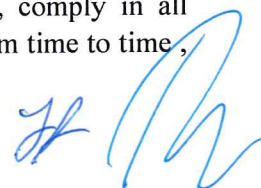
The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and Financial Undertakings*).

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out at the date of these Bond Terms if a failure to do so would have Material Adverse Effect.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time, if failure so to comply would have a Material Adverse Effect.



13.3 Continuation of business

The Issuer shall ensure that no Group Company shall cease to carry on its business, if such transaction would have a Material Adverse Effect. The Issuer shall procure that no material change is made to the general nature or scope of the business of the Group from that carried on by the Group at the Issue Date, or as contemplated by the Bond Agreement.

13.4 Mergers and de-mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out:

- (i) any merger or other business combination or corporate reorganization involving consolidating the assets and obligations of such Group Company with any other company or entity not being a member of the Group if such transaction would have a Material Adverse Effect; or
- (ii) any demerger or other corporate reorganization involving splitting a Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

13.5 Financial support

The Issuer shall ensure that no Group Company shall grant any loans, guarantees or other financial assistance (including, but not limited to granting security) to any third party not being a member of the Group, other than in ordinary course of business.

13.6 Disposals

The Issuer shall ensure that no Group Company shall be entitled to sell or otherwise dispose of all or a substantial part of its assets or operations, unless the transaction is carried out at a fair market value, on terms and conditions customary for such transactions; and such transaction would not have a Material Adverse Effect.

13.7 Related party transactions

The Issuer shall not engage in, or permit any member of the Group to engage in, directly or indirectly, any transaction with any party (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except in the ordinary course of business and pursuant to the reasonable requirement of the Issuer's or such member of the Group's business and upon fair and reasonable terms that are no less favourable to the Issuer or such member of the Group, as the case may be, than those which might be obtained in an arm's length transaction at the time.

13.8 Pari passu ranking

The Issuer's obligations under the Bond Agreement shall at all times rank at least pari passu with the claims of all its other unsubordinated creditors save for those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

13.9 Dividend restrictions

- (a) The Issuer shall not during the term of the Bonds make or declare any dividend payment, repurchase of shares in the Issuer by any Group Company or make other distributions or transactions implying a transfer of value to its shareholders (including

but not limited to total return swaps and repayment of shareholder loans) (a “**Distribution**”) except, in respect of any interim periods, in accordance with (i) below and/or, in respect of any financial year, in accordance with (ii) below:

- (i) in respect of any interim period of any calendar year an amount that does not exceed 50 per cent. of the Group’s consolidated Net Profit based on the audited interim accounts for such period, prepared in accordance with the requirements set out in the Norwegian limited liability companies act (no. *aksjeloven*) Section 8-2a; and
 - (ii) In respect of each calendar year an amount which does not exceed 50 per cent. of the Group's consolidated Net Profit according to the annual accounts for the previous financial year for the Group, always in accordance with IFRS, less any amounts distributed pursuant to (a) above.
- (b) The Issuer may irrespective of (a) above, provided that the Group, both prior to and after any Distribution, maintains an Equity Ratio of minimum 35 per cent. on a consolidated basis, declare or make any Distributions in respect of any interim periods, in accordance with (i) below and/or, in respect of any financial year, in accordance with (ii) below, up to an amount equalling:
 - (i) 75 per cent. of the Group’s consolidated Net Profit based on the audited interim accounts for any interim period for the Group, prepared in accordance with the requirements set out in the Norwegian limited liability companies act Section 8-2a; and
 - (ii) 75 per cent. of the Group’s consolidated Net Profit based on the audited annual accounts for the previous financial year for the Group, always in accordance with IFRS, less any amounts previously distributed with respect to an interim period of the relevant financial year.
- (c) Any un-utilized portion of the permitted Distribution pursuant to (a) or (b) above may not be carried forward to any subsequent financial year.
- (d) Nothing in this Clause ~~13.8~~^{13.9} shall be construed as to prevent any Group Company from giving or receiving group contributions (no. *konsernbidrag*) pursuant to the Norwegian Tax Act (no. *skatteloven*) Sections 10-2 to 10-4, by way of so called "circular group contributions" (no. *sirkelkonsernbidrag*), from and to the Parent Company and/or any Subsidiary of the Parent Company provided any receivables arising due to such circular group contributions are netted between the involved parties when the contributions are made and that they have no negative effect on the equity of the Group. Any other group contribution may only be made by any Group Company to another company not being a Group Company within the restrictions set out in (a) and (b) above.
- (e) For the avoidance of any doubt, nothing in this Clause 13.9 shall be construed as to prohibit the repayments foreseen in Clause 2.3(a)(i)-(ii).



13.10 Financial Covenants

The Issuer shall, and shall procure that each other Group Company will, comply with the following Financial Covenants at all times:

(a) *Equity Ratio*

The Issuer shall ensure that the Group maintains an Equity Ratio of minimum 25 per cent. on a consolidated basis.

(b) *Liquidity*

The Issuer shall make sure that the Group maintains Cash and Cash Equivalents of minimum NOK 75 million on a consolidated basis.

(c) *Unsecured Debt Ratio*

The Issuer shall make sure that the ratio between Unsecured Debt to total Financial Indebtedness of the Group shall not fall below 30 per cent.

The Financial Covenants shall be calculated on each Quarter Date and reported within each reporting date pursuant to Clause 12.1 (b).

13.11 Financial Covenant Cure

If the Issuer is in breach with any of its Financial Covenants, then it may enter into a shareholder loan ("**Cure Subordinated Loan**") with its shareholders to mitigate that covenant breach. Such shareholder loan shall be subordinated with no cash interest payments. It may be redeemed at any time (disregarding the Dividends restrictions above), provided that the Issuer is in compliance with the Financial Covenants immediately thereafter on a pro forma basis. The Cure Subordinated Loan shall be treated as equity when calculating the Equity Ratio.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) *Non-payment*

The Issuer fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within five (5) Business Days following the original due date; or



- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within five (5) Business Days following the original due date.

(b) *Breach of other obligations*

The Issuer does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) *Cross default*

If for the Issuer and any Material Subsidiary:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described);

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of NOK 30 million (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

The Issuer or any Material Subsidiary is:

- (i) Insolvent; or



(ii) is object of any corporate action or any legal proceedings is taken in relation to:

- (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
- (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to fulfill its obligations under these Bond Terms; or.
- (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
- (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
- (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement nor with respect to any Material Subsidiary if it is apparent that such event will not have an adverse effect on the Issuer's ability to fulfil its obligations under these Bond Terms.

(f) Creditor's process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer and any Material Subsidiary having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above and is not discharged within 20 Business Days, provided however that this will not apply with respect to an such event affecting a Material Subsidiary if it is apparent that such event will not have an adverse effect on the Issuer's ability to fulfil its obligations under these Bond Terms.

(g) Unlawfulness

It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of the Issuer to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee to exercise any material right or power vested to it under the Finance Documents.



14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable on demand at which time they shall become immediately due and payable on demand by the Bond Trustee;
- (b) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (c) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

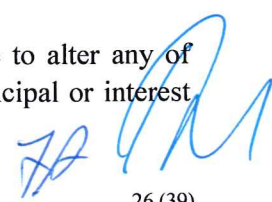
The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):

- (i) for any Event of Default arising out of a breach of Clause 14.1 (Events of Default) paragraph (a) (Non-payment), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
- (ii) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.



- (b) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (c) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (d) At least 50% of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (e) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below.
- (f) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

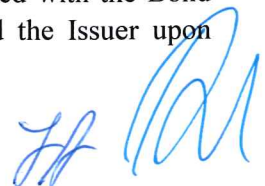
15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).

- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The chair of the Bondholders' Meeting may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the chair of the Bondholders' Meeting will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the chair of the Bondholders' Meeting. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the chair of the Bondholders' Meeting and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.



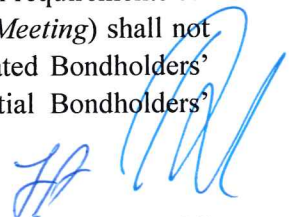
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The chair of the Bondholders' Meeting may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The chair of the Bondholders' Meeting shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the chair of the Bondholders' Meeting will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.



- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Procedure.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "Voting Period"), such Voting Period to be at least three (3) Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 15.4 (*Repeated Bondholders' Meeting*) shall be at least ten (10) Business Days but not more than 15 Business Days from the date of the Summons.

- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with. The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or

enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.

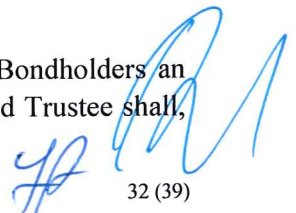
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee 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.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall,

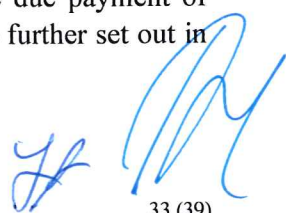


when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

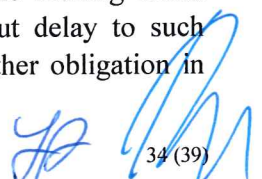
- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently if it has:
 - (i) acted in accordance with advice from or opinions of reputable external experts; or
 - (ii) acted with reasonable care in a situation when the Bond Trustee considers that it is detrimental to the interests of the Bondholders to delay any action.
- (d) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (e) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Agreement.



- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 15 (*Bondholders' Decision*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval, provided the Bondholders appoint a new trustee which is well renowned and respected as a serious provider of trustee services on the Nordic financial market, that such new trustee is independent from any Bondholder and that there is no other conflict of interest.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in



34 (39)

respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits under the Finance Documents before the change has taken place.

- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (Bondholders' Decisions).

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.


17.3 Notification of amendments or waivers

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.



35 (39)

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) 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.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such no-tice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by fax, when received.
- (c) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (d) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) 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;
 - (ii) 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

- (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) An amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date (including, to the extent applicable, any premium payable upon exercise of the Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge, then the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.4 (*Information: miscellaneous*) and Clause 13 (*General [and financial] undertakings*).
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems required.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond

37 (39)

Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

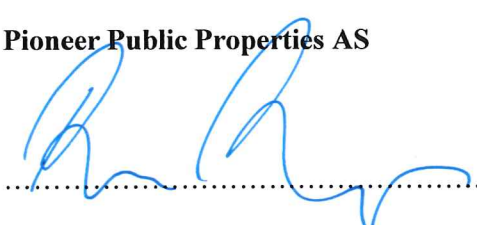

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or its assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

-----000-----

These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

The Issuer: Pioneer Public Properties AS  By: <u>RUNAR RØNNINGEN</u> Position: <u>C.O.B</u>	As Bond Trustee: Nordic Trustee ASA  By: _____ Position: _____
---	---

SCHEDULE 1 COMPLIANCE CERTIFICATE

[date]

[Issuer][FRN]/[●.●●] % bonds 20[●]/20[●] ISIN [●]

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee ASA as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Statements to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Financial Statements] / [Interim Accounts] are enclosed.

The Financial Covenants set out in Clause 13.10 (*Financial Covenants*) are met, please see the calculations and figures in respect of the ratio attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Pioneer Public Properties AS

Name of authorised person

Enclosure: Financial Statements; [and

any other written documentation]

